

June 9, 2020

Town of Mansfield Finance Committee

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A background image showing a close-up of a dartboard with a yellow arrow pointing towards the bullseye. The word 'RISK' is partially visible in large, bold, grey letters on the right side of the image.

Agenda

1. Introduction – USI Insurance Services
2. Mansfield Property/Casualty Insurance Program Summary
3. Insurance Marketplace Conditions
4. Town of Mansfield: 7/1/2020 Insurance Renewal
5. Risk Management Examples: Pandemic and Cyber
6. Question/Answer



USI Insurance Services

- Progressive insurance brokerage with risk management expertise with certain industries – especially public entities.
- USI’s local team, led by Christopher Wardrop, works with 70 Connecticut public entities.
- “Outsourced risk manager/advisor” model for towns and school districts.
- Consultation and education provided on dozens of municipal risk topics
- Problem-solving approach harnessing USI’s “OMNI” platform and colleagues serving over 2,000 public entities nationally.
- A fundamental goal: Help our clients protect their people, property, and budgets using the totality of USI’s expertise and relationships, on a local level.



Mansfield Property/Casualty Insurance Program Summary

- Property, liability, and workers compensation coverages are placed with CIRMA (Connecticut Interlocal Risk Management Agency)
- Ancillary coverages such as cyber and crime are placed with A rated carriers
- Claims, loss prevention and analytics services are included in tandem with coverage on an ongoing basis, at no additional cost.
- Budget forecasting services by USI begin in the Fall preceding the following fiscal year.



Insurance Program Summary (continued)

Property Coverage (included on CIRMA's "LAP" policy):

- Includes all town and school district buildings and contents on a replacement cost basis
- Equipment breakdown included
- Loss of revenue and extra expense coverage triggered by direct physical loss to scheduled buildings
- Contractors equipment and portable property covered per schedule
- Physical damage coverage for scheduled autos, with enhanced "agreed value" for fire apparatus



Insurance Program Summary (continued)

Liability Coverage (included on CIRMA's "LAP" policy):

- Commercial general liability
- Employee benefits liability
- Automobile liability
- Public officials' liability
- Law enforcement liability
- School leaders' liability
- Employment practice liability
- Excess liability (\$10 mil limit over underlying \$ 1mil limits)



Insurance Program Summary (continued)

Workers Compensation:

- No deductible (guaranteed cost) program
- Includes coverage by statute for volunteer firefighters
- Payroll audit not premium-bearing effective 7/1/2019
- Supplemented by fire department accident/sickness coverage

Summary only – consult actual policies for specific details on coverage and retentions



Insurance Program Summary (continued)

Ancillary Coverages:

- Crime
- Cyber (being evaluated/marketed currently by USI)
- Fidelity bonds
- Specialty fire department coverage
- Interscholastic sports/student accident
- Pollution (first and third party)

Summary only – consult actual policies for specific details on coverage and retentions



Insurance Marketplace Conditions

National Trends:

- Hard market continues, with increasing rates, stricter underwriting, and pullback on certain coverages
- Pandemic may prolong current market conditions well into 2021.

Connecticut/Public Sector Trends:

- Three major programs continue to offer primary lines of coverage including workers compensation. New entrants occasionally test waters.
- CIRMA continues as market share leader, especially for towns under 30K population.
- CIRMA rates stable, with stock carriers following some market trends.



Town of Mansfield: 7/1/2020 Insurance Renewal

Town and School District:

- Workers Compensation: 0% change effective 7/1/2020 after 10% reduction effective 7/1/2019.
- LAP Package Policy: 3% reduction effective 7/1/2020 as part of new 3-year budget stabilization agreement (includes +3%/+3% rate caps for 7/1/2021 and 7/1/2022 policies). Rate reduction was -5% for 7/1/2019 policy.
- USI Insurance Services independently assessed rates, coverage, retentions, and property/auto/equipment schedules in 2019, and again in 2020.
- 2020 rate changes are better than peer group, with credit going to leadership, department heads and employees for controlling claim expenses and continuing a positive relationship with CIRMA



Risk Management Examples: Pandemic and Cyber

Pandemic:

- Coverage questions related to workers compensation, extra expenses and loss of revenue
- Exposure and potential premium change review
- Risk management consultation with changing operations, exposures, executive orders, and COVID-19 spread.

Cyber:

- Public entities were a target before the pandemic, and more so now.
- Remote work from home trends require further risk assessment and policy/procedure review.
- Insurance marketplace changing, with USI exploring stand-alone coverage currently.



Questions? Comments?

A close-up photograph of a compass rose. A golden arrow points towards the word "RISK" which is printed in large, bold, black letters on the compass face. The compass has a scale of degrees and a needle pointing towards the top.