

THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

FINANCIAL SERVICES DEPARTMENT

M_E_M_O_R_A_N_D_U_M

TO: Mitsi Corcoran, Chief Financial Officer
FROM: Bert Palmer, Risk Manager
DATE: March 14, 2011
SUBJECT: PROPERTY INSURANCE RENEWAL, Effective 05/01/2011

Background:

The Florida property insurance market continues to be volatile with premiums higher than the historical average. The current market conditions have continued to soften since the last renewal. There are more carriers willing to provide coverage, thus more business competition. The continued soft market conditions resulted in lower pricing for the renewal.

Renewal:

The table below summarizes the expiring program and the renewal with the same terms and conditions as the expiring program. There will be a Citizens Surcharge equal to 2.7% of premium and an EMPA policy charge of \$36. The regulatory charges will add \$62,859.77 to the premium.

	2010-2011 Expiring Program	May 1, 2011 Renewal	Difference + / -	Percentage Change
Rate per \$100 of Insurable Values	\$0.2006	\$0.1806	-\$0.0200	-9.96%
Rate per \$100 of Loss Limit	\$3.5527	\$3.3076	-\$0.2450	-6.90%
Insurable Values	\$1,239,461,057	\$1,281,678,625	\$42,217,568	3.41%
Policy Loss Limits	\$70,000,000	\$70,000,000	\$0	0.00%
Total Premium	\$2,486,858	\$2,315,325	-\$171,533	-6.90%

The renewal premium plus regulatory charges total \$2,378,184.77.

Recommendation:

The renewal has a total cost of \$2,378,184.77 [premium + regulatory charges]. The renewal will allow the district to maintain the existing loss limits, but with a premium savings of \$171,533. This is a 6.90% decrease in cost.

If you have any further questions, please let me know.

Attachments

THE SCHOOL BOARD OF SARASOTA COUNTY					
Property Insurance Proposal					
Renewal: May 1, 2011 to May 1, 2012					
Carrier	Loss Limit	Premium	Citizens Surcharge 2.7%	Admitted Fees	EMPA Charge
Lexington Insurance Co.	\$12,500,000 part of \$25,000,000 Primary	\$ 754,909.00	\$ 20,382.54		\$ 4
Aspen Specialty Insurance Co.	\$ 5,000,000 part of \$25,000,000 Primary	\$ 277,416.00	\$ 7,490.23		\$ 4
Allied World Assurance Co (AWAC)	\$ 2,500,000 part of \$25,000,000 Primary	\$ 200,000.00	\$ 5,400.00		\$ 4
Ironshore Specialty Insurance Co.	\$ 5,000,000 part of \$25,000,000 Primary	\$ 343,000.00	\$ 9,261.00		\$ 4
Westport Insurance Corp (Swiss Re/IRI)	\$ 22,500,000 part of \$75M excess of \$25M	\$ 315,000.00	Admitted	\$ 8,815.00	Inc.
Landmark American Ins. Co. (RSUI)	\$ 5,000,000 part of \$25M excess of \$25M	\$ 110,000.00	\$ 2,970.00		\$ 4
Alterra Excess & Surplus	\$ 5,000,000 part of \$25M excess of \$25M	\$ 110,000.00	\$ 2,970.00		\$ 4
Arch Specialty Insurance Co.	\$ 5,000,000 part of \$25M excess of \$25M	\$ 110,000.00	\$ 2,970.00		\$ 4
Essex Insurance Company	\$ 2,500,000 part of \$25M excess of \$25M	\$ 55,000.00	\$ 1,485.00		\$ 4
Landmark American Ins. Co. (RSUI)	\$ 5,000,000 part of \$50M excess of \$50M	\$ 40,000.00	\$ 1,080.00		\$ 4
Sarasota County Public Schools	\$ 30,000,000 part of \$50M excess of \$50M				
			\$ 54,008.77	\$ 8,815.00	\$ 36
			\$ 8,851.00		
Premium Total:		\$ 2,315,325.00	\$ 62,859.77		
Hurricane Cat Fund & EMPA		\$ 62,859.77			
Grand Total:		\$ 2,378,184.77			
Insured Loss Limit:	\$70,000,000				
Basis: Total Insured Values	\$1,281,678,625				

