

Enterprise Risk Management

2019 Calendar Year-End Update
February 12, 2020

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GLWA Insurance Summary

Renewals Completed

Policy	Carrier and A.M. Best Rating/Financial Size	Policy Limits	Deductible	Expiring Premium	Renewal Premium	Change	Highlights
Property	AXA XL A / XV	\$750 million	\$1 million	\$1,784,340	\$2,264,340	+\$480,000 (+27%)	<ul style="list-style-type: none"> Premium Rate = \$0.03 per \$100 of insured value.* All interceptors and underground pipes have a sublimit of \$5 million. Property loss prevention services for select sites. 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 \$2,100,000 / [total insurable value of \$7,011,557,057 / 100] = 0.03 [compared to expiring rate of \$0.238]

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

GLWA Insurance Summary

Renewals Completed

Policy	Carrier and A.M. Best Rating	Policy Limits	Deductible	Expiring Premium	Renewal Premium	Change	Highlights
Public Officials/ Employment Practices Liability	Chubb A++	\$25 million	\$250,000	\$354,149	\$367,270	+\$13,121 (+2.6%)	<ul style="list-style-type: none"> • <i>Modified Defense Outside the Limits Provision</i> • That means GLWA has \$25 million for defense + \$25 million for indemnity

GLWA Insurance Summary

Renewals Completed

Policy	Carrier and A.M. Best Rating/Financial Size	Policy Limits	Deductible	Expiring Premium	Renewal Premium	Change	Highlights
Casualty (EL, Auto, GL)	Argonaut Insurance Co. A / XIII	\$10 million	\$1,000,000	\$467,983	\$478,697	+\$10,714 (+2.2%)	<ul style="list-style-type: none"> Coverage for <i>Law Enforcement Liability</i> No exclusion for sewer backups No commutation clause TRIA and MCCA included in renewal.
Excess WC	Arch Insurance Group A / XV	Part A Statutory Part B: \$2 million	\$1,250,000	\$205,886	\$229,305	+\$23,419 (+11.4%)	<ul style="list-style-type: none"> Rate per \$100 of payroll unchanged at \$0.326 Rate applied to 11% increase in payroll. No commutation clause

GLWA Insurance Summary

Renewals Completed

Policy/Period	Carriers and A.M. Best Rating	Policy Limits	Deductible	Expiring Premium	Renewal Premium	Change	Highlights
Pollution Legal Liability	<p>PRIMARY Steadfast Insurance Co. (Zurich) A+</p> <p>EXCESS Indian Harbor Ins. Co. A+</p>	<p>\$25 million</p> <p>\$15 million</p>	\$500,000	\$174,306	\$184,046	+9,740 (+5.6%)	<ul style="list-style-type: none"> Primary coverage premium remains flat thru 1.1. 2022 Products coverage (finished water) is sub-limited to \$10 million; excess policy “fills” that gap
Fiduciary	<p>Great American</p> <p>A+</p>	<p>\$10 million</p> <p>(\$5 million expiring)</p>	\$1,000	\$6,400	\$14,000	n/a	<ul style="list-style-type: none"> For GLWA Retirement Plans; assets approx. \$50 million Premium would have been \$7,000 for expiring limit
Cyber / Network Security	<p>Beazley Insurance Co.</p>	\$10 million	\$100,000	\$78,110	tbd		<ul style="list-style-type: none"> Evaluate exposures and limit requirements Policy renews April 1
Aviation	<p>Global Aerospace</p>	\$5 million	5% of insured value	\$1,902	tbd		<ul style="list-style-type: none"> For GLWA Security’s drone Policy expires March 1

Workers' Compensation Comparative Metrics Valued as of December 31, 2019

Calendar Year Ending	Claim Count	Total Incurred	Total Paid	Average Paid Per Closed Claim	Other Metrics		
					# of Litigated Claims	# of Open Claims	% Medical Only
12.31.2016	54	\$142,974	\$142,974	\$2,648	-0-	-0-	76%
12.31.2017	53	\$277,852	\$205,986	\$3,887	2	1	68%
12.31.2018	46	\$328,704	\$262,683	\$5,711	1	2	61%
12.31.2019	51	\$179,177	\$110,066	\$2,158	-0-	11	65%

Workers' Compensation Reported Claim Frequency Metrics Valued as of December 31, 2019

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

Calendar Year Ending	Claims (A)	Total Hours (B)	Frequency Rate per 100 Full-Time Equivalents [(A)*200,000] / (B)	BLS Benchmark *
12.31.2016	54	1,573,981	6.9	6.1
12.31.2017	53	1,766,134	6.0	
12.31.2018	46	1,931,621	4.7	
12.31.2019	51	2,022,762	5.0	

