



EDUCATION & GOVERNMENT



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NOTABLE INDUSTRY TRENDS

Risk and insurance placement for school districts and public entities is improving in some areas, but key coverage lines are still putting pressure on community budgets. In 2025, districts and entities should focus on risk management, accurate building valuations, and addressing aging infrastructure to secure the best terms. The market is stabilizing compared to recent years' tough conditions.



PROPERTY INSURANCE RATE INCREASES

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We're seeing a few key trends. Property insurance rate increases are slowing, but natural catastrophes, buildings with large footprints, and aging infrastructure remain challenges. Accurate valuations and system updates to aging infrastructure (roofs, HVAC, plumbing, electrical) are crucial for securing favorable coverage. Casualty premiums, especially for commercial automobile liability and umbrella, continue to rise due to social inflation and nuclear verdicts, making risk management more important than ever. While directors & officers (D&O) and cyber premiums are dropping, educators' legal liability is seeing significant increases, reflecting sector-specific risks.

On the positive side, workers' compensation rates are generally down, offering school districts and public entities opportunities to improve dividends by leveraging favorable loss histories. These trends highlight the need for strategic planning and careful risk management.





EMERGING RISKS

Carriers are closely scrutinizing **aged buildings and infrastructure**. It's important to begin discussions on replacing systems like roofs, HVAC, plumbing, and electrical, as delays could lead to higher rates, unfavorable terms, or non-renewal. Conducting appraisals of owned properties ensures coverage at accurate values, and careful attention to third-party assessments, like ISO reports, is crucial to avoid rate fluctuations or non-renewals.

Liability challenges

remain a concern in the industry. Law enforcement liability is particularly tough due to the heightened scrutiny and civil unrest impacting school districts and public entities. Additionally, securing sexual abuse/

misconduct liability coverage is becoming more difficult and costly, making it essential for these organizations to regularly review their policies and procedures – such as background checks, training, and social awareness – with legal counsel to mitigate risks and maintain proper coverage.

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HOW M3 GUIDES CLIENTS

It's important to have proactive strategic planning meetings so there is plenty of opportunity to gather information and set renewal expectations. With rising costs across nearly all insurance lines and carriers requesting more detailed information to determine coverage, school districts and public entities must understand the financial impact of these increased operational expenses. Don't fall into a tough position by surprising your board or community with unexpected costs.

M3 is a trusted partner for school districts and public entities, helping navigate complex insurance and risk management challenges. With a dedicated team of EDGE industry leaders, M3 provides proactive solutions for securing the best renewal terms and navigating complex insurance markets. When you work with M3, you're partnering with advisors who understand your unique needs.