The School Board of Sarasota County

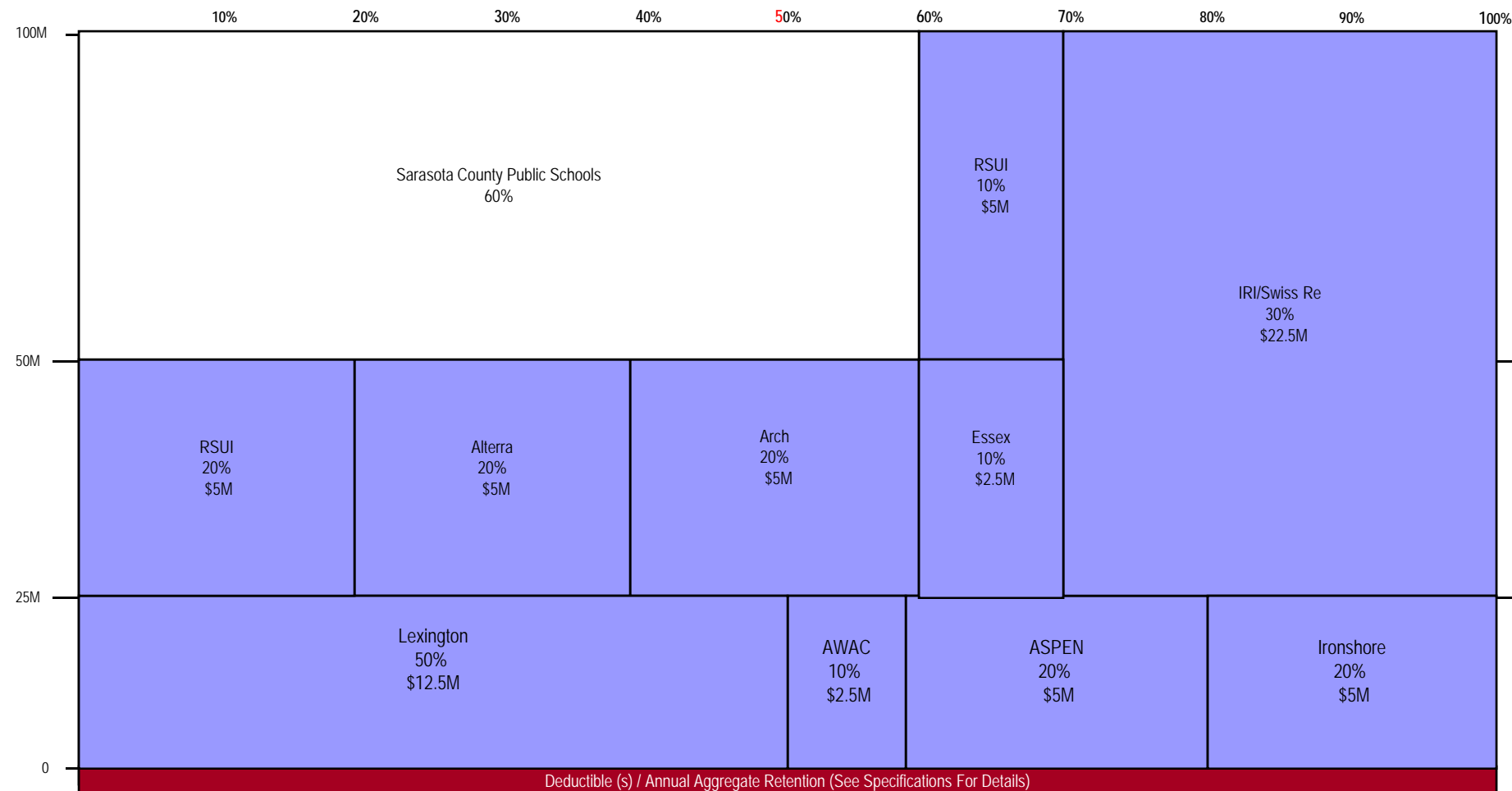
Property Insurance Placement

May 1, 2011 to May 1, 2012

"All Risk"

*Premiums
Exclude
Terrorism,
Taxes and Fees*

Domestic Capacity = Blue	
Bermuda Capacity = Yellow	
European Capacity = Green	



	2010	2011	Difference
TIV:	\$1,239,461,057	\$1,281,678,625	+3.41%
Total Premium:	\$2,486,858	\$2,315,325	-6.90%
Rate:	\$.2006	\$.1806	-9.96%
Total Loss Limit:	\$70M	\$70M	

