

Consider Approval of Proposal to Purchase Excess Wind and Flood Insurance for Named Storm Coverage

Staff received proposals from Galveston Insurance Associates (GIA) and McGriff, Seibels & Williams of Texas, Inc. (MSW) for excess wind and flood insurance for named storm coverage.

Staff recommends that the Board approve the proposals from GIA for \$5 million in excess wind insurance coverage (Excess Wind Only – Option 2) and \$6,106,185 in excess flood insurance coverage (Excess Flood Only). The total cost for both policies would be \$156,476.93.

Excess Wind Only - Option 2: \$5 million Named Storm Excess of TWIA Covered locations include Moody Hall, Regents Hall, Northen Center, Hermes Fitness Center, Fine Arts Building and the HSEC	\$129,276.93
Excess Flood Only - Option 1: \$6,106,185 Named Storm Excess of NFIP Covered locations include ATC Buildings 1, 2 & 3	\$27,200.00
Total	\$156,476.93

A detailed description of the proposals received is below.

Galveston Insurance Associates (GIA) proposed the following options for excess wind and flood coverage:
<p>Excess Wind Only</p> <ul style="list-style-type: none"> ○ Option 1: \$1 million Named Storm Excess of TWIA: \$54,805.03 <ul style="list-style-type: none"> ● Covered locations include Moody Hall, Regents Hall, Northen Center, Hermes Fitness Center, Fine Arts Building and the HSEC ○ Option 2: \$5 million Named Storm Excess of TWIA: \$129,276.93 <ul style="list-style-type: none"> ● Covered locations include Moody Hall, Regents Hall, Northen Center, Hermes Fitness Center, Fine Arts Building and the HSEC ○ Option3: *\$15,708,464 Named Storm Excess of TWIA: \$140,600.00 <ul style="list-style-type: none"> ● Covered locations include Hermes Fitness Center, Fine Arts Building <p>* GIA could not provide rates for replacement costs in the amount of \$10, \$25 or \$40 million in excess wind and flood coverage. However, they did provide a quote to replace the Hermes Fitness Center and Fine Arts Building to serve as an example of what costs might run. These buildings are currently valued at \$20,132,464.</p>

(GIA Continued)

Excess Wind and Flood

- Option 1: \$2.5 million Named Storm Excess of TWIA and NFIP: \$297,100.93
 - Covered locations include Moody Hall, Regents Hall, Northen Center, Hermes Fitness Center, Fine Arts Building, HSEC, Cheney Student Center, Whitecaps Apartments, ATC Buildings 1, 2 & 3.
- Option 2: \$5 million Named Storm Excess of TWIA and NFIP: \$397,270.88
 - Covered locations include Moody Hall, Regents Hall, Northen Center, Hermes Fitness Center, Fine Arts Building, HSEC, Cheney Student Center, Whitecaps Apartments, ATC Buildings 1, 2 & 3.

Excess Flood Only

- Option 1: \$6,106,185 Named Storm Excess of NFIP: \$27,200.00
 - Covered locations include ATC Buildings 1, 2 & 3.

Please note the Total Insured Value (TIV) of Galveston College properties with GIA was \$106,567,763. The TIV of Galveston College properties for 2026-27 was reassessed and increased to \$111,003,013 (4.16 percent increase). Carriers use different assessment methods to predict current TIVs.

McGriff, Seibels & Williams of Texas, Inc. (MSW) proposed four options for excess wind and flood coverage:

- Option 1: \$5 million Named Storm Excess of TWIA: \$225,000
 - Plus \$2.5 million Flood Excess of NFIP: \$264,334
- Option 2: \$10 million Named Storm Excess of TWIA: \$386,000
 - Plus \$2.5 million Flood Excess of NFIP: \$425,334
- Option 3: \$25 million Named Storm Excess of TWIA: \$497,000
 - Plus \$2.5 million Flood Excess of NFIP: \$536,334
- Option 4: \$40 million Named Storm Excess of TWIA: \$610,500
 - Plus \$2.5 million Flood Excess of NFIP: \$649,834

Please note the additional premium to add \$2.5M of Flood limit to any of the options above is \$39,334.

The Total Insured Value (TIV) consideration of the 2025-26 coverage was \$132,134,000. The College's TIV was reassessed and increased to \$132,852,351 for 2026-27 (.54 percent increase). Details of the proposed coverage are attached.