



Gregory-Portland Independent School District

BOARD MEMORANDUM

TO: DR. MICHELLE CAVAZOS

FROM: CHRIS CASAREZ

cc: BOARD OF TRUSTEES
DR. ISMAEL GONZALEZ III
DEBORAH GARZA
DR. MICHAEL NORRIS
PENNY ARMSTRONG
BRITTNEY SOLIZ-SANDOVAL

DATE: Monday March 30, 2025

SUBJECT: Discuss and Take Possible Action on Renewal of Property & Casualty Insurance.

PRIORITIES

PRIORITY 1: EXCEPTIONAL STUDENT PERFORMANCE

N/A

PRIORITY 2: HIGH PERFORMING AND ENGAGED WORKFORCE

N/A

PRIORITY 3: QUALITY SERVICE AND IMPACTFUL COMMUNITY ENGAGEMENT

N/A

PRIORITY 4: EFFICIENT AND EFFECTIVE DISTRICT AND CAMPUS OPERATIONS

4.3 Ensure Strategic Alignment of Resources

BACKGROUND INFORMATION

The District is seeking to renew its property and casualty insurance coverage with McGriff, Seibels & Williams, which has served as the District's agent for the past 11 years. McGriff provides support in customizing insurance programs, managing claims, ensuring compliance with policy requirements, and assessing facility risk and valuation.

During the off-season, the District actively explored the insurance market to secure the most competitive coverage and pricing. Comparisons with other coastal school districts indicate that the District's current policy remains favorable.

Preliminary renewal information indicates a slight decrease in the premium rate (per \$1 of building value), despite the recent hail storm event. The estimated premium is \$2,298,710 for a \$75 million loss limit per occurrence. The renewal proposal was received on March 17, 2026.

The District's total insured property values have increased significantly due to facility additions:

- 2024: \$216,091,237
- 2025: \$275,000,000
- 2026: \$356,769,322

Recent additions include:

- Baseball/Softball Complex: \$20,533,289
- All-Purpose Facility: \$61,000,000

The District insured at a \$100 million loss limit in 2023 and has maintained a \$75 million limit since 2024. Coverage includes:

- Named Windstorm Deductible: 3% (minimum \$500,000)
- Boiler and Machinery Coverage: \$7,367

Over the past three years, McGriff has provided proposals, offering coverage options at \$50 million, \$75 million, and \$100 million per occurrence.

Historical premiums:

- 2023: \$2,081,000.86
- 2024: \$1,818,732 (+\$461,738 for ECC and Agriscience additions)
- 2025: \$1,798,001 (+\$363,968 for Baseball/Softball Complex and All Purpose Facility)

Future projects, including the Operations and Family Resource Center and 2025 Bond projects, will further increase insured property values. Property insurance rates are cyclical and subject to market conditions.

Administration, including Dr. Ismael Gonzalez III, Chris Casarez, and Alberto Silguero, has reviewed market conditions, consulted with agents, and negotiated renewal terms.

It is common practice among school districts to insure below total property value due to rising costs and the low probability of a total loss. Additionally, FEMA only requires reasonable insurance coverage efforts for eligibility to qualify for federal coverage in catastrophic events.

Property Insurance Claims History:

- 2017–18 (Hurricane Harvey): \$7,250,000
 - 2018–2024: \$0
 - 2025–26 (Hail Storm – Nov. 1): Estimated \$6,800,000–\$8,000,000
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RECOMMENDATION

Administration recommends approval to renew property insurance with McGriff, Seibels & Williams under **Option 1: \$75 million loss limit per occurrence** at a premium of **\$2,298,710**.

FINANCIAL IMPACT

2025–26 Premium:

\$1,798,001 (initial)

\$2,161,969 (after addition of new facilities)

2026–27 Renewal Options:

- Option 1: \$75 million limit — \$2,298,710
- Option 2: \$50 million limit — \$2,009,797
- Option 3: \$100 million limit — \$2,560,935

House Bill 2 (HB 2), passed during the 89th Legislature in 2025, provides \$100 Million in state aid to coastal school districts and charter school experiencing high property/casualty insurance costs. It covers up to 80% of the difference between a district's per-student costs and the state average, aimed at relieving high windstorm insurance premiums.

According to the Texas Education Agency's Foundation School Program, Gregory-Portland ISD is allotted \$2,065,327 for 2025-26.

BOARD RELATED POLICY

CH (LEGAL)

CRB (LEGAL)

SUGGESTED MOTION

The Board of Trustees approves Administration's recommendation to renew property and casualty insurance with McGriff, Seibels & Williams for a one-year term in the amount of \$2,298,710, effective April 15, 2026, with a \$75 million loss limit per occurrence.