The School Board of Sarasota County, Florida

Risk Management Office

Property Insurance Program

May 1, 2010 to May 1, 2011

Policy Number	Carrier	Loss Limit	Premium	Citizens Surcharge 2.4%	EMPA Charge
017728058	Lexington Insurance Co.	\$12,500,000 part of \$25,000,000 Primary	\$776,486	\$18,635.66	\$4
PRA4BPT10	Aspen Specialty Insurance	\$ 5,000,000 part of \$25,000,000 Primary	\$292,017	\$7,008.41	\$4
030543681A	Allied World Assurance Co (AWAC)	\$ 2,500,000 part of \$25,000,000 Primary	\$220,000	\$5,280.00	\$4
00251800	Ironshore Insurance Ltd.	\$ 5,000,000 part of \$25,000,000 Primary	\$358,055	\$8,593.32	\$4
31373086	Swiss RE International Insurance	\$7,500,000 part of \$25M excess of \$25M	\$210,000	\$5,040.00	\$4
LHD366966	Landmark American Ins. Co.	\$5,000,000 part of \$25M excess of \$25M	\$110,000	\$2,640.00	\$4
MAX3XP0048058	Max Specialty Insurance	\$5,000,000 part of \$25M excess of \$25M	\$120,000	\$2,880.00	\$4
ESP6841	Essex Insurance Co.	\$2,500,000 part of \$25M excess of \$25M	\$62,500	\$1,500.00	\$4
CPN0002048900	Endurance American Specialty	\$2,500,000 part of \$25M excess of \$25M	\$67,500	\$1,620.00	\$4
MSP601265201	Maxum	\$2,500,000 part of \$25M excess of \$25M	\$67,500	\$1,620.00	\$4
ESP003853200	Arch Specialty Insurance Co.	\$5,000,000 part of \$50M excess of \$50M	\$41,400	\$993.60	\$4
LHD366968	Landmark American Ins. Co.	\$5,000,000 part of \$50M excess of \$50M	\$41,400	\$993.60	\$4
CPN10002049000	Endurance American Specialty	\$10,00,000 part of \$50M excess of \$50M	\$120,000	\$2,880.00	\$4
NA	Sarasota County Public Schools	\$30,000,000 part of \$50M excess of \$50M	\$0	\$0.00	\$0
			\$2,486,858	\$59,684.59	\$52

Insured Loss Limit: \$70,000,000

Total Insured Values: \$1,239,461,057

Premium Total:

Hurricane Cat Fund & EMPA

Grand Total:

\$2,486,858.00

\$59,736.59

\$2,546,594.59

THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Risk Management Office

Property Insurance History

Effective Date	Annual Premium	Insurable Values	Loss Limit	AOP Deductible	Wind Deductible
07/01/1992	\$123,187	\$202,723,328	\$202,723,328	\$100,000	NONE
07/01/1993	\$562,935	NA	\$150,000,000	\$100,000	1%
07/01/1994	\$687,561	NA	\$150,000,000	\$100,000	1%
07/01/1995	\$841,407	NA	\$150,000,000	\$100,000	2%
07/01/1996	\$856,465	NA	\$150,000,000	\$100,000	2%
07/01/1997	\$863,405	NA	\$150,000,000	\$100,000	2%
07/01/1998	\$803,958	NA	\$185,000,000	\$100,000	2%
07/01/1999	\$804,997	NA	\$185,000,000	\$100,000	2%
07/01/2000	\$908,586	NA	\$185,000,000	\$100,000	2%
07/01/2001	\$1,205,805	\$647,001,773	\$185,000,000	\$250,000	2%
07/01/2002	\$2,561,100	\$653,823,202	\$120,000,000	\$250,000	2%
07/01/2003	\$2,500,000	\$675,949,774	\$120,000,000	\$250,000	2%
07/01/2004	\$1,940,000	\$704,110,123	\$120,000,000	\$250,000	2%
07/01/2005	\$1,920,372	\$734,870,884	\$120,000,000	\$250,000	2%
(1) 07/01/2006	\$3,107,500	\$903,723,223	\$47,500,000	\$250,000	5%
(2) 05/01/2007	\$2,773,859	\$1,347,147,537	\$47,500,000	\$250,000	5%
(3) 05/01/2008	\$2,650,000	\$1,413,174,862	\$70,000,000	\$250,000	5%
(4) 05/01/2009	\$3,308,900	\$1,493,706,975	\$70,000,000	\$250,000	5%
(5) 05/01/2010	\$2,486,858	\$1,239,461,057	\$70,000,000	\$250,000	5%

Notes:

- (1) The premium does not include the State of Florida assessment of \$208,365 for Citizens Property Insurance.
- (2) The premium does not include the 1% State of Florida Hurricane Assessment of \$27,738.50.
The policy year effective date was changed from July 1 to May 1.
- (3) The premium does not include the 1% State of Florida Hurricane Assessment plus EMPA charge of \$26,552.
- (4) The premium does not include the 2.4% State of Florida Hurricane Assessment plus EMPA charge of \$81,905.
- (5) The premium does not include the 2.4% State of Florida Hurricane Assessment plus EMPA charge of \$59,736.59.