

<p>ARKANSAS INSURANCE DEPARTMENT Risk Management Division 1200 West Third Street Little Rock, Arkansas 72201 Phone: 501-371-2690 Fax: 501-371-2842 Email: insurance.risk.management@arkansas.gov www.insurance.arkansas.gov</p>	
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Risk Matters Renewal News

PROPERTY INSURANCE - PARTICIPATING DISTRICTS

We are pleased once again to announce a loyalty participation property renewal discount. Your district renewal premium for property insurance is reduced by 5%. 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 discount. The rates currently in effect for your district will apply to all mid-term policy changes. Districts should base budget requests for future years on the full premium without the 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 by state procurement law the Arkansas Public School Insurance Trust Fund (APSIT) bid your property coverage in accordance with the state procurement laws. The bid number is SP-11-0198.

In an effort to keep your district in compliance with Act 625, building costs per square foot have been increased. 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 insurance 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, 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.

VEHICLE INSURANCE - PARTICIPATING DISTRICTS

Vehicle pricing has also been a challenge with numerous districts experiencing losses. The AID Risk Management Division has been successful in keeping rates relatively stable for several years. As required by state procurement law, APSIT bid your vehicle coverage. The bid number is SP-11-0214

Many of you have voiced concerns about out of state travel where your Tort Immunity likely will not apply. Whether travel involves a school bus loaded with students or faculty members on an official trip in a passenger vehicle, accidents can and do occur. **To alleviate some of your concerns, the Risk Management increased the out of state liability limit to \$5 million for all districts purchasing their vehicle insurance through APSIT.**

CLAIMS REPORTING

All claims must be reported IMMEDIATELY. Failure to do so could result in a claim being denied.

Property Claims:
Mark V Williams Insurance
(501)664-7728
1(888)588-7631

Vehicle Claims:
BancorpSouth Insurance Services
Business Hours: (501)664-7705
After Hours: (501)664-9252
Email: ar.claims@bxsi.com