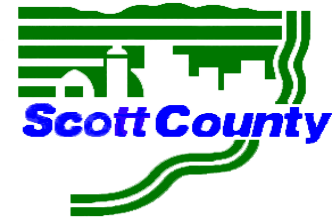


RISK MANAGEMENT
400 West Fourth Street
Davenport, Iowa 52801-1104
Telephone: (563) 326-8293
Fax: (563) 326-8763



June 16, 2021

To: Mahesh Sharma
County Administrator

From: Rhonda S. Oostenryk
Risk Manager

Subject: Annual Insurance Renewals

Attached is an insurance summary, prepared by the County's insurance broker, Arthur J. Gallagher, pertaining to renewal premiums for the period July 1, 2021 through June 30, 2022. The county's overall insurance program renews July 1 each year and currently uses Chubb Insurance for property coverage and Travelers Insurance for most liability coverages. Worker's compensation coverage is through Midwest Employers Casualty Company.

The Chubb property renewal premium is up approximately 17% compared to the expiring policy, which is on the low side when viewed from a national perspective - with larger property risks having increases of 15 to 25% while also seeing increased deductibles and other limitations in coverage. Chubb's coverage for the county includes none of these issues. The County has a \$100,000 deductible for property.

The Travelers liability premium overall is up 15%, and would have been less if it weren't for increases in Law Enforcement Liability and Auto Liability based on the current unsettled social climate nationally toward law enforcement and also large jury verdicts in auto claims. Scott County continues to benefit from controlled claims and claims management, which accounts for the increase being lower than other public entities. Scott County has a \$300,000 self-insured retention for liability claims.

Worker's compensation coverage is up just 2%, and is in the middle of a 2-year policy with Midwest Employers Casualty Company. A 2-year policy is rare in worker's compensation, and is again made possible by the county's superior claims experience and internal claims handling. Scott County continues to rank in

the top 8% of all public entities with Midwest Employers in terms of claims frequency and claims handling. Scott County has a \$500,000 self-insured retention for worker's compensation coverage.

Total premium for main coverage lines is \$498,740, up 13.5% compared to last year. Scott County continues to receive preferential pricing and coverage terms due to its overall safety efforts and limited claims activity.

The medical professional premium for the county's health clinic last year the jumped 57% to \$75,750 as a result of claim issues nationwide related to health clinic operations and particularly work with inmates in the jails nationwide that were served by health clinics. However, our renewal quote this year is for \$85,053, up 12% compared to expiring.

I will attend the next Committee of the Whole meeting with representation from AJG to discuss the renewal proposal and to answer any questions you or the Board may have.



Gallagher

Insurance | Risk Management | Consulting

2021-22

Scott County Insurance Summary



Jeff Young, CIC
Arthur J. Gallagher
220 Emerson Place, Suite 302
Davenport, IA

Effective
7/1/2021



Insurance | Risk Management | Consulting

2021 Gallagher Public Sector Practice

Quotable Facts & Figures

Our Client Base

We work with more than 13,500 public sector and K-12 education clients, including:

- 1,000's of individual cities, counties, parishes, schools and special districts
- 19 state government clients and 80 tribal government clients
- 110 public sector and K12 education pools (covering an estimated 10,000 individual entities)
- More than 300 special districts
- More than 4,500 schools
- 40% of the largest public schools

Our Competitive Advantage

- Through CORE360™ and our consultative approach, we help our clients manage the cost of risk, not just the cost of insurance.
- We're the only U.S. broker with more than 400 sales people and risk management experts focused on public sector business. We have an excellent reputation in the public sector arena and we are dedicated to providing excellent service in a highly ethical manner.
- We're invested in our clients' associations and we have been for more than 40 years.
- We have access to worldwide insurance markets that specialize in public sector business.
- We bring experts to the table to help negotiate complex issues like cyber liability, crisis response and resilience, enterprise risk management, employment practices, D&O coverage, complex property placements – or whatever the need might be.

Winter Insurance Market Update – February 2021

As we enter 2021, a number of compounding factors are driving the current insurance marketplace. First, there has been a substantial increase in the number of large weather-related loss events. Second, interest rates remain near historical lows, and third, the industry is dealing with an increasing loss trend in liability lines. Each of these factors help drive up prices and reduce coverage availability. Add to all these factors a global pandemic and a tightening in the reinsurance marketplace—the market is experiencing a high sense of uncertainty. This uncertainty is contributing to the feeling that this is a time where the market has entered into a new phase of recalibration. Many would call this recalibration a hard market for certain lines of coverage and industries in the U.S.

