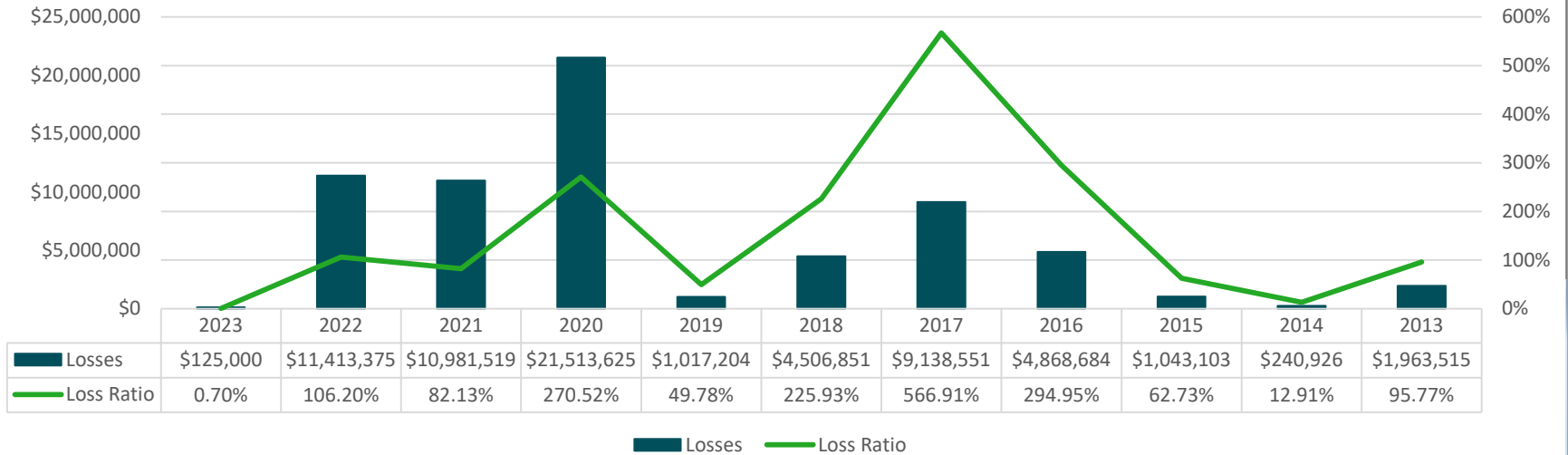


EXECUTIVE SUBCOMMITTEE
of the
ARKANSAS LEGISLATIVE COUNCIL
RFP: BLR 230001
Education Facilities Property Insurance
Consulting Services

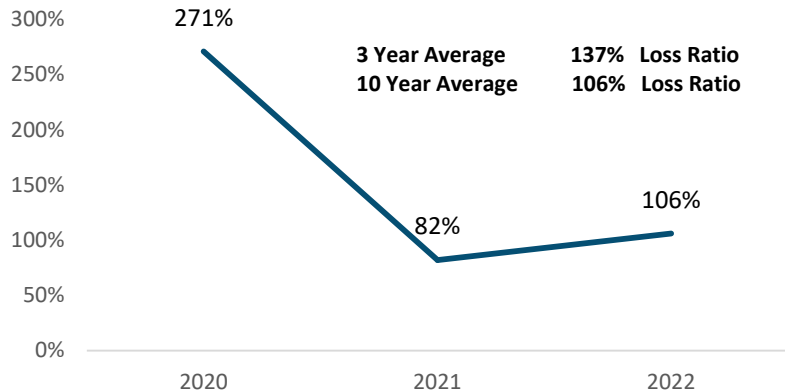
Higher Ed Program



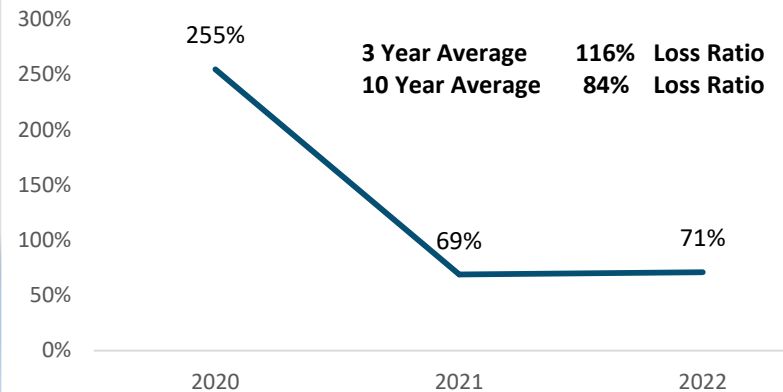
Higher Ed Losses & Loss Ratio by Policy Year



