

Purchase Request #7
Regular Board Meeting August 11, 2025

Consideration of Approval of Additional Funds for Casualty Insurance Brokerage and Risk Management Services

ADMINISTRATION RECOMMENDATION/REPORT

The administration recommends that the Board of Trustees approve the expenditure of additional funds for the purchase of casualty insurance brokerage and risk management services with USI Southwest, Inc. (USI) for all the College's campuses, district offices, and extension centers.

BACKGROUND

Request for proposals (RFP) 25-26 was issued on March 31, 2025, to procure casualty insurance brokerage and risk management services, which complies with the competitive procurement requirements per Texas Education Code §44.031(a). The Board approved a contract with USI in June 2025 for an estimated annual expenditure of \$360,000, which included both the estimated premiums and services charges.

Casualty insurance coverage includes automobile liability, general liability, umbrella liability, law enforcement liability, educators' legal liability, crime, cyber liability, international travel coverage, environmental pollution policy, student professional liability, and an active shooter/malicious attack liability policy. The renewal process for the casualty liability insurance is nearing completion and the new premiums will be effective beginning September 1, 2025.

Additional funds are being requested because the estimate in June of \$360,000 for the annual expenditure was low. This became clear when the premium quotes for fiscal year 2026, which is the first full year where all the policy periods coincide with the fiscal year, were received. The estimated premiums and broker fee will be approximately \$455,300 in fiscal year 2026 compared to the expiring annualized term premiums of \$456,400 for fiscal year 2025.

This insurance coverage is similar to last year with two exceptions:

1. The College's Office of Cybersecurity has recommended that our coverage limits for Cyber Liability insurance increase from \$3,000,000 to \$5,000,000, which increased the estimated premium by about \$12,000. This increase in coverage limits aligns San Jacinto College with other higher education institutions in Texas and reflects the growing number of cyber threats experienced globally.
2. The College's broker is recommending raising the self-insured retentions associated with the Educator's Legal Liability coverage which will save the College approximately \$40,000 in annual premiums. The broker provided the five-year loss history which supports this change. Over the past five years, the amounts paid out would not have added additional deductible risk to the College by taking the higher self-insured retention. This savings is in addition to the 6% or \$12,400 credit the College received for completing the Risk Management Premium Credit program.

Premiums for the other coverages have increased/decreased as shown in the attached premium summary.

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IMPACT OF THIS ACTION

Approval of this request will allow USI to continue providing casualty insurance coverage and safeguard the College from any legal and financial liabilities. While the premiums are higher than what was estimated in June 2025, there are sufficient funds to cover the premiums for fiscal year 2026.

BUDGET INFORMATION (INCLUDING ANY STAFFING IMPLICATIONS)

In June 2025, the Board approved an expenditure of \$360,000 for casualty insurance brokerage and risk management services. This request will increase the approved amount by \$95,300 to a total estimated expenditure of \$455,300. This expenditure will be funded from the safety, health, environment and risk management services (SHERM) department's 2025-2026 operating budget and subsequent year budgets.

MONITORING AND REPORTING TIMELINE

The initial term will commence on September 1, 2025, through August 31, 2026, with four one-year renewal options. Premium quotes will be received annually and reviewed for adequacy and appropriateness as part of the annual renewal process.

ATTACHMENTS

Attachment 1 – Premium Summary

RESOURCE PERSONNEL

Susana Gonzalez	281-998-6129	susana.gonzalez@sjcd.edu
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Attachment 1 - Premium Summary

Premium Summary – San Jacinto Community College District

Coverage	2023 Expiring Annualized Term Premium	2024 Renewal Annual Term Premium	2025 Renewal Annual Term Premium	Difference between 2024 and 2025
	Trident United Educators Chubb U.S. Risk/Admiral Travelers Markel AON/CAN Cowbell - \$3M/\$50k Chubb	Trident United Educators Chubb U.S. Risk/Admiral Travelers Markel AON/CAN Cowbell - \$3M/\$50k Chubb	Trident United Educators - \$250KSIR Chubb U.S. Risk/Admiral Travelers Markel AON/CAN Cowbell - \$5M/\$75k Chubb	
General Liability	\$17,326.00	\$44,111.00	\$41,545.00	-0.6%
Automobile Liability (Incl MVA Fee)	\$59,317.00	\$54,168.00	\$47,627.00	-12.1%
Auto Physical Damage	\$34,443.00	\$32,206.00	\$35,409.00	9.9%
Law Enforcement Liability	\$25,610.00	\$23,827.00	\$17,748.00	-25.5%
Excess Liability	\$7,750.00	\$10,065.00	\$8,591.00	-14.6%
Educator's Legal	\$158,764.00	\$188,112.00	\$154,036.00	-18.1%
Foreign Package	\$2,500.00	\$2,500.00	\$2,500.00	0.0%
Environmental	\$4,073.19	\$4,108.54	\$4,093.86	-0.4%
Allied Health	\$16,603.00	\$17,131.00	\$15,736.00	-8.1%
Active Assailant	\$25,811.55	\$30,942.55	\$32,096.34	3.7%
Crime	\$9,729.00	\$9,729.00	\$9,713.00	-0.2%
Cyber Liability	\$38,682.70	\$38,669.80	\$65,289.83	68.8%
Blanket Accident	\$867.00	\$867.00	\$867.00	0%
TOTAL ESTIMATED PREMIUMS	\$401,476.44	\$456,436.89	\$435,252.03	-4.6%

USI Broker 2025 Fee	\$0	\$0	\$20,000.00	-
TOTAL ESTIMATED PREMIUMS	\$401,476.44	\$456,436.89	\$455,252.03	-0.30%

Notes: Per BOR agreement, USI is now on a fee basis with the college

Payment Terms:

- Premium due (in full) for all lines 15 days after the Effective Date

Note:

In evaluating your exposure to loss, we have been dependent upon information provided by you. If there are other areas that need to be evaluated prior to binding of coverage, please bring these areas to our attention. Should any of your exposures change after coverage is bound, such as your beginning new operation, hiring employees in new states, buying additional property, etc., please let us know so proper coverage(s) can be discussed. Higher limits may be available. Please contact us if you would like a quote for higher limits

This proposal is merely a descriptive summary of coverage provided by the insurance companies being proposed and should be used for reference purposes only; it is not a binder and does not amend or alter the insurance contract. Please refer to the policy contract for specific terms, conditions, limitations, and exclusions.

Proposal date: 08/06/2025 Prepared for San Jacinto Community College District
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