

Coweta County Water & Sewerage Authority

Meeting Agenda

Wednesday, October 4, 2023

Board Room

Meeting Time: 9:00 A.M.

<u>Approx Time</u>	<u>Agenda Item</u>	<u>Presenter</u>
9:00 a.m.	Call to order	Chairman Bartlett

Pledge of Allegiance
Invocation

Approval of minutes from the September 6, 2023 meeting

Business

Service Award	Jay Boren
Property and Casualty Insurance Renewal	Clay McEntire
Update on Operations	Rick Jones
Update on Human Resources/Health Insurance	Mandy Sledd
Update on Customer Care/Information Technology	Alan Sibley
Monthly Report	Roger Dawson

Agenda Additions:

Executive Session
Litigation / Real Estate/ Personnel

Adjournment

Next Board Meeting Wednesday, November 1, 2023 at 9:00AM

Coweta County Water & Sewerage Authority
Insurance Summary

2022-2023 COVERAGES	22/23	23/24	2023-2024 COVERAGES
Property – U.S. Specialty Insurance Company \$65,888,212 Blanket Building & Contents \$312,000 EDP \$100,000 Business Income \$500,000 Extra Expense Conditions: Coinsurance – N/A Replacement Cost Special Causes of Loss \$ 1,000 Deductible Flood & Earthquake - \$1,000,000 Limit - \$50,000 Ded	\$36,064	\$45,693	Property – U.S. Specialty Insurance Company \$72,477,033 Blanket Building & Contents \$312,000 EDP \$100,000 Business Income \$1,000,000 Extra Expense Conditions: Coinsurance - N/A Replacement Cost Special Causes of Loss \$10,000 Deductible Flood & Earthquake - \$1,000,000 Limit - \$50,000 Ded
Auto – U.S. Specialty Insurance Company \$1,000,000 Liability – Owned Autos \$ 100,000 Uninsured Motorists / Underinsured Motorists \$ 5,000 Medical Payments \$1,000,000 Hired and Non-Owned Autos Rating Schedule: <u># of Autos</u> 64 Units & 21 Trailers Physical Damage Coverage (\$1,000 Comp/\$1,000 Coll)	\$50,608	\$51,613	Auto – U.S. Specialty Insurance Company \$1,000,000 Liability – Owned Autos \$ 100,000 Uninsured Motorists / Underinsured Motorists \$ 5,000 Medical Payments \$1,000,000 Hired and Non-Owned Autos Rating Schedule: <u># of Autos</u> 70 Units & 19 Trailers Physical Damage Coverage (\$2,000 Comp/\$2,000 Coll)
Crime – U.S. Specialty Insurance Company \$250,000 Employee Dishonesty \$250,000 Forgery/Alterations	\$2,740	\$2,480	Crime – U.S. Specialty Insurance Company \$250,000 Employee Dishonesty \$250,000 Forgery/Alterations
Public Officials E & O – U.S. Specialty Insurance Company \$1,000,000 Aggregate / \$1,000,000 Each Wrongful Act Limit \$ 2,500 Deductible	\$8,157	\$8,692	Public Officials E & O – U.S. Specialty Insurance Company \$1,000,000 Aggregate / \$1,000,000 Each Wrongful Act Limit \$ 2,500 Deductible
Employment Practices Liability – U.S. Specialty Insurance Company \$2,000,000 Aggregate / \$1,000,000 Each Wrongful Act Limit \$ 100,000 Wage & Hour \$ 2,500 Deductible	Included	Included	Employment Practices Liability – U.S. Specialty Insurance Company \$1,000,000 Aggregate / \$1,000,000 Each Wrongful Act Limit \$ 100,000 Wage & Hour \$ 2,500 Deductible

