

MARICOPA COUNTY SELF-INSURED RISK TRUST

BOARD OF TRUSTEES MEETING

VIA Teams

Wednesday, March 16, 2022

Start Time: 2:30 P.M.

OPEN SESSION MINUTES

<p>Board Present</p> <ul style="list-style-type: none"><input checked="" type="checkbox"/> Thomas Katsenes – District 3/Chairman<input checked="" type="checkbox"/> Laura Guerrero – District 5/Co-Chair<input checked="" type="checkbox"/> Ray DiCiccio – District 1<input type="checkbox"/> Scott LeMarr – District 2<input checked="" type="checkbox"/> Russ Ackerman – District 4<input checked="" type="checkbox"/> Lee Ann Bohn – County Manager	<p>Staff Present</p> <ul style="list-style-type: none"><input checked="" type="checkbox"/> Jerry Spears - Administrator<input checked="" type="checkbox"/> Kathleen Kolm<input checked="" type="checkbox"/> Samantha Wright<input checked="" type="checkbox"/> Shannon Murphy<input checked="" type="checkbox"/> Timothy Little<input checked="" type="checkbox"/> Joseph Vigil<input checked="" type="checkbox"/> Elena Yniguez<input checked="" type="checkbox"/> Oralee Young
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GUESTS: Tracy Pettersen, Karen Graham, Sherle Flaggman

The Open Session was called to order by Thomas Katsenes, Chairman of the Board of Trustees, at 2:32 P.M.

Public Comments:

None

Motion to enter Executive Session

1st: Ray DiCiccio

2nd: Laura Guerrero

Time: 2:33 pm

Insurance Renewals - Kathleen Kolm, Tracy Pettersen, Karen Graham

The crime renewal remained stable from last year with a 5% increase in premium over the expiring year. The terms and conditions stayed the same with a \$10M limit with a \$100,000 deductible. This is reflective of the marketplace specifically with regards to crime. This is a relatively flat and stable environment.

The cyber renewal has been challenging this year due to ransomware attacks and the constant changes in technology. We did seek a primary layer of \$10M from the incumbent carrier. It is coming at a 42% increase in premium over the expiring year with a \$2.5M self-insured retention. We did seek excess quotes over the primary layer and even though we didn't bind any of those, it is a true testament of how the County is doing. The staff's ability to answer questions and provide

information was a driving factor in getting that \$10M limit. Even the broker's carriers were saying this is not something they are seeing with public entities of this size. It speaks volumes of what the County is doing.

The Public Entity Liability marketplace has continued to harden. Early on we lost about \$15M in incumbent capacity and that was due to non-renewals and reduced capacity. Vantapro the primary layer was no longer offering their primary limits and they were increasing their law enforcement liability self-insured retention to \$10M. Then HGI Global which was the next layer over Vantapro non renewed their line. There is a handful of factors driving this. Claims severity is definitely a driving factor in this renewal especially with the recent loss activity and claims settlement of the Ortiz claim. Social inflation also continues to be a factor as well. For this renewal, we have a \$20M limit with a premium increase at 80% over the expiring year.

Premium Summary

Coverage Type	2021 Renewal Carrier	2022 Renewal Carrier	2021 Renewal Premium	2022 Bound Renewal Premium	% Change	Renewal Notes
Public Entity Liability ⁽¹⁾	\$50M Program Limit Purchased	\$20M Program Limit	\$50M Program Limit	\$20M Program Limit	80%	Excludes Terrorism; Includes SL Taxes and Fees
	Vantapro Specialty Ins Co	Vantapro Specialty Ins Co	\$ 3,317,913.51	\$5,971,678.00		
	HDI Global Specialty SE	Group Ark				
	Gemini Insurance Company	Upland Specialty				
	Allied World Assurance Company	Gemini Insurance Company				
	Gemini Insurance Company					
	Great American Assurance Co					
					\$ 3,317,913.51	\$5,971,678.00
Crime	Fidelity and Deposit Co. (Zurich)		\$ 32,436.00	\$ 34,113.00	5%	Includes \$2M Faithful Performance of Duty
Cyber ⁽¹⁾	\$30M Program Limit Purchased		\$ 565,245.75	\$ 801,502.80	42%	\$10M Limit, \$2.5M SIR
	BRIT (Lloyd's Syndicate)					
TOTAL Program Premium			\$ 3,915,595.26	\$ 6,807,293.80	74%	

(1) Premium inclusive of AZ Surplus Lines Taxes and Fees

A2234 Update - Tim Little

Policy A2234 was revised and adopted by the Board of Supervisors as previously discussed. The Risk Control Loss Prevention (RCLP) Division Safety Specialists were tasked with a goal to meet with each of their departments, 45 in total to share information on the departmental impacts and what policy A2234 means to them. Policy A2234 sets the core requirements to have a safety program in each department and it's based off white papers out of the Occupational Safety and Health Administration (OSHA) and the industry success stories that all agree on the 7 core elements that need to be in a successful safety program. Of the 45 departments, RCLP has successfully met with the 44 departments that were willing to participate. Tim gave a high-level overview of the 4 phases of the Safety Management System and the engagement experienced with departments to date.

Department Strategic Plan - Jerry Spears

Strategic Plan – Management worked with Innovation Studio to produce an internal department plan over six months. It's broken out by constituents/stakeholders, financial stewardship, operational excellence, and department capacity. Some of the goals include the policy A2234 shared by Tim, revision to the Trust document and employee retention. Jerry shared the road map within the plan and stated that management meets once a month to evaluate progress made.

Department Updates - Jerry Spears

The Work Comp. adjuster vacancy has been filled and the employee is set to start on March 28th.

Approval of Executive & Open Session Minutes - Jan. 19, 2022

1st: Ray DiCiccio
2nd: Russ Ackerman

Time: 3:37 pm


Items for next meeting

Jerry will discuss the captives with help from Lee Ann

Motion to Adjourn

1st: Lee Ann Bohn
2nd: Ray DiCiccio

Time: 3:38 pm



Thomas Katsenes
Chairman, Board of Trustees

6-15-22
Date