



Milwaukee County

Risk Management

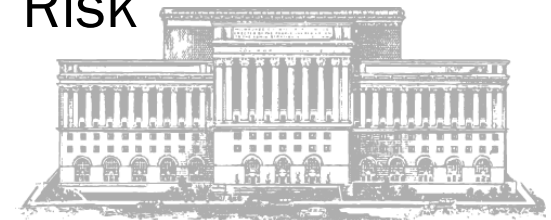
Property & Casualty Insurance

2018 Renewals



Renewal for 2018: Background

- Appointment of Single Risk Management Advisor and Insurance Broker for 2016 renewals
 - Aon Risk Services Central (via RFP award in 2015)
- Consolidation of County and Transit Programs
 - Greater coordination and control of risk management, loss control and insurance premium costs
 - Property and fleet coverage combined in 2016 and going forward
- Improvement of Coverage Terms
 - Deductible and limit structure changes
 - Coverage form improvements
- Reduction in County's Overall Total Cost of Risk





Renewal Results

- Improved Coverage over historical programs
 - Lower deductibles in 2016 – present
 - Property; \$500K vs. \$1ML
 - Fine Arts; \$0 vs. various starting
 - Enhanced fine arts coverage
 - Continued increased limits compared to historical program
 - MCTS Crime
 - Fine Arts
 - Boiler and Machinery
- New Coverage in 2016
 - MCTS Excess Liability
 - MCTS Fleet
- New Coverage in 2017
 - Social Engineering Endorsement to Crime
 - Increased Cyber Liability Limits
- New Coverage in 2018
 - Environmental Legal Liability

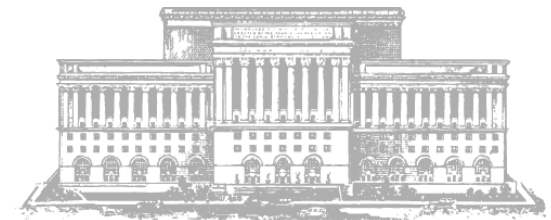




2017 Expiring / 2018 Renewal

Premium Summary	Expiring	Renewal	% Change
Property	\$1,626,080	\$1,663,068	2%
Boiler & Machinery	\$59,505	\$61,523	3%
Fine Arts	\$77,750	\$77,750	0%
Aviation	\$120,643	\$120,643	0%
Fiduciary Liability - Primary	\$140,398	\$149,243	6%
Fiduciary Liability - First Layer	\$65,000	\$65,000	0%
Fiduciary Liability - Second Layer	\$32,000	\$32,000	0%
Crime	\$39,437	\$39,437	0%
Total for Broker Placed:	\$2,160,813	\$2,208,664	2%
Public Entity Liability	\$717,950	\$753,848	5%
Program Total*	\$2,878,763	\$2,962,512	

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





Airport & Aviation Liability

Aviation Recommendation:

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

\$63,120 premium savings each year compared to 2015 premium

\$189,360 premium savings total in 2016-2018





Fiduciary Liability / Crime

Fiduciary Liability (Pension) Recommendation:

- AIG 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 2017 (\$212,302 premium savings in 2016 / 2017)
- Premium total in 2018: \$246,243
 - primary layer increase of 8%, or \$8,845, due to claims activity with flat renewals on second and third layers
 - Corp Counsel now panel attorney

Crime Recommendation:

- Great American, incumbent carrier (A+ Superior financial rating)
- \$10,000,000 coverage limits / \$100,000 deductible
- \$39,437 premium- unchanged from 2017
- **NEW in 2017-Social Engineering Endorsement** Protects the County from “Phishing”, when money can be lost as a result of deceptive practice, such as fraud from an imposter claiming to be a client or vendor





Property / Energy Systems

Property Recommendation:

- Travelers (A++ Superior financial rating)
 - Over 50 insurers approached by Aon in 2016
- \$1,663,068 premium
- \$500 million limit each occurrence
 - Open Lot coverage (garaged vehicles)
 - 2% premium increase or \$36,988
- \$500,000 deductible buildings and contents
- Notable changes:
 - Mitchell Park Domes insured at Actual Cash Value versus Replacement Cost (2017)
- **Energy Systems / Boiler & Machinery**
 - Liberty Mutual (“A” Excellent financial rating)
 - \$100 million limit each occurrence
 - \$61,523 premium
 - 3% premium increase or \$2,018 – 2 claims filed





Fine Arts

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
- \$77,750 premium
- Renewed with flat premium – two claims filed





Medical Malpractice

- Historically self-insured
- Aon approached 7 carriers, 6 declined to quote
 - Axis provided \$1 mil per claim, \$700,000 in premium
 - Premium is cost prohibitive
- Challenges:
 - Press coverage on PPP
 - Claim history
 - Historical data
- Recommendation to remain self-insured, monitor self-insurance reserves with Corp Counsel, Comptroller's Office





Public Entity Liability

PEL Renewal Recommendation:

- Wisconsin County Mutual (B++ Good financial 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
 - \$753,848 premium – increase of 5% from 2017 or \$35,898 due to increase in claims activity
 - Increased sub-limits on Cyber Liability in 2017
- 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 5 years in dividends





Renewals

2018 total program cost: **\$2,962,512**

2018 Budget for Property & Casualty Program:

\$4,373,941

Balance of budget required to fund deductibles and loss accounts

Renewals for 2019:

- Continue to explore markets:
 - Cyber Liability
 - Workers' Compensation
 - Medical Malpractice

