

Enterprise Risk Management

2020 Calendar Year-End Update
January 27, 2021

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GLWA Insurance Summary

Renewals Completed

Policy	Carrier	Policy Limits	Deductible	Expiring Premium	Renewal Premium	Change	Highlights
Property	AXA XL	\$750 million	<p>\$1 million</p> <p>Except: Conveyor operations now has a \$2.5 million deductible</p>	\$2,264,340	\$2,104,010	-\$160,330 (-7.1%)	<ul style="list-style-type: none"> Total Insurable Values (TIV's) reduced \$2.7 billion Premium rate increased 50%* No coverage for Business Interruption and Extra Expense Raw water <u>intakes</u> included at full limits. Raw water <u>tunnels</u> included at \$15,000 per linear foot. Stand-alone terrorism coverage also included.**

* Property premium of \$1,950,930 / [total insurable value of \$4,335,400,000/100] = 0.045 [compared to expiring rate of \$0.300]

** \$500 million limit on terrorism; \$10 million limit on nuclear, biological, chemical, or radiological events.

GLWA Insurance Summary

Property Renewal History

	2017-2018	2018-2019	2019-2020	2020-2021	Difference
Values	\$6,807,336,948	\$6,807,336,948	\$7,011,557,057	\$4,335,399,524	-38%
Premium	\$1,620,000	\$1,620,000	\$2,100,000	\$1,950,930	-7%
Rate	0.0238	0.0238	0.0300	0.0450	50%
Loss Prevention Survey Fee	\$47,000	\$47,000	\$47,000	\$47,000	0%
Sub-Totals	\$1,667,000	\$1,667,000	\$2,147,000	\$1,997,930	-7%
+ Stand Alone Terrorism (\$500M Limit)	\$76,602	\$69,840	\$69,840	\$62,000	-11%
+ Nuclear, Chemical, Biological and Radiological Terrorism (\$10M Limit)	\$51,250	\$47,500	\$47,500	\$44,080	-7%
GRAND TOTALS:	\$1,794,852	\$1,784,340	\$2,264,340	\$2,104,010	-7%

Key Changes:

1. WRRF replacement cost declined \$1.2 billion based on successful valuation study last Fall
2. Rate increased 50% (from 3.0% to 4.5%)
3. Conveyor operations deductible increased to \$2.5 million vs. \$1.0 million for all other assets
4. Coverage for *Business Interruption* eliminated as an unnecessary cost
5. Carrier added *Occurrence Limit of Liability Endorsement (OLLE)*; they don't believe our new values

GLWA Insurance Summary

Renewals Completed

Policy	Carrier	Policy Limits	Deductible	Expiring Premium	Renewal Premium	Change	Highlights
Casualty (EL, Auto, GL)	Argonaut Insurance Co.	\$10 million	\$1,000,000	\$478,697	\$488,636	+\$9,939 (+2.1%)	<ul style="list-style-type: none"> No exclusion for sewer backups Surcharge for MCCA PIP reduced 40%
Excess WC	Arch Insurance Group	Part A Statutory Part B: \$2 million	\$1,250,000	\$229,305	\$243,796	+\$14,491 (+6.3%)	<ul style="list-style-type: none"> Rate per \$100 of payroll increased from \$0.3270 to \$0.3478 Rate applied to virtually flat year-over-year payroll.

GLWA Insurance Summary

Renewals Completed

Policy	Carrier	Policy Limits	Deductible	Expiring Premium	Renewal Premium	Change	Highlights
Public Officials/ Employment Practices Liability	Chubb <i>XL Specialty Ironshore</i>	\$ 10 million \$10 million <u>\$ 5 million</u> \$25 million	\$250,000 New: Deductible for Class Actions is \$500,000	\$363,270	\$390,694	+\$27,424 (+7.5%)	<ul style="list-style-type: none"> <i>Modified Defense Outside the Limits Provision (GLWA has \$25 million for defense + \$25 million for indemnity)</i>

GLWA Insurance Summary

Renewals Completed

Policy/Period	Carrier	Policy Limits	Deductible	Expiring Premium	Renewal Premium	Change	Highlights
Excess Pollution Legal Liability	Ironshore Specialty Ins. Co.	\$15 million	n/a	\$119,281	\$122,934	+3,653 (+3.1%)	<ul style="list-style-type: none"> Primary coverage premium remains flat thru 1.1. 2022 Products (finished water) is sub-limited to \$10 million; excess policy “fills” that gap
Fiduciary	Great American; Argonaut; Euclid	\$15 million	\$1,000	\$14,000	\$23,345	\$9,345 (+66.8%)	<ul style="list-style-type: none"> Expiring policy had limits of \$10 million. Plan assets now approx. \$65 million
Aviation	Global Aerospace	\$5 million	n/a	\$1,945	\$1,452	-\$493 (-25.3%)	<ul style="list-style-type: none"> For liability only Dropped coverage for physical damage

