



Milwaukee County

Risk Management

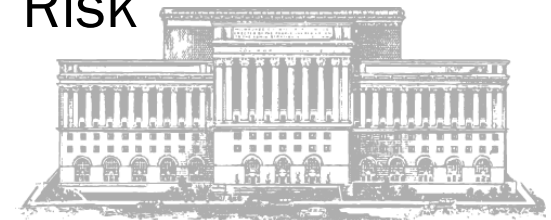
Property & Casualty Insurance

2017 Renewals



Renewal for 2017

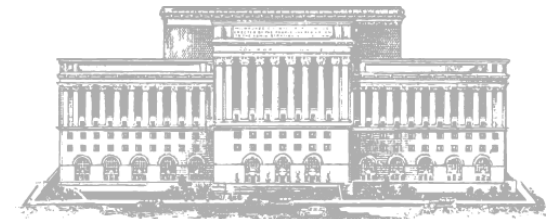
- Appointment of Single Risk Management Advisor and Insurance Broker in 2016
 - Aon Risk Services Central, July 2015 (via RFP award)
- Consolidation of County and Transit Programs
 - Greater coordination and control of risk management, loss control and insurance premium costs
 - Property and fleet coverage 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
 - Lower deductibles in 2016 & 2017
 - 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
- Projected savings from 2015 renewals over the past two years:
approx. **\$800,000**



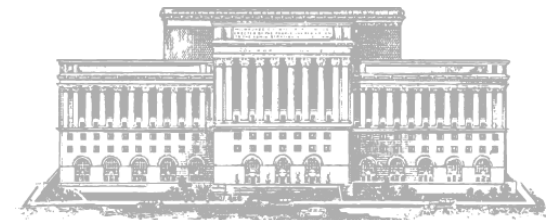


2016 Expiring / 2017 Renewal

Premium Summary	2016 Premium	2017 Renewal
Property	\$1,631,467	\$1,623,462
Boiler & Machinery**	\$56,671	\$59,505
Fine Arts	\$77,750	\$77,750
Public Entity Liability	\$717,950	\$717,950
Aviation	\$120,643	\$120,643
Fiduciary Liability - Primary	\$140,700	\$140,398
Fiduciary Liability - First Layer	\$65,000	\$65,000
Fiduciary Liability - Second Layer	\$32,000	\$32,000
Crime	\$35,937	\$35,937
Crime / Social Engineering Endorsement		\$3,500
Total	\$2,878,118	\$2,876,145

**Increased deductible from 10K to 25K

11/18/2016





Public Entity Liability

PEL Renewal Recommendation:

- Wisconsin County Mutual (B++ Good financial rating)
 - \$10 million limit, no aggregate
 - \$1,000,000 each occurrence deductible, \$3,000,000 aggregate deductible
 - Includes claims administration costs from first dollar
 - \$717,950 premium – unchanged from 2016
 - Increased sub-limits on Cyber Liability
- 20 year relationship, ownership, TPA and loss control services included, settlement authority consideration
- 2016 Alternate quote: Argonaut Insurance Co.
 - \$500,540 premium – excludes TPA, loss control, ownership input





Airport & Aviation Liability

Aviation Recommendation:

- **AIG (AM Best Rating A XV)**
 - \$500 million limit each occurrence and aggregate
 - \$50,000 deductible
 - \$120,643 premium

\$63,120 premium savings compared to 2015

\$126,240 premium savings total in 2016/2017





Fiduciary Liability / Crime

Fiduciary Liability (Milwaukee County Pension Fund) Recommendation:

- ALG primary insurer and Chubb and Axis excess insurers (incumbent markets)
- \$30 million limit total each occurrence and aggregate
- \$150,000 deductible
- \$237,398 premium

\$106,000 premium savings in 2016 compared to 2015 premium, \$302 savings from 2016, 2 year premium savings of \$212,302.

Crime Recommendation:

- Great American, incumbent carrier
- \$10,000,000 coverage limits / \$100,000 deductible
- \$35,937 premium- unchanged from 2015, 2016
- NEW -Social Engineering Endorsement -\$3,500
 - 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

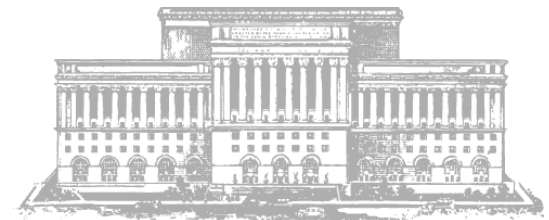




Fine Arts

Fine Arts Recommendation:

- AXA Insurance Company (AM Best Rating A VI)
- \$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 – one claim filed

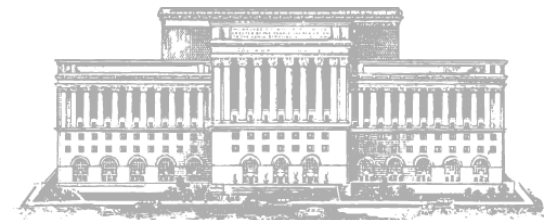




Property / Energy Systems

Property Recommendation:

- Travelers (A++ Superior financial rating)
 - Over 50 insurers approached by Aon in 2016
- \$1,623,462 Premium
- \$500,000,000 Limit each occurrence
 - \$100,000,000 Boiler & Machinery Limit – Liberty Mutual
 - Open Lot coverage (garaged vehicles)
 - **\$8,005 premium savings from 2016**
- \$500,000 deductible buildings and contents
- Notable changes:
 - Mitchell Park Domes insured at Actual Cash Value versus Replacement Cost
 - Energy Systems deductible increased from \$10,000 to \$25,000 per claim and was the only coverage with an increased premium of **\$2,834**, changing from \$56,671 in 2016 to \$59,505 in 2017





Renewals

2017 total program cost: **\$2,876,145**

2017 Budget for Property & Casualty Program:
\$4,458,172

- Balance of budget required to fund deductibles and loss accounts

Renewals for 2018:

- Continue to explore markets
 - Cyber Liability
 - Workers' Compensation
 - Environmental
 - Professional Liability

