

RISK MANAGEMENT

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June 15, 2022

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, 2022 through June 30, 2023. 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. Cowbell is being recommended for Cyber Insurance.

The Chubb property renewal premium is up approximately 12% 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 20% 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 5%, 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. The biggest increase is in cyber coverage. The cyber market is extremely volatile and the County's cyber coverage has been enhanced compared to expiring with a new insurance carrier, resulting in a larger premium increase. Scott County has a \$300,000 self-insured retention for liability claims.

Worker's Compensation coverage continues with Midwest Employers Casualty Company with a new 2-year policy. 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 currently

has a \$500,000 self-insured retention for all worker's compensation claims. However, for law enforcement coverage only a \$750,000 retention for sheriff's department employees is being offered, while many other excess insurance carriers are requiring at least \$1 million in self-insured limits for all employees.

Total premium for main coverage lines is \$582,542, up 16.8% compared to last year. Again, much of this increase is due to increased coverage and premium for cyber insurance. Scott County continues to receive preferential pricing and coverage terms due to its overall safety efforts and limited claims activity.

Medical professional coverage for the county's health clinic, including treating jail inmates, continues to be a challenge. Premium this year is up 25% compared to expiring, with new premium of \$106,316. This increase continues the trend of shrinking markets for this type of coverage and increasing premiums nationwide related to health clinic operations and particularly work with inmates in the jails that were served by health clinics. Until the volume and size of lawsuits in this coverage decreases nationwide, premium increases are likely.

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

2022-23

Scott County Insurance Summary



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

Effective
7/1/2022



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Scott County 2022-23

Insurance Summary

<u>Coverage</u>	<u>Expiring</u>	<u>Renewal</u>
Liability	\$152,375	\$158,642
Property	149,990	168,063
Automobile	38,677	40,677
Automobile-EMA	3,870	4,265
Umbrella	69,049	74,012
Cyber/Internet liability	11,936	36,911
<u>Worker's Comp</u>	<u>72,843</u>	<u>99,972</u>
Sub-Total	\$498,740	\$582,542
<u>Med. Professional</u>	<u>85,053</u>	<u>106,316</u>
Total	\$583,793	\$688,858



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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 PEMPL

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 \$132,829,757

\$5,000,000 limit on mobile equipment (\$3,795,112 values)

\$2,500,000 limit on vehicles **while parked** (\$6,538,153 values)

Earthquake \$50,000,000 limit

\$100,000 deductible

Total property, vehicle, equipment values

Expiring \$136,800,044

Renewal \$143,163,022 (+4.6%)

\$150k ded. – saves \$4,201 (2.4%)

\$200k ded. – saves \$6,723 (4%)



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CYBER

Cowbell

\$1 million limit

\$100,000 deductible

Coverage includes:

- Liability costs
- Regulatory costs
- Breach fund
- Data Restoration costs
- Extortion costs
- Business impersonation costs
- Business interruption costs
- System failure
- Cyber crime loss
- Criminal reward costs



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WORKER'S COMPENSATION

Midwest Employers

Unlimited WC benefits

County approved as claims administrator

\$500,000 self-insured retention each occurrence

\$750,000 self-insured retention each occurrence – law enforcement officers

1st year of a 2-year policy, based on county's excellent claims experience and claims handling:

	<u>\$500k/\$750k SIR</u>	<u>\$750k SIR</u>
2022-23	\$99,972	\$96,977
2023-24	\$103,465	\$100,371



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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

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 23, 2022

APPROVING THE FY23 INSURANCE RENEWALS WITH TRAVELERS, CHUBB, COVERYS AND MIDWEST EMPLOYERS CASUALTY COMPANY and CYBER PURCHASE FROM COWBELL IN THE AMOUNT OF \$688,858.

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 \$277,596 for fiscal year 2023 is hereby approved.
- Section 2. That the renewal of property insurance with Chubb in the amount of \$168,063 for fiscal year 2023 is hereby approved.
- Section 3. That the renewal of medical-professional insurance with Coverys in the amount of \$106,316 for fiscal year 2023 is hereby approved.
- Section 4. That the 2 year renewal of workers compensation insurance with Midwest Employers in the amount of \$99,972 fiscal year 2023-2024 is hereby approved.
- Section 5. That Cyber Insurance be purchased in the amount of \$36,911 from Cowbell is hereby approved.
- Section 6. This resolution shall take effect immediately.