Group Losses w/o Agg - 3 Yr Review



Group Losses w/Agg - 3 Yr Review





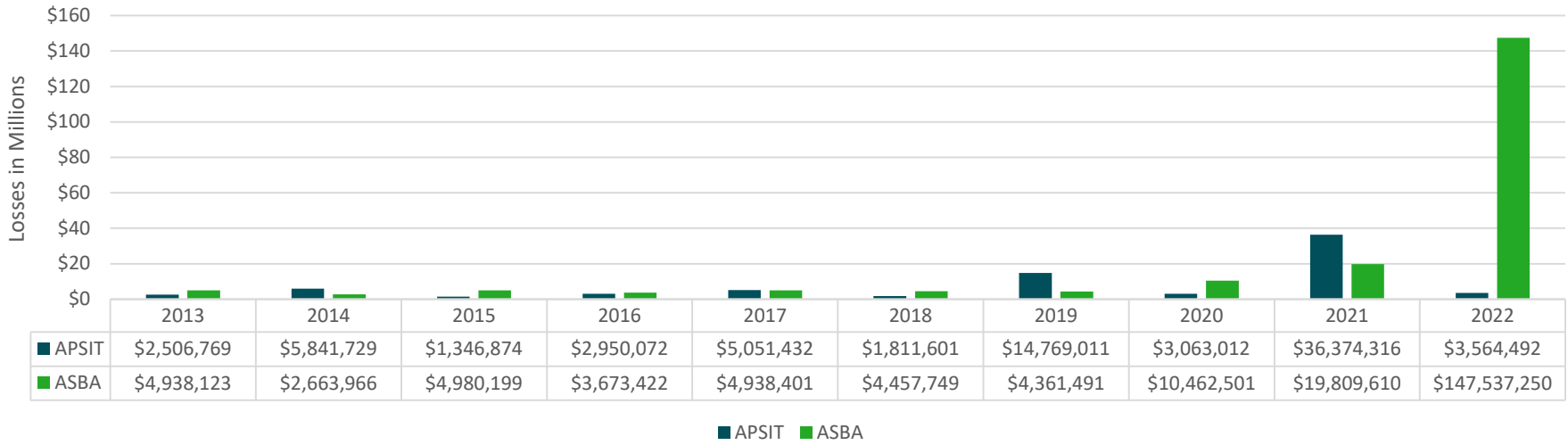
Higher Ed Program Features

- Budget Projectability with Aggregate Retention
- No Wind/Hail Separate Deductible
- Frequent Loss Control Inspections to Identify Issues before it becomes a claim

