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To: Superintendent and School Board Members

RE: 2017/2018 Insurance Renewals

I would like to request your approval to renew the following insurance coverages for 2017/2018:

Property, Casualty & Ancillary Lines of Insurance Coverage

Florida School Boards Insurance Trust (FSBIT) - \$2,041,660.00

The district is insured with the Florida School Boards Insurance Trust (FSBIT) for property, casualty and ancillary coverage. The total program costs for 2017/2018 is \$2,140,632.00, an overall increase from last year of \$21,185.00; considering policy changes, rate changes, and surplus credits. Due to the surplus credit applied to our account in the amount of \$98,972.00, our total cost for this fiscal year is \$2,041,660.00. FSBIT experienced a total premium increase of 1.22% or \$25,807.28. This increase is expected as a result of recommended planning for potential cost increases in Worker's Compensation as described below in the Casualty Loss Fund rate changes.

Lines of coverage included in the FSBIT invoice are: property, casualty, school crisis risk, worker's compensation, boiler and machinery, crime, pollution, catastrophic student accident, cyber liability, and terrorism. Changes impacting the pooled trust and the district included:

- Property rates experienced a slight decrease for our trust's \$200M limit
- Property coverage limits will be increased to \$250M for 2017/2018 with FSBIT covering the additional \$50M from surplus this year
- Casualty Reinsurance Excess rates are flat
- Casualty Loss Fund rate increased this year due to:
 - Medical cost inflation
 - Planning for legal fee increases as a result of Florida Supreme Court ruling on allowable Work Comp plaintiff attorney fees (Castellanos Case)
 - Removal of Temporary Total Disability indemnity cap from 104 weeks to an undetermined number of weeks (change was a result of litigation-Westphal Case)
- Additional Excess General Liability Coverage \$1M – Not added for this year
- Surplus credit to district is \$98,972.00

Willis Pooling Practice continues to serve as the insurance broker for FSBIT.

Flood Insurance

American Bankers - \$15,769.00

Jackson Pre-K Center is located in a flood zone. The district is required to participate in the National Flood Insurance Program to be eligible to receive FEMA funds. There are 14 buildings insured with each building insured in a separate policy. See attached flood policy spreadsheet with three year pricing. The large increase in 2015/2016 was due to changes in FEMA related fees. The price increase this year was 6% over the 2016/2017 fiscal year.

Our flood insurance coverage is with American Bankers Insurance Company.

Storage Tank Insurance

Liberty International Underwriters (LIU) - \$16,840.00

We have thirteen storage tanks located at nine different sites throughout the district. Nine tanks are above ground tanks and four are underground tanks. Insurance coverage is required for all underground tanks, regardless of capacity. Above ground tanks, including generators, with more than a 550 gallon capacity, must also be covered. We currently do not have our final renewal figure. However, based on prior year increases, we are estimating an increase of \$1,000.00 for this fiscal year.

Our current storage tank coverage is with LIU Environmental.

Please let me know if I can answer any questions.

Sincerely,

Pam Smith

Pam Smith
Risk Manager

