

THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

FINANCIAL SERVICES DEPARTMENT

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TO: Mitsi Corcoran, Chief Financial Officer
FROM: Bert Palmer, Risk Manager
DATE: March 2, 2010
SUBJECT: PROPERTY INSURANCE RENEWAL, Effective 05/01/2010

Background:

The Florida property insurance market continues to be volatile with premiums higher than the historical average. The current market conditions have softened since the last renewal. There are more carriers willing to provide coverage, thus more business competition. These forces combined with lower replacement construction cost have resulted in lower pricing for the renewal.

Renewal:

The table below summarizes the expiring program and the renewal with identical terms and conditions as the expiring program. There will be a Citizens Surcharge equal to 2.4% of premium and an EMPA policy charge of \$52. The regulatory charges will add \$59,736.59 to the premium.

	2009-2010 Expiring Program	May 1, 2010 Renewal	Difference + / -	Percentage Change
Rate per \$100 of Insurable Values	\$0.2215	\$0.2006	-\$0.0209	-9.43%
Rate per \$100 of Loss Limit	\$4.7270	\$3.5527	-\$1.1743	-24.84%
Insurable Values	\$1,493,706,975	\$1,239,461,057	-\$254,245,917	-17.02%
Policy Loss Limits	\$70,000,000	\$70,000,000	\$0	0.00%
Total Premium	\$3,308,900	\$2,486,858	-\$822,042	-24.84%

The renewal premium plus regulatory charges total \$2,546,594.59.

Recommendation:

The renewal has a total cost of \$2,546,594.59 [premium + regulatory charges]. The renewal will allow the district to maintain the existing loss limits, but with a premium savings of \$822,042. This is a 24.84% decrease in cost.

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

Attachments

THE SCHOOL BOARD OF SARASOTA COUNTY				
Property Insurance Proposal				
Renewal Effective: 05/01/2010				
Carrier	Loss Limit	Premium	Citizens Surcharge 2.4%	EMPA Charge
Lexington Insurance Co.	\$12,500,000 part of \$25,000,000 Primary	\$776,486.00	\$18,635.66	\$4.00
Aspen	\$ 5,000,000 part of \$25,000,000 Primary	\$292,017.00	\$7,008.41	\$4.00
Allied World Assurance Co (AWAC)	\$ 2,500,000 part of \$25,000,000 Primary	\$220,000.00	\$5,280.00	\$4.00
Ironshore	\$ 5,000,000 part of \$25,000,000 Primary	\$358,055.00	\$8,593.32	\$4.00
Swiss RE/IRI	\$ 7,500,000 part of \$25M excess of \$25M	\$210,000.00	\$5,040.00	\$4.00
RSUI	\$ 5,000,000 part of \$25M excess of \$25M	\$110,000.00	\$2,640.00	\$4.00
Max Specialty	\$ 5,000,000 part of \$25M excess of \$25M	\$120,000.00	\$2,880.00	\$4.00
Essex	\$ 2,500,000 part of \$25M excess of \$25M	\$62,500.00	\$1,500.00	\$4.00
Endurance	\$ 2,500,000 part of \$25M excess of \$25M	\$67,500.00	\$1,620.00	\$4.00
Maxum	\$ 2,500,000 part of \$25M excess of \$25M	\$67,500.00	\$1,620.00	\$4.00
Arch	\$ 5,000,000 part of \$50M excess of \$50M	\$41,400.00	\$993.60	\$4.00
RSUI	\$ 5,000,000 part of \$50M excess of \$50M	\$41,400.00	\$993.60	\$4.00
Endurance	\$ 10,000,000 part of \$50M excess of \$50M	\$120,000.00	\$2,880.00	\$4.00
Sarasota County Public Schools	\$ 30,000,000 part of \$50M excess of \$50M	\$0.00	\$0.00	\$0.00
			\$59,684.59	\$52.00
Premium Total:		\$ 2,486,858.00		
Hurricane Cat Fund & EMPA:		\$ 59,736.59		
Grand Total:		\$ 2,546,594.59		
Insured Loss Limit:	\$70,000,000			
Basis: Total Insured Values	\$1,239,461,057			

The School Board of Sarasota County, Florida

Risk Management Office

Property Insurance Program

May 1, 2009 to May 1, 2010

Policy Number	Carrier	Loss Limit	Premium	Citizens Surcharge 2.4%	EMPA Charge
017727843	Lexington Insurance Co.	\$12,500,000 part of \$25,000,000 Primary	\$962,500	\$23,100	\$4
PRA4BPT09	Aspen Insurance UK Limited	\$ 5,000,000 part of \$25,000,000 Primary	\$352,000	\$8,448	\$4
P011887001	Allied World Assurance Co (AWAC)	\$ 5,000,000 part of \$25,000,000 Primary	\$622,250	\$14,934	\$4
URS2501093.09	Hiscox/Lloyds of London	\$ 2,500,000 part of \$25,000,000 Primary	\$297,000	\$7,128	\$4
31372426	Swiss RE/Westport Insurance	\$7,500,000 part of \$25M excess of \$25M	\$250,500	\$6,253	\$4
LHD362181	Landmark American Ins. Co./RSUI	\$5,000,000 part of \$25M excess of \$25M	\$140,000	\$3,360	\$4
MAX3XP0004994	Max Specialty Insurance	\$7,500,000 part of \$25M excess of \$25M	\$210,000	\$5,040	\$4
MQ2L9L441812019	Liberty Mutual Fire Ins Co	\$2,500,000 part of \$25M excess of \$25M	\$85,000	\$3,570	\$4
ESP6438	Essex Insurance Co.	\$2,500,000 part of \$25M excess of \$25M	\$85,000	\$2,040	\$4
ESP002568501	Arch Specialty Insurance Co.	\$5,000,000 part of \$50M excess of \$50M	\$50,000	\$1,200	\$4
LHD362182	Landmark American Ins. Co./RSUI	\$5,000,000 part of \$50M excess of \$50M	\$50,000	\$1,200	\$4
B08000289U09	Lloyds of London	\$3,500,000 part of \$50M excess of \$50M	\$87,500	\$2,100	\$4
CPN10001344000	Endurance American Specialty	\$6,500,000 part of \$50M excess of \$50M	\$117,150	\$2,808	\$4
NA	Sarasota County Public Schools	\$30,000,000 part of \$50M excess of \$50M	\$0	\$0	\$0
			\$3,308,900	\$81,181	\$52

Insured Loss Limit: \$70,000,000

Premium Total:	\$3,308,900
Hurricane Cat Fund & EMPA	\$81,233
Grand Total:	\$3,390,133

Basis: Total Insured Values

Property, Computers and Vehicles \$1,493,706,974.60