



BIG CANOE POA ANNUAL INSURANCE REVIEW

October 8, 2018



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Agenda

- Commercial insurance market overview
- Current Program
 - Summary
 - Recent enhancements
 - Recommendations
- Renewal marketing objectives and cost projections

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Insurance Market Overview

- **Property** – 2017 cat losses had some impact on the overall property market with rates generally increasing in the range of 5%. However, we were actually able to realize a decrease in property rates at our last renewal. This year, the biggest potential factor for Big Canoe is the development of the reserve for the clubhouse roof.
- **Casualty** – strong capacity is keeping casualty rates competitive. The one area of exception is Auto. Nearly all insurance carriers are raising base rates across the board in the range of 10% or more. Workers comp remains competitive, but our mod will increase from 1.06 to 1.12 (primarily due to one large claim, which will have an adverse impact for one more year).
- **Management Liability** – despite significant cyber claims activity, the overall market remains pretty competitive, with a number of insurers actively pursuing new business.

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Current Program Summary

Policy Term	Coverage	Carrier	Policy Number	Limits	Deductibles	Premium
1/1/18 - 1/1/19	D&O	AIG	066845010	\$5,000,000 07/01/1988 Continuity Date	\$35,000	\$16,924
1/1/18 - 1/1/19	EPL	AIG	066845010	\$1,000,000 03/13/2009 Continuity Date	\$25,000	\$8,754
1/1/18 - 1/1/19	Fiduciary	AIG	066845010	\$1,000,000 01/01/2016 Continuity Date	\$0	\$2,020
1/1/18 - 1/1/19	General Liability	Zurich	CPO9696322-05	General Liability \$1,000,000 Each Occurrence \$1,000,000 Damage to Premises Rented to You \$10,000 Medical Expense \$1,000,000 Personal & Advertising Injury \$3,000,000 Products & Comp Ops Aggregate \$3,000,000 Aggregate Limit Supplemental Limits \$1,000,000 Golf/Tennis Pro Professional Liability \$25,000 Club Services E&O \$25,000 Delivery E&O	\$0	\$50,711
1/1/18 - 1/1/19				Abusive Acts \$1,000,000 Each Claim \$1,000,000 Aggregate Retro Date: 1/1/2015	\$10,000	Included Above
1/1/18 - 1/1/19				Employee Benefits \$1,000,000 Each Employee \$1,000,000 Aggregate Retro Date: 6/30/2002	\$1,000	Included Above
1/1/18 - 1/1/19				Liquor Liability \$1,000,000 Each common cause \$1,000,000 Aggregate	\$0	Included Above

This schedule is to be used for summary purposes only and does not include all sublimits, deductibles, extensions, or exclusions. Please refer to your insurance policies for full terms and conditions.

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Current Program Summary, continued

Policy Term	Coverage	Carrier	Policy Number	Limits	Deductibles	Premium
1/1/18 - 1/1/19	Property	Zurich	CPO9696322-05	\$32,469,892 Blanket Building & BPP \$522,813 Blanket BI/EE \$1,000,000 Tee to Green \$1,000,000 Outdoor Structures/Fixtures \$5,000,000 Earthquake \$5,000,000 Flood Equipment Breakdown Included	\$25,000 24 Hr \$25,000 \$25,000 5% \$25,000 \$25,000	\$73,172
1/1/18 - 1/1/19	Inland Marine	Zurich	CPO9696322-05	\$4,414,019 Scheduled Equipment \$347,901 Scheduled Boats \$500,000 Non-Scheduled Equipment \$700,000 Accounts Receivable \$350,000 Valuable Papers	\$250 \$250 \$250 \$25,000 \$10,000	\$8,143
1/1/18 - 1/1/19	Crime	Zurich	CPO9696322-05	\$500,000 Employee Dishonesty \$500,000 Forgery and Alteration \$500,000 Computer Fraud	\$2,500	\$423
1/1/18 - 1/1/19	Excess Crime	Travelers	106792230	\$1,500,000 Employee Theft \$1,500,000 ERISA Fidelity \$1,500,000 Forgery or Alteration \$1,500,000 Computer Fraud \$1,500,000 Funds Transfer Fraud	Underlying limits of \$500,000	\$1,921
1/1/18 - 1/1/19	Auto	Zurich	CPO9696322-05	\$1,000,000 Combined Single Limit \$5,000 Medical Payments \$1,000,000 Uninsured Motorist Physical Damage - Actual Cash Value (coverage not included on all vehicles) Hired and Non-Owned Included	\$1,000 Physical Damage	\$56,405

