Memorandum

To: Honorable Board of Directors

From: Michael Tilley

CC: Nicolette Bateson, William Wolfson

Date: October 15, 2019

RE: *Risk Management Fund – Estimated Impact from Renewal Policy Premiums*

GLWA has heard, through its property and casualty broker, some dire warnings regarding the current commercial insurance environment in terms of policy renewal pricing. The table below shows premiums for expiring policies alongside a best guess as to what GLWA might expect in terms of pricing changes based on Marsh's overall book of business:

Coverage	Insurer(s)	Expiring Premium	Estimated Renewal Premium	$ Change	% Change
Public Officials/EPLI	Ace/XL/Ironshore	$354,149	$369,400	$15,251	4.3%
Fiduciary	Great American	$6,400	$6,600	$200	3.1%
Property	AXA-XL	$1,787,274	$2,323,000	$535,726	30.0%
Casualty (Auto, GL)	Argonaut	$457,854	$526,500	$68,646	15.0%
Casualty (Excess Workers' Comp)	Arch	$205,886	$226,500	$20,614	10.0%
Environmental – Primary (expires 1/1/2022)	Steadfast	$194,296	$194,296	$ -0-	-0- %
Environmental – Excess (Products only)	Ironshore Specialty	$103,064	$103,064	$-0-	-0-%

Underground Storage Tanks	Crum & Forster	$1,913	$1,912	$-0-	-0-%
Aviation	Global Aerospace	$1,902	$1,902	$-0-	-0-%
Cyber	Beazley Insurance	$78,110	$78,110	$-0-	-0-%
Fidelity Bond – CEO	Western Surety	$175	$175	$ -0-	-0- %
Fidelity Bond - CFO	Western Surety	$288	$288	$ -0-	-0- %
Grand Totals:		$3,191,311	$3,831,747	$640,436	20.1%

The grand totals reflect only insurance policy premiums for current/expiring policies. The Risk Management Fund also pays for broker fees, claim indemnity and medical payments, 24x7 nurse triage calls, and miscellaneous assessments by the State of Michigan. When those amounts are added, the grand total is expected to breach $4 million (threshold for reporting per the Risk Management Fund Policy approved by the GLWA Board of Directors in December 2015).

I'd be happy to discuss this memo with you further if desired.