

## **Executive Summary: Property and Casualty Insurance Renewal**

This summary details the property and casualty (P&C) insurance program renewal through the Collective Liability Insurance Cooperative (CLIC). The total program renewal cost for the upcoming fiscal year is \$192,336, which represents an 8.4% increase over the previous year's cost of \$177,477. This budgetary adjustment is primarily driven by expanding property values and fleet sizes, alongside market-wide shifts in claims administration fees. However, it remains competitive due to substantial performance-based actuarial credits earned by the district.

### **Statistical & Exposure Drivers**

Insurance premiums are fundamentally tied to exposure metrics. The district's adjustments for this cycle reflect changes across key statistical categories:

- **Total Insurable Values (TIV):** The district's total insured property, buildings, and vehicles grew by 1.9%, rising from \$109,376,721 to \$111,443,666, increasing underlying property exposure.
- **Fleet Size:** The number of insured vehicles increased by 5.3%, growing from 38 to 40 vehicles.
- **Student Enrollment:** Student count is anticipated to decline by 1.2%.

### **Comprehensive Cost Structure Breakdown**

The P&C program is split into fixed cooperative operational costs and variable loss funds:

- **Fixed Costs (\$100,072, +4.1%):** Fixed costs saw a moderate increase. Notably, Excess Liability premiums increased from \$13,064 to \$16,333, and Gallagher Bassett Claims Administration fees shifted from \$2,006 to \$4,541. These increases were partially offset by a reduction in Primary Cyber Liability costs, which dropped from \$13,540 to \$10,968.
- **Variable Costs (\$92,264, +13.4%):** While variable loss funding requirements rose to support the cooperative pool, the district's specific actuarial standings improved significantly due to favorable long-term risk performance.

### **Historical Loss & Performance Profile**

The actuarial audit evaluates five years of loss data (valued as of December 31, 2025) to compute the district's rate allocations. Meridian continues to display solid overall loss containment:

- **Overall Property & Casualty Pool:** Over the past five terms, the district experienced \$214,657 in total paid and reserved losses within CLIC's retention while contributing \$290,251 into the loss fund, resulting in a sustainable lifetime loss ratio of 74%. The district successfully bounced back from a severe anomalous spike in 2022-2023 (a 332.4% loss ratio due to \$176,537 in losses) by logging excellent subsequent control in 2023-2024 (11.8% loss ratio) and 2024-2025 (60.8% loss ratio). This strong recovery

swung our package actuarial rating from a 20.0% penalty debit last year to a -6.2% credit this year.

- School Board Legal Liability (SBLL): The district maintains an immaculate 0% loss ratio for SBLL. Over the 5-year lookback period, Meridian has incurred \$0 in paid or reserved losses within CLIC's retention against \$25,550 in funds collected. This perfect record earned the district an expanded actuarial merit credit of -9.1% for the upcoming term.

### **Conclusion & Strategic Benefits**

Though macro-level insurance pressures and growing asset values generated an 8.4% gross premium increase, the renewal underscores the benefits of our safety-first workplace culture. Meridian's excellent risk management erased a major historical debit, transforming it into a -6.2% premium credit on our package fund and securing a -9.1% credit on legal liability funding.

### **Recommendation**

The Administration recommends that the Board of Education consider the approval of the property and casualty insurance renewal through the Collective Liability Insurance Cooperative. Approval of this renewal guarantees that our school buildings, fleet, and board operations remain protected under a highly stable, member-owned cooperative model.