



# Milwaukee County

Risk Management

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## Property & Casualty Insurance

### 2019 Renewals



# Renewal for 2019: Overview

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- Marketed the Public Entity Liability insurance. Ten markets approached, three quoted, two excluded the Jail and HOC, and the third was cost prohibitive.
  - The Public Entity Liability (PEL) markets continue to be challenging and combined with our loss history, the recommendation is to remain with the incumbent at a increased premium.
  - Minimized the PEL increase with decreases to the other coverages.
- Considered a work comp aggregate policy but the premium was cost prohibitive.
- Incumbent markets were approached and we received several favorable responses.





# 2018 Expiring / 2019 Renewal

Property	\$1,591,466	\$1,557,692	-2%
Boiler & Machinery	\$61,523	\$59,506	1%
Fine Arts	\$77,750	\$73,550	-6%
Aviation	\$120,643	\$120,643	0%
Fiduciary Liability - Primary	\$149,243	\$170,649	13%
Fiduciary Liability - First Layer	\$65,000	\$68,250	5%
Fiduciary Liability - Second Layer	\$32,000	\$33,600	5%
Crime	\$39,437	\$39,437	0%
<b>Total for Broker Placed:</b>	<b>\$2,137,062</b>	<b>\$2,123,327</b>	<b>-1%</b>
Public Entity Liability	\$753,848	\$903,837	20%
<b>Program Total*</b>	<b>\$2,890,910</b>	<b>\$3,027,164</b>	<b>5%</b>

\*Does not include new Environmental Liability Coverage for the Rock development which is still in progress





# Airport & Aviation Liability

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## Aviation Recommendation:

- **AIG (A+ Superior financial rating)**
  - \$500 million limit each occurrence and aggregate
  - \$50,000 deductible
  - \$120,643 premium

**\$Over \$250,000 savings since 2015 program change**





# Fiduciary Liability / Crime

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## Fiduciary Liability (Pension) Recommendation:

- ALG primary insurer and Chubb and Axis excess insurers (incumbent markets)
- \$30 million limit total each occurrence and aggregate (10/10/10)
- \$150,000 deductible
- \$237,398 premium for fiduciary program in 2018 (\$212,302 premium savings in 2016 / 2017)
- Premium total in 2019: \$272,499
  - primary layer increase of 13%, or \$21,406, plus 5% second and third layer increase due to claims activity
  - Corp Counsel continues as a panel attorney

## Crime Recommendation:

- Great American, incumbent carrier (A+ Superior financial rating)
- \$10,000,000 coverage limits / \$100,000 deductible
- \$39,437 premium- unchanged since 2017



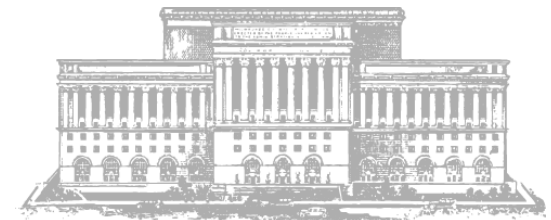


# Property / Energy Systems

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## Property Recommendation:

- Travelers (A++ Superior financial rating)
  - Over 50 insurers approached by Aon in 2016
- \$1,557,692 premium
- \$500 million limit each occurrence
  - Open Lot coverage (garaged vehicles)
  - 2% premium decrease or \$33,774
- \$500,000 deductible buildings and contents
- **Energy Systems / Boiler & Machinery**
  - Liberty Mutual (“A” Excellent financial rating)
  - \$100 million limit each occurrence
  - \$59,506 premium
  - 3% premium decrease or \$2,017 savings



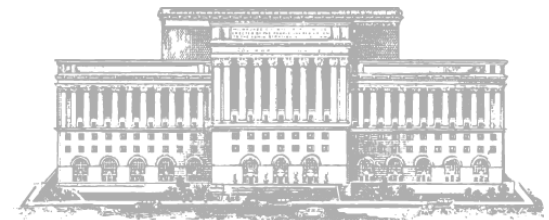


# Fine Arts

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## Fine Arts Recommendation:

- AXA Insurance Company (A+ Superior financial rating)
- \$150 million limit for Scheduled Locations
- Scheduled Locations: Any location owned, operated, or occupied by Milwaukee County
- Deductibles; \$0
- \$73,550 premium
- Renewed with 5% premium decrease



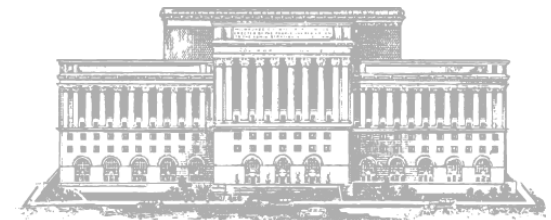


# Public Entity Liability

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## PEL Renewal Recommendation:

- Wisconsin County Mutual (B++ rating)
  - \$10 million limit per claim, no aggregate or policy limit
  - \$1,000,000 each occurrence deductible, \$3,000,000 aggregate deductible
  - Includes claims administration costs from first dollar
  - \$903,837 premium – increase of 19.9% from 2018 or \$149,848 due to increase in claims activity and settlements
  - Could not increase sub-limits on Cyber Liability
- 20 year relationship, ownership, dividends paid, TPA and loss control services included, settlement authority consideration
  - \$171,409 total premium returned to the County over the past 6 years in dividends







# Renewals

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2019 total program cost: **\$3,027,164**

2019 Budget for Property & Casualty Program:

**\$4,941,006**

Balance of budget required to fund deductibles and loss accounts

Renewals for 2020:

- Continue to explore markets:
  - Cyber Liability
  - Workers' Compensation
  - Alternate insurance options

