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## PREPARE EARLY FOR SCHOOL INSURANCE RENEWAL

The commercial insurance industry continues to navigate the challenges created by COVID-19. Heightening concerns of a recessed economy, decreased marketplace capacity, gray area coverage terms, social inflation, and a projected eighty billion dollars of losses, have pushed insurers and underwriters to revisit both policy terms and premium pricing. To prevent any surprises at renewal schools should plan ahead, start the renewal process earlier than usual, and be sure to secure multiple quotes or options

Each carrier will make different policy changes, so schools should work with their brokers to anticipate what changes are expected from current carriers. Most, if not all, carriers are expected to distinctly exclude communicable diseases or pathogens. Carriers may also implement aggregated limits across formerly dedicated limits. Carriers could demand substantial increases in retentions or even deviate from offering traditional insurance products and instead introduce parametric insurance options. Some carriers may even announce significant changes to their list of acceptable classes of business. Finally, renewals will likely require additional information and notable, specific disclaimers may challenge renewal and marketing timelines.

Beyond tightened policy terms, schools should anticipate the possibility of double-digit Property and General Liability increases. Excess Liability increases upward of 25% have also been mentioned throughout the public entity insurance industry. As a result of remote and hybrid learning, the spike in Cyber Liability/Data Breach claims have skyrocketed, which could result in 10-30% premium increases. Employment Practices Liability claims have also increased dramatically as a result of layoffs, discrimination claims, and invasion of privacy claims, which may result in premium increases of up to 30%.

No doubt, the hard market will continue through 2021, but being prepared and informed can help contain expected renewal increases. The good news for schools is that time is on your side. For those schools and districts considering the RFP/RFQ process, now is the time to publish. Begin working with your broker very soon to understand how your current insurance program terms, conditions, limits, and pricing will be impacted and what preparations are being made to begin marketing your program to alternative carriers.