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

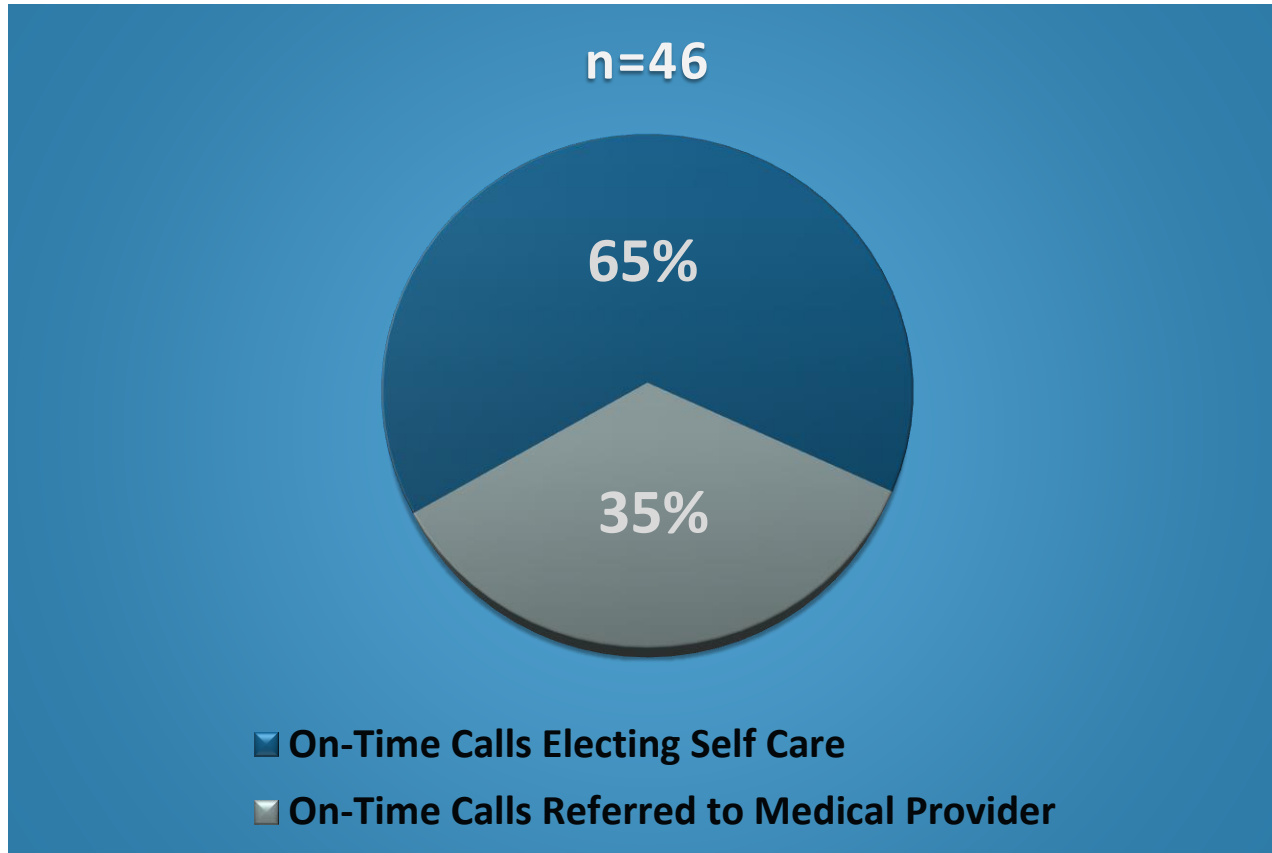
Litigated Workers' Compensation Claims

All Years; Valued as of December 31, 2019

Total number of litigated files = 1.8% 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	\$131,400	\$59,534	"Take Nothing" on wage loss claim. Claimant was terminated for cause. Expect to close by mid-2020.
October 29, 2017 Motor Vehicle Accident	Closed	\$1,069	\$1,069	Claimant's <i>Application for Mediation</i> was dismissed by WC Agency (failure to pursue).
October 4, 2018 Allegation of workplace stress and harassment	Pending	\$20,100	\$438	Dismissal of claim in early 2020.

Workers' Compensation Injury Triage Performance Calendar Year 2019



“On-Time Calls” are those made within the first 24 hours of an incident

Workers' Compensation Injury Triage Metrics

Calendar Year 2019

Total Stay-At-Work w/Self-Care (adjusted)	27
x Average Medical Only Cost (estimated)	\$516

= Estimated Medical Charges Avoided	\$13,932
+ Per claim medical only charges avoided @ \$148 ea.	\$ 3,996
+ New claim intake fee avoided @ \$22 per claim	\$ 594
+ Medical bill review fee avoided (assumes 1 bill @ \$8.75)	\$ 236

= Total Estimated Cost Avoidance	\$18,758
- Total Cost of Service (sum of calendar 2019 invoices)	\$ 4,111

= Net benefit of nurse triage program for this period	\$14,647
 Estimated Return on Program Investment	 356%

General Liability and Auto Liability Claims

Valued as of December 31, 2019

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	\$27,550	1	2	\$736	-0-
12.31.2018	0	\$-0-	-0-	2	\$38,600	1
12.31.2019	1	\$2,501	1	0	\$-0-	-0-

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