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Current Program Summary, continued

Policy Term	Coverage	Carrier	Policy Number	Limits	Deductibles	Premium
1/1/18 - 1/1/19	Workers Compensation	Bridgefield	19638157	Statutory Limits \$1,000,000 Employers Liability	\$2,500	\$113,327
1/1/18 - 1/1/19	Umbrella	Zurich	UMB9696323-05	\$25,000,000 Each Occurrence \$25,000,000 General Aggregate	Underlying Limits	\$28,179
1/1/18 - 1/1/19	Garage Liability	Colony Ins Co	GP8251784	\$1,000,000 Liability \$5,000 Medical Payments \$50,000 Physical Damage	\$0 \$0 \$500	\$1,820
1/1/18 - 1/1/19	EMT Professional	Evanston	SM923724	\$1,000,000 Each Claim \$3,000,000 Aggregate 08/15/02 Retro Date	\$25,000	\$8,086
1/1/18 - 1/1/19	Media & Cyber Liability	AIG	071894143	\$1,000,000 Media Content 07/01/05 Continuity Date \$1,000,000 Security and Privacy Liab \$1,000,000 Regulatory Action \$1,000,000 Network Interruption \$1,000,000 Event Management \$1,000,000 Cyber Extortion	\$25,000	\$12,080
1/1/18 - 1/1/19	Storage Tank Liability	Chubb	G46852254001	\$1,000,000 Aggregate	\$5,000	\$882
1/1/18 - 1/1/19	Firefighters Cancer Policy	Chubb	PTPN16744281	\$6,250 Early Stage Cancer \$25,000 Advanced Cancer \$50,000 Lifetime Maximum	\$0	\$5,269
Total						\$388,116

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Workers' Compensation Experience Rating

State	Wt	Exp Excess Losses	Expected Losses	Exp Prim Losses	Act Exc Losses	Ballast	Act Inc Losses	Act Prim Losses
GA	.12	83,214	128,021	44,807	270,403	43,750	330,623	60,220
GA-A	.12	191	246	55	0	43,750	0	0
(A) Wt	(B)	(C) Exp Excess Losses (D - E)	(D) Expected Losses	(E) Exp Prim Losses	(F) Act Exc Losses (H - I)	(G) Ballast	(H) Act Inc Losses	(I) Act Prim Losses
.12		83,405	128,267	44,862	270,403	43,750	313,262	42,859

	Primary Losses	Stabilizing Value	Ratable Excess	Totals	
Actual	(I) 42,859	$C * (1 - A) + G$ 117,146	(A) * (F) 32,448	(J) 192,453	
Expected	(E) 44,862	$C * (1 - A) + G$ 117,146	(A) * (C) 10,009	(K) 172,017	
	ARAP	FLARAP	SARAP	MAARAP	Exp Mod
Factors					(J) / (K) 1.12

RATING REFLECTS A DECREASE OF 70% MEDICAL ONLY PRIMARY AND EXCESS LOSS DOLLARS WHERE ERA IS APPLIED.

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Program Changes during 2017, 2018

- Added Cyber / Privacy Liability Insurance last year
- Excess Crime Policy
- Storage tank liability
- Firefighters Cancer policy
- Garage liability

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Current Program - Analysis

Recommendations

- Environmental risk assessment
- Wildfire risk management
- Expanded Environmental Coverage
- Accident coverage for volunteers
- Increased Limits
 - Umbrella / Excess
 - Management Liability
 - Flood & Quake

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Renewal Marketing Objectives and Cost Projections

- Budget estimate = 5% renewal increase (property, auto, and workers comp all expected to go up...)
- Favorable initial discussions with Venture Programs / Zurich; Philadelphia and Allianz will also provide a proposal. Key Risk (Berkley) is considering the workers comp.

ACTION	DUE DATE
• Provide updated renewal data to insurers	by 10/15
Meetings with insurers to review submissions and renewal objectives	completed
Obtain and review initial renewal indications from insurers	by 11/25
Finalize terms and conditions; confirm binders, certificates, etc.	by 12/15

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