

FY2026 Proposed Deductibles and Rates for State Captive Insurance Program

Deductibles

State Agencies- flat deductible of \$250,000 per occurrence

K-12 Public Schools- \$25,000 per District per occurrence for Districts with less than \$100,000,000 in total insured value

\$50,000 per District per occurrence for Districts with greater than \$100,000,000 in total insured value

State-Supported Institutions of Higher Education- following the tiered, TIV based model of \$25,000 or \$50,000 as with public schools, or their existing \$100,000 or \$250,000. These like wise would be per Institution per occurrence.

Rates

All Entities- flat for FY2026 with values from FY2025

	CALENDAR YEAR			All Years
	Initial	Year 1	Year 2	
UNDERWRITING INCOME				
Gross Written Premium	-	101,703,849	101,703,849	203,407,698
Gross Written Premium - Total	-	101,703,849	101,703,849	203,407,698
UNDERWRITING DEDUCTIONS				
Program Set-up Fees	250,000	-	-	250,000
Excess Property Insurance ("reinsurance") Premium	-	40,000,000	40,000,000	80,000,000
Claims (<i>Perr & Knight Projected</i>)	-	43,222,501	45,748,141	88,970,642
Captive Management Fees (<i>WTW</i>)	15,000	60,000	63,000	138,000
Claims Administration Fees (<i>Sedgwick</i>)	-	1,200,000	1,272,000	2,472,000
Brokerage Fees (<i>Stephens Insurance</i>)	-	950,000	950,000	1,900,000
Office of Property Risk - Expenses	-	1,908,494	1,965,749	3,874,243
Actuarial Fees (<i>TAA</i>)	50,000	39,750	41,738	131,488
Audit Fees	-	50,000	52,500	102,500
Attorney Fees (<i>Mitchell Williams</i>)	100,000	50,000	52,500	202,500
Arkansas Insurance Department Fees	25,000	25,000	26,250	76,250
Asset Management Fees (<i>SCM</i>)	-	450,000	525,000	975,000
Director Fees	50,000	5,000	5,000	60,000
D&O Fees	-	-	-	-
Origami - Risk Management System Expenses	131,235	64,935	64,935	261,105
Total Underwriting Deductions	621,235	88,025,680	90,766,812	179,413,727
Net Underwriting Income	(621,235)	13,678,169	10,937,037	23,993,971
INVESTMENT INCOME				
Investment Income	-	1,939,000	2,106,497	4,045,497
Investment Expense	-	-	-	-
Letter of Credit Fees	-	-	-	-
Net Investment Income	-	1,939,000	2,106,497	4,045,497
OTHER INCOME				
Aggregate Write-Ins		-	-	-
Dividends to Shareholders		-	-	-
Profit (Loss) Before Tax	(621,235)	15,617,169	13,043,534	28,039,468
Federal Income Tax		-	-	-
Net Income	(621,235)	15,617,169	13,043,534	28,039,468
SURPLUS				
Opening Surplus (Paid in Capital)	136,000,000	135,378,765	150,995,934	136,000,000
Net Income	(\$621,235)	15,617,169	13,043,534	28,039,468
Capital Contribution		-	-	-
Ending Surplus	135,378,765	150,995,934	164,039,468	164,039,468

Investments	\$75,000,000	\$81,478,751	\$81,478,751
Rate of Return	2.59%	2.59%	2.59%
% of Ending Surplu	50%	50%	50%