

Enterprise Risk Management

Fiscal Year End Update

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Workers' Compensation Year-Over-Year Comparative Metrics

All Years Valued as of June 30, 2020

Fiscal Year Ending	Claim Count	Incurred	Paid	Average Paid per <u>Closed</u> Claim	Other Metrics		
					# of Litigated Claims	# of Open Claims	% Medical Only
06.30.2016	30	\$46,720	\$46,720	\$1,557	-0-	-0-	77%
06.30.2017	53	\$189,145	\$189,145	\$3,569	-0-	-0-	74%
06.30.2018	52	\$321,838	\$251,886	\$3,734	2	1	56%
06.30.2019	42	\$272,314	\$242,554	\$5,785	1	1	69%
06.30.2020	42	\$184,199	\$123,691	\$1,474	-0-	5	62%

- FY16 Represents 6 months of losses (January 1, 2016 – June 30, 2016)
- FY18 One litigated claim, still pending, represents 41% of the incurred total
- FY19 One serious incident, now closed, represents 49% of the incurred total.

Workers' Compensation Reported Claim Frequency Metrics as of June 30, 2020

Fiscal Year Ending	Claims (A)	Total Hours (B)	Frequency Rate [(A)*200,000] / (B)	BLS Benchmark **
06.30.2016*	30	756,192	7.9	6.1
06.30.2017	53	1,682,984	6.3	
06.30.2018	52	1,851,609	5.6	
06.30.2019	42	1,982,686	4.2	
06.30.2020	42	2,034,808	4.1	

* Fiscal year consisted of six (6) months.

** 2016 remains the latest benchmark year from the Bureau of Labor Statistics (Local Government, Michigan; Trade, Transportation and Utilities; Water, Sewage and Other Systems).

24 x 7 Injury Nurse Triage Program Metrics

Period: July 1, 2019 – June 30, 2020

Total Call Volume & Mix Including Follow Up Calls:

ON TIME CALLS (within 24 hours)	41	89 %
LATE CALLS (> 24 hours)	5	11.%
Total # of Calls YTD:	46	100 %

Referred Self Care

43.9% **56.1%**
80.0% 20.0%

Stay-At-Work Calculation

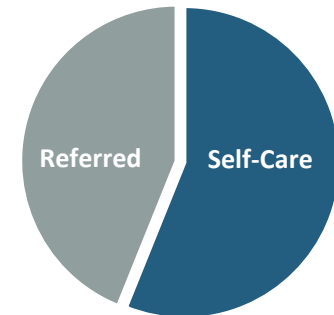
On Time Calls w/Self Care	23	
Late Calls w/Self Care	1	
Follow Up Calls Ultimately Referred	(4)	
Total Stay at Work w/Self Care	20	(A)

Total # of Calls	46	
Self Referred B4/After Triage	(5)	
Adjusted Total # of Calls	41	(B)

Adjusted Stay-at-Work

Rate: **48.8%** (A)/(B)

Initial Call Outcomes



More than half of all calls made to the MEDCOR nurse triage call center within 24 hours of an incident resulted in the team member initially electing self-care vs. a referral to a medical clinic.

All Litigated Workers' Compensation Claims as of June 30, 2020

Litigated claims represents 1% of all reported claims since January 1, 2016 (3 of 219)

Date of Loss / Injury Description	Claim Status	Total Incurred	Total Paid	Expected Outcome
October 4, 2017 Right Rotator Cuff	Pending	\$131,400	\$61,447	"Take Nothing" re: additional wage loss following termination for cause
October 29, 2017 Motor Vehicle Accident – Alleged Lower Back	Closed	\$1,069	\$1,069	Claimant's <i>Application for Mediation</i> was withdrawn by WC Agency (failure to pursue)
October 4, 2018 Stress-Related Mental Disorder	Pending	\$35,120	\$5,361	"Nuisance value"

General Liability and Auto Liability Claims

As of June 30, 2020

Fiscal Year Ending	General Liability		Auto Liability	
	# of Claims	Total Paid	# of Claims	Total Paid
06.30.2016	1	\$405	1	\$1,000
06.30.2017	3	\$246,034*	3	\$2,649
06.30.2018	1	\$20	2	\$20
06.30.2019	1	\$-0-	1	\$1,000
06.30.2020	1	\$-0- **	1	\$1,000

* \$244,923 (99.6%) of the total is related to *Beasley vs. GLWA* matter

** Claim date was June 28; no reserves or payments as of June 30

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-	\$761,000,000 -estimated-
% Change in Operating Rev.	-	-	-5.3%	-1.3%	-0.1%
T.C.O.R. (total costs per \$1,000 of revenues)	\$6.26	\$3.95	\$3.84	\$4.32	\$5.01
Proforma 2017 Operating revenues (audited) \$857,557,000 Less: one-time bad debt recovery <u>(40,172,000)</u> 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.

Summary of Insurance Policies In Effect

As of June 30, 2019

Coverage	Policy Period	Insurer(s)	Limits	Retention	Premium
Public Officials/EPLI	12.10.19-12.10.20	Ace/XL/Ironshore	\$25,000,000	\$250,000	\$363,270
Fiduciary	12.10.19-12.10.20	Great American	\$10,000,000	\$1,000	\$7,000
Property	12.31.19-12.31.20	AXA-XL	\$750,000,000	\$1,000,000	\$2,264,340
Casualty (Auto, GL)	01.01.20-01.01.21	Argonaut	\$10,000,000	\$1,000,000	\$418,417
Casualty (Excess WC)	01.01.20-01.01.21	Arch	Statutory	\$1,250,000	\$236,184
Environmental – Primary	02.08.19-01.01.22	Steadfast	\$25,000,000	\$500,000	\$194,296
Environmental – Excess (Products only)	02.08.20-01.01.21	Ironshore Specialty	\$15,000,000	\$ -0-	\$119,281
Fidelity Bonds (CEO/CFO)	01.01.20-01.01.21	Western Surety	\$50,000	Na	\$463
Underground Storage Tanks	07.01.20-07.01.21	Crum & Forster	\$2,000,000	\$5,000	\$1,935
Aviation	03.01.20-03.01.21	Global Aerospace	\$5,000,000	5%	\$1,945
Cyber	04.01.20-04.01.21	Beazley Insurance	\$10,000,000	\$250,000	\$79,690
				TOTAL:	\$3,686,821