June 9th, 2025

State Captive Insurance Program Update

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Final Terms: 2025-2026 Policy Period

Same rate + Tiered Deductible Structure

- **Rates** will stay **FLAT** year-over year
  - **Premium** = Rate multiplied by Building Values
    - Entities with changes to building values (added, removed, or increased) will see premium adjustments.

Deductibles (Year 1)

- **Minimum deductible:**
  - $25,000 per occurrence
  - $50,000 per occurrence when Total Insured Value ("TIV") is greater than $100M

Deductibles (Year 2 and beyond)

- **The minimum amounts listed above apply only in Year 1 (2025 – 2026)**
- **A Tiered deductible structure will be implemented based on insured property value**
  - **Phase-in period:** Deductible changes will be phased in over 2 years.
- **Deductibles will increase in Year 2, especially for entities with TIVs greater than $250M.**
  - Final Year 2 deductible levels are still being evaluated through the ongoing actuarial analysis, but no entity will see a reduction from their Year 1 level.

State Agency Deductible:

- Minimum $250,000 per occurrence (*No phase-in period*)

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SCIP Program

Premium Calculation Summary

Premium Formula

- **Premium** = Rate × Total Insured Value (TIV)

What is Total Insured Value (TIV)?

- The combined insurable value of an entity's property exposures: including buildings, contents, equipment, and other covered assets.
  - May also include extra expense, business interruption, and similar items depending on coverage specifics.

Why It Matters

- SCIP participants **premium** is directly tied to the values they report. If their insured values have increased, due to new buildings, renovations, or updated valuations, their premium will increase.

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