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Date: August 29, 2022

TO: MEMBERS, BOARD OF DIRECTORS

I. AGENDA ITEM # AND TITLE:	Open Agenda Item 3e – Consent Calendar: Authorization to Secure Renewal of the Expiring Insurance Programs at Terms Most Favorable to State Fund
II. NAME AND PROGRAM:	Ken Van Laar, Chief Risk Officer; and Randy Hogan, Sr. VP and Risk Manager
III. ACTIVITY:	<input type="checkbox"/> Informational <input type="checkbox"/> Request for Direction <input checked="" type="checkbox"/> Action Proposed <input type="checkbox"/> Exploratory
IV. JUSTIFICATION:	<input checked="" type="checkbox"/> Standard/Required Item <input type="checkbox"/> Board Request – New Item <input type="checkbox"/> New Topic from Staff

V. EXECUTIVE SUMMARY:

State Fund’s current management liability and property & casualty insurance programs are due for renewal.

The current levels of coverage provide an appropriate balance of risk acceptance and transfer and reflect State Fund’s capital position and appetite and tolerance for risk. The renewals are not expected to change materially with regard to coverage or premium from expiring levels for any line of coverage.

The following management liability insurance lines expire on September 30, 2022: Directors and Officers (D&O), Employment Practices Liability (EPL), Managed Care Errors and Omissions, and Cyber Liability.

The following property casualty lines expire on November 4, 2022: Commercial General Liability, Automobile Liability, Umbrella and Excess Liability, Terrorism, Property, Excess Earthquake & Flood, Fuel Tank Liability, Pollution, Video Production, and Foreign Liability.

The Excess Workers’ Compensation program expires on January 1, 2023.

VI. ANALYSIS:

The insurance policy renewals fulfill a prime Risk Management responsibility. The following table details the current lines and premiums of the expiring management liability and property & casualty programs:

Property / Casualty		Management Liability	
Coverage Line	Expiring Premium	Coverage Line	Expiring Premium
General Liability	\$51,546	Employment Practices	\$94,233
Auto Liability	\$31,528	Directors & Officers	\$547,862
Excess Workers' Compensation	\$289,136	Managed Care E&O	\$184,039
Umbrella/ Excess Liability	\$119,434	Cyber Liability	\$156,446
Full Terrorism - Liability	\$13,988	Video Production	\$8,482
Full Terrorism - Property	\$25,151	Public Officials Bond	\$200
Primary Property	\$509,011		
Excess Earthquake & Flood	\$253,303		
Flood - Federal	\$16,855		
Fuel Tank Liability	\$3264		
Pollution Liability	\$30,876		
Foreign Package	\$2,000		
Total Premium	\$1,346,092	Total Premium	\$991,262

VII. RECOMMENDATION:

Risk Management recommends that the President/CEO be authorized to secure a renewal program for the expiring policies at terms most favorable to State Fund.