



# COLLIN COUNTY

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Date: August 10, 2018  
To: Cynthia Jacobson, HR Director  
From: Erica Johnson, Risk Manager  
RE: Property Insurance Renewal

The county's Property Insurance Program will expire on October 1, 2018. We recommend we renew the current policy with Arthur J. Gallagher (Affiliated FM Global) for \$300,361.00.

This year, there was a 33% cost increase. The increase is a result of the current unstable wind/hail market. There were many large hail claims in North Texas this year causing the insurance landscape to change. Insurance companies are raising their rates on wind/hail across the board and some insurance companies are walking away from longtime clients that have large roof square footage, as they do not want the risk. In addition, large pending and paid hail damage claims for the county also played a part in the cost increase. Collin County's total insured value increased this year with the addition of the Healthcare Foundation buildings, new radio towers, and additional Sheriff's Office communication equipment also impacting the cost.

In addition to a rate increase, the 2018-19 wind/hail deductible increased to 3% (subject to a \$100,000 minimum) per location and subject to a \$10,000,000 maximum per occurrence. All other deductibles and coverages remain the same.

The new policy will be in effect from October 1, 2018, to September 30, 2019. There is one renewal remaining on the current contract after FY2019.

Funds have been budgeted in account 5501-03020-0018-41-30-0000-615905 to cover the FY2019 premium.