

ARKANSAS INSURANCE DEPARTMENT
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Risk Matters Renewal News
(2021-2022)

PROPERTY INSURANCE – ALL APSIT PARTICIPATING DISTRICTS

WE HAVE MOVED. PLEASE NOTE OUR NEW ADDRESS ABOVE.

We are pleased once again to announce a property renewal invoice discount. Your district renewal premium for property insurance is reduced by 10%. Please check the enclosed property renewal invoice for the specific amount of premium reduction for your district.

For future budget purposes, use the full premium without the discount. This is not a rate decrease and therefore should be considered a one-time renewal invoice discount. The rates currently in effect for your district will apply to all mid-term invoice changes. (There is no discount on mid-term invoice changes) **Districts should base budget requests for future years on the full premium without the renewal invoice discount.**

The Arkansas Insurance Department (AID) Risk Management Division has been successful in maintaining rates at a steady level for several years in spite of significant losses here in Arkansas from storms, floods and fires. As required, the Arkansas Public School Insurance Trust Fund (APSIT) bid your property coverage in accordance with the state procurement laws. The bid number is SP-18-0085.

In an effort to keep your district in compliance with Act 625, building costs per square foot have been indexed for inflation. This will result in some additional premium. The rules and regulations promulgated by the Arkansas Department of Education (ADE) Facilities Division require each district to maintain replacement cost coverage on its buildings, except for functionally obsolete structures, in order to qualify for assistance should a disaster occur. You rely on AID Risk Management Division to keep you in compliance with the various aspects of the rules and regulations promulgated by the ADE Facilities Division. This adjustment in values is required to accomplish that goal.

Please note that all mobile equipment assets that are less than \$100,000 original cost are automatically insured at no additional cost to the district. Your district is only required to report and schedule mobile equipment assets exceeding \$100,000 original cost. The mobile equipment per occurrence deductible is \$1,000.

SEE ENCLOSED RENEWAL INVOICE