

INTRODUCTION TO PROPERTY AND CASUALTY COVERAGE

If I am responsible for managing the property and casualty program for my public entity, what do I need to know? This session will provide a broad introduction to property and casualty insurance coverage, basic risk management, claims handling and trending exposures.

4 Key Topics



KNOW YOUR POLICY



RISK MANAGEMENT
INITIATIVES



CLAIMS HANDLING

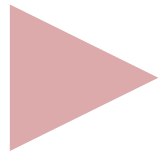


WHAT'S TRENDING?

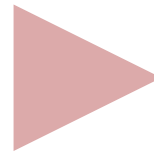


Know Your Policy

Contract
defining
obligations of
both insured and
insurer



WHO,
WHAT, and
HOW
coverage
applies



Become familiar
with your policy
and know how to
navigate through
it. (no need to
memorize)

Key Sections of Your Policy

- ⑩ Declarations
- ⑩ Insuring Agreements
- ⑩ Definitions
- ⑩ Exclusions
- ⑩ Conditions
- ⑩ Endorsements





Casualty Coverage

General Liability

Public Officials Liability

Employment Practices Liability (EPLI)

Automobile Liability

Law Enforcement Liability

Cyber Liability

Casualty Considerations

What limits do we need?

Occurrence
Limit vs
Aggregate Limit

Are defense
costs included
within the limit?

Deductibles

Real and Personal Property Coverage



Buildings and Contents,
Property in the Open

Inland Marine (Portable
Equipment)

Valuation (ACV, FRC, RC)

Electronic Data Processing
Equipment

Blanket Provision

Flood and Earthquake

Equipment Breakdown

Coverage Extensions

Auto Physical Damage Coverage

- Comprehensive, Collision (Deductible Applies)
- Liability Only
- Valuation (ACV vs RC)
- Coverage Extensions



Crime Coverage

- Employee Dishonesty
- Faithful Performance of Duty - HB 291, HB 444
- Bonds (Trustees, Fiscal Officers, Finance Directors, etc.)



Risk Management Initiatives



Goals



Target claim frequency



Eliminate, minimize, and transfer risk



Documentation and Defensibility

Top 5 Recommendations



- #1 - Obtain Motor Vehicle Records (MVR) annually
- #2 - Pre-trip vehicle inspections
- #3 - Driving policy, with acceptability standards
- #4 - Certificates of liability - naming entity as AI
- #5 - Monthly documented road and sign inspections



Claims Handling

Reporting New Casualty Claims

1

Provide carrier important details in writing ASAP

2

Do not make payments or assume liability until written consent is received from carrier

3

Allow the carrier to handle the interaction with the claimant

4

Understand Governmental Immunity

Reporting New Property and Auto Claims

Inform	Inform police if law was broken
Notify	Notify carrier immediately of loss (or event that could lead to a loss)
Protect	Protect property from further loss and keep record of expenses
Provide	Provide description of how, when and where loss occurred
Interact	Interact with adjuster and provide requested information along the way and allow access to your property if needed

Governmental Immunity

Political subdivisions are entitled to immunity for negligence, while employees are within their scope of employment, EXCEPT:

#1 - Negligent operation of a motor vehicle.

However, a political subdivision is not liable and has full defenses when: police, fire or EMS are responding to an emergency call with lights and sirens engaged, unless considered willfull, wanton, or reckless misconduct

#2 - Negligence by employees with respect to proprietary functions of the political subdivisions.

Gov. Immunity Cont.

#3 - negligent failure to keep public roads in repair and remove obstructions from public roads.

#4 - negligence of employees involving physical defects of buildings, in connection with a governmental function.

What's



Trending?



Property & Casualty Market Hardening

○ Causes

- Increase in substantial weather-related events
- Historically low interest rates
- Increasing loss trends for casualty lines

○ Results

- Average Casualty rate increases of 7-15%
- Average Property rate increases of 15-25%
- Excess/Umbrella rate increases of 30%+
- Coverage and limit restrictions



Increased Law Enforcement Exposure

- Updated policies and procedures
- New training initiatives for officers
- Trending question: Should officers be personally liable?



Cyber Exposure



- Security and Privacy Liability
 - Exposure of Personal Identifiable Information (PII), credit card information, and confidential government data
 - Lack of protective controls
- 1st Party Expense
 - Event Response
 - Cyber Extortion
 - Network Interruption
 - Property Damage



Social Inflation



- Rising insurance losses due to the growing emergence of plaintiff friendly legal decisions and higher jury awards.
- What does this mean for the consumer?
 - Consider higher coverage limits
 - Increased risk management initiatives and controls
 - Increase Training with accountability feature



What's
Trending?



COVID 19 Considerations

- Can a public entity be held liable?
- Some policies exclude coverage for Communicable Disease, including a Virus
- Most policies provide a defense
- Importance of following guidelines



Questions?



THANK YOU

Thomas Welsh - Director
Burnham & Flower Insurance Group
6500 Taylor Road, Suite C
Blacklick OH, 43004
888.748.7966 ext.3112
Direct: 614.353.1077
twelsh@bfgroup.com