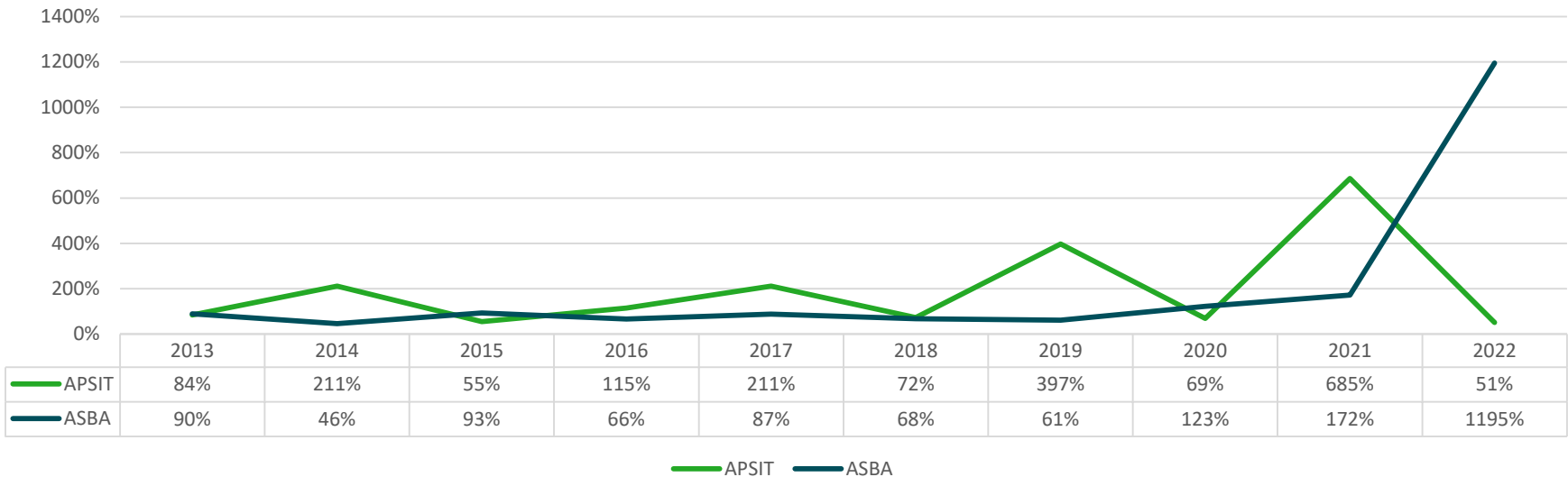
APSIT & ASBA Programs



APSIT & ASBA Total Incurred Losses



APSIT & ASBA Loss Ratio Comparison



PROPERTY STATE OF INDUSTRY – HOW DID WE GET HERE

- An Increase in Severe Weather and Insured Losses
 - National Losses – CAT Perils, Fires, Hurricanes, Freeze
 - Local Losses – Flash Freeze, Tornados, Hail
- Inflation Drives Higher Property Valuations
 - Cost to Build a New High School is \$350 to \$450 per square foot
 - ADE – Facilities is currently using \$200 per square foot for Partnership Funding
- Reinsurance and Limited Capacity Add Additional Complexity
 - Higher Education Program utilizes 30 carriers supporting \$500,000,000 loss limit *
 - APSIT has 28 carriers supporting \$500,000,000 loss limit*
 - ASBA has 34 carriers supporting \$700,000,000 loss limit **

• *Higher Education and APSIT had 1 carrier supporting total limit until 2019

• **ASBA had 11 carriers supporting their program until 2019



ARKANSAS SCHOOLS - Snapshot

ARKANSAS SCHOOLS – ADE – 2022/2023 K – 12 PROFILE

- 259 School Districts
- 22 Open Enrollment Charter Schools
- 15 Educational Cooperatives

ARKANSAS PUBLIC SCHOOL INSURANCE TRUST (APSIT)

2023/2024 Profile

- 67 School Districts
- 1 Open Enrollment Charter School
- 10 Educational Cooperatives
- \$9,482,263,614 Total Insured Value
- \$ 500,000,000 Loss Limit
- .1689 Insurance Rate
- .25105 Program Rate

ARKANSAS SCHOOL BOARDS ASSOCIATION (ASBA)

RISK MANAGEMENT PROPERTY PROGRAM 2023/2024 Profile

- 170 School District
- 2 Open Enrollment Charter Schools
- 5 Educational Cooperatives
- \$16,036,657,876 Total Insured Value
- \$ 700,000,000 Loss Limit
- .1843 Insurance Rate
- .2457 Program Rate

PROFESSIONAL TEAM – In House and Local

- Analytics Team
- CAT Modeling for Tornado, Straight Line Wind, Hail, Winter Storm, Earthquake and Flood
- Risk Control Staff – Property Specialist – ISO and OSHA

Bill Birch and Ken Estes are licensed Insurance Risk Consultants with the Arkansas Department of Insurance.

Detailed Timeline of Weekly Action Steps and Objectives

Fee structure has options as needed to complete the scope of work

- Actuary Study
- Captive Feasibility
- Parametric