This hardening market is an underwriting-driven marketplace. In a traditional hard market, capital (and consequently capacity) is reduced, thereby limiting the availability of insurance. This marketplace is driven by the need for underwriters to make a profit from underwriting versus relying on investment income. Carriers remain intensely focused on underwriting discipline, ensuring they secure the right terms and pricing on certain lines of coverage that have historically not performed from an underwriting standpoint.

The pace of the United States' economic recovery and the outcome of the active hurricane season could alter some of the underlying fundamentals of the current marketplace. However, in all likelihood, the conditions that exist today are not changing anytime soon, and it will take carriers some time re-underwriting their books of business to overcome the challenges associated with the current marketplace. Accordingly, all market indications point to a continuation of premium increases for the balance of the year and throughout 2021.

Utilizing Gallagher Drive[®], our proprietary data and analytics platform, our brokerage team can provide specific rate guidance for your line of coverage, industry and geography. Combined with deep expertise in your particular industry and business, Gallagher can help you navigate today's highly nuanced market.

Line of Coverage	Current Marketplace (Range of Rate Increases)
Property	+15% to +20% or more
Umbrella	+20% to +30% or more
General Liability	+5% to +10%
Commercial Auto	+7% to +12%
Workers' Compensation	-2% to +5% or more
D&O (Private)	+10% to +25% or more
D&O (Public)	+25% to +45% or more
Cyber	+15% to +50% or more



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Scott County 2021-22

Insurance summary

<u>Coverage</u>	<u>Expiring</u>	<u>Renewal</u>
Liability	\$131,530	\$152,375
Property	127,593	149,990
Automobile	32,677	38,677
Automobile-EMA	3,612	3,870
Umbrella	59,805	69,049
Cyber/Internet liability	12,564	11,936
<u>Worker's Comp</u>	<u>71,407</u>	<u>72,843</u>
Sub-Total	\$439,188	\$498,740
<u>Med. Professional</u>	<u>75,750</u>	<u>85,053</u>
Total	\$514,938	\$583,793



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LIABILITY

Travelers

\$1,000,000 per occurrence, \$300,000 self-insured retention

Premises/Operations/Products Liability

Auto Liability

Law Enforcement Liability

Management Liability/Employment Practices Liability

Social Services Professional Liability (Community Services)

Scott County Health Department Clinic (GL)

Umbrella Excess Liability

\$9,000,000 limit, \$5 million sublimit for EPL and PEML

NO exclusion for County handling claims (bad faith/extra contractual)



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PROPERTY

Chubb

\$100,000 deductible for property, vehicles and equipment

Building/contents limit \$124,502,371

\$5,000,000 limit on mobile equipment (\$4,612,643 values)

\$2,500,000 limit on vehicles **while parked** (\$7,685,030 values)

Earthquake \$50,000,000 limit

\$100,000 deductible

Total property, vehicle, equipment values

Expiring \$133,802,292

Renewal \$136,800,044



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WORKER'S COMPENSATION

Midwest Employers

Unlimited WC benefits

County approved as claims administrator

\$500,000 self-insured retention each occurrence

2nd year of a 2-year policy, based on county's excellent claims experience and claims handling:

2020-21 \$71,407

2021-22 \$72,843



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MEDICAL PROFESSIONAL

Coverys

\$1,000,000 liability limit

\$3,000,000 aggregate

\$25,000 deductible

Board of Health

Nurses

Jail nurses

Doctors covered for administrative duties only

Covers Sec 1983 civil rights discrimination claims

Premium	\$85,053.11
Expiring premium	\$75,750

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

JUNE 24, 2021

APPROVING THE FY22 INSURANCE RENEWALS WITH TRAVELERS, CHUBB,
COVERYS AND MIDWEST EMPLOYERS CASUALTY COMPANY
IN THE AMOUNT OF \$583,793.

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

- Section 1. That the renewal of liability insurance with Travelers in the amount of \$275,907 for fiscal year 2022 is hereby approved.
- Section 2. That the renewal of property insurance with Chubb in the amount of \$144,990 for fiscal year 2022 is hereby approved.
- Section 3. That the renewal of medical-professional insurance with Coverys in the amount of \$85,053 for fiscal year 2022 is hereby approved.
- Section 4. That the renewal of workers compensation insurance with Midwest Employers in the amount of \$72,843 fiscal year 2022 is hereby approved.
- Section 5. This resolution shall take effect immediately.