GLWA Insurance Summary

Grand Total for Renewals Completed

	Expiring Premiums	Renewal Premiums	Change	Highlights
GRAND TOTAL ALL RENEWALS:	\$3,471,301	\$3,375,330	-\$95,971	-2.8%

Workers' Compensation Year-Over-Year Comparative Metrics Valued as of December 31, 2020

Calendar Year Ending	Claim Count	Total Incurred	Total Paid	# of Litigated Claims	# of Open Claims	% Medical Only
12.31.2016	54	\$142,964	\$142,964	-0-	-0-	76%
12.31.2017	53	\$282,684	\$208,438	2	1	65%
12.31.2018	47	\$316,490	\$316,490	-1-	-0-	60%
12.31.2019	51	\$186,955	\$172,580	-1-	1	60%
12.31.2020	30	\$150,541	\$94,421	-0-	9	65%

Workers' Compensation Reported Claim Frequency Metrics Valued as of December 31, 2020

One measure of workplace incident risk mitigation efforts is the trended frequency rate (number of claims relative to hours worked)

Calendar Year Ending	Claims (A)	Total Hours (B)	Reportable Frequency Rate per 100 Full-Time Equivalents [(A)*200,000] / (B)
12.31.2016	54	1,573,981	6.9
12.31.2017	53	1,766,134	6.0
12.31.2018	47	1,931,621	4.9
12.31.2019	51	2,022,762	5.0
12.31.2020	30	2,017,000	3.0



Litigated Workers' Compensation Claims

All Years; Valued as of December 31, 2020

Total number of litigated files < 2% of all reported claims since January 1, 2016

Date of Loss / Injury Description	Claim Status	Total Incurred	Total Paid	Expected Outcome
October 4, 2017 Right Rotator Cuff	Pending	\$136,232	\$61,986	"Take Nothing" on wage loss claim. Jury trials are not moving forward in Wayne County due to COVID-19.
October 29, 2017 Motor Vehicle Accident	<u>Closed</u>	\$1,069	\$1,069	Claimant's <i>Application for Mediation</i> was dismissed.
October 4, 2018 Allegation of workplace stress and harassment	<u>Closed</u>	\$17,140	\$17,140	Settled October 2020.
December 5, 2019 Slip & Fall	<u>Closed</u>	\$29	\$29	Closed December 2020.

General Liability and Auto Liability Claims

Valued as of December 31, 2020

Calendar Year Ending	General Liability			Auto Liability		
	# of Claims	Total Incurred	# Open	# of Claims	Total Incurred	# Open
12.31.2016	4	\$246,438*	-0-	3	\$2,913	-0-
12.31.2017	1	\$20	-0-	2	\$736	-0-
12.31.2018	0	\$-0-	-0-	2	\$53,600	1
12.31.2019	1	\$-0-	-0-	0	\$-0-	-0-
12.31.2020	7	\$36,502	6	6	\$3,131	2

- \$244,923 (99.4%) of the total is related to *Beasley vs. GLWA* matter

Total Cost of Risk (T.C.O.R.) Metrics For the Fiscal Years Ending June 30

	FY 2016*	FY 2017	FY 2018	FY 2019	FY 2020
Total Costs**	\$2,493,741	\$3,227,574	\$3,115,908	\$3,457,238	\$3,814,449
% Change in Total Costs	-	-	-3.5%	+11.0%	+10.3%
Operating Revenues (rounded)	\$398,131,000 -audited-	\$817,385,000 -audited-	\$811,895,000 -audited-	\$801,079,000 -audited-	\$800,889,000 -audited-
% Change in Operating Rev.	-	-	-5.3%	-1.3%	-2.4%
T.C.O.R. (total costs per \$1,000 of revenues)	\$6.26	\$3.95	\$3.84	\$4.32	\$4.76
Proforma 2017					
Operating revenues (audited)	\$857,557,000				
Less: one-time bad debt recovery	(40,172,000)				
Adjusted operating revenues	\$817,385,000				

* Fiscal year ending June 30, 2016 was a six-month period.

** Sum of (a) premiums for all in-force insurance policies, (b) cost of losses that are retained, (c) contract for third-party administration, and (d) broker fees. Excludes Risk Management department cost center amounts.