Coweta County Water & Sewerage Authority
Insurance Summary

2022-2023 COVERAGES				22/23	23/24	2023-2024 COVERAGES			
<u>Workers Compensation</u> – Builders Insurance Company (Vinings)				\$46,098	\$ 41,909	<u>Workers Compensation</u> – Builders Insurance Company (Vinings)			
\$1,000,000 Bodily Injury by Accident (each accident)						\$1,000,000 Bodily Injury by Accident (each accident)			
\$1,000,000 Bodily Injury by Disease (policy limit)						\$1,000,000 Bodily Injury by Disease (policy limit)			
\$1,000,000 Bodily Injury by Disease (each employee)						\$1,000,000 Bodily Injury by Disease (each employee)			
<u>Exposures:</u>						<u>Exposures:</u>			
<u>Code</u>	<u>Description</u>	<u>Payroll</u>	<u>Rate</u>			<u>Code</u>	<u>Description</u>	<u>Payroll</u>	<u>Rate</u>
7520	Waterworks	\$3,350,000	2.05			7520	Waterworks	\$3,350,000	1.87
7580	Sewage Disposal	\$ 620,000	2.33			7580	Sewage Disposal	\$ 620,000	1.86
8810	Clerical	\$1,600,000	0.09			8810	Clerical	\$ 1,600,000	0.09
8742	Salespersons	If Any	0.20			8742	Salespersons	If Any	0.18
Deductible: \$2,500						Deductible: \$2,500			
Experience Mod: .71						Experience Mod: .71			
<u>General Liability</u> – U.S. Specialty Insurance Company				\$6,214	\$ 5,639	<u>General Liability</u> – U.S. Specialty Insurance Company			
\$1,000,000 General Aggregate						\$1,000,000 General Aggregate			
\$3,000,000 Products & Completed Operations Aggregate						\$3,000,000 Products & Completed Operations Aggregate			
\$1,000,000 Personal & Advertising Injury						\$1,000,000 Personal & Advertising Injury			
\$1,000,000 Each Occurrence						\$1,000,000 Each Occurrence			
\$ 100,000 Fire Damage (Any One Fire)						\$ 100,000 Fire Damage (Any One Fire)			
\$ 10,000 Medical Expense (Any One Person)						\$ 10,000 Medical Expense (Any One Person)			
<u>Employee Benefits Liability:</u>				Included	Included	<u>Employee Benefits Liability:</u>			
\$1,000,000 Each Occurrence						\$1,000,000 Each Occurrence			
\$3,000,000 Aggregate Limit						\$3,000,000 Aggregate Limit			
\$ 2,500 Deductible						\$ 2,500 Deductible			
Retro Date: 01/01/1996						Retro Date: 01/01/1996			
Failure To Supply - \$1,000,000 Limit						Failure To Supply - \$1,000,000 Limit			

**Coweta County Water & Sewerage Authority
Insurance Summary**

2022-2023 COVERAGES	22/23	23/24	2023-2024 COVERAGES
<u>Boiler & Machinery</u> – U.S. Specialty Insurance Company Equipment Breakdown Limit included in Building Limit \$ 1,000 Direct Deductible \$ 250,000 Data Restoration \$ 250,000 Hazardous Substance \$ 250,000 Spoilage	Included	Included	<u>Boiler & Machinery</u> – U.S. Specialty Insurance Company Equipment Breakdown Limit included in Building Limit \$ 1,000 Direct Deductible \$ 250,000 Data Restoration \$ 250,000 Hazardous Substance \$ 250,000 Spoilage
<u>Inland Marine</u> – U.S. Specialty Insurance Company \$2,186,714 Contractors' Equipment \$25,000 Miscellaneous Equipment Deductible: \$1,000	\$3,005	\$3,050	<u>Inland Marine</u> – U.S. Specialty Insurance Company \$2,219,195 Contractors' Equipment \$25,000 Miscellaneous Equipment Deductible: \$1,000
<u>Excess Liability</u> – U.S. Specialty Insurance Company \$4,000,000 Limit \$ 10,000 Deductible	\$13,699	\$13,992	<u>Excess Liability</u> – U.S. Specialty Insurance Company \$4,000,000 Limit \$ 10,000 Deductible
<u>Privacy Liability / Network Risk</u> – Cowbell/Palomar \$2,000,000 Limit \$2,000,000 Limit – Privacy Liability \$2,000,000 Limit – Business Interruption Loss \$2,000,000 Limit – System Failure \$250,000 Limit – Cyber Crime \$1,000,000 Limit – Bricking Costs \$2,000,000 Limit – Cyber Extortion \$25,000 Retention	\$13,593	\$11,125	<u>Privacy Liability / Network Risk</u> – Cowbell/Palomar \$2,000,000 Limit – Privacy Liability \$2,000,000 Limit – Business Interruption Loss \$2,000,000 Limit – System Failure \$250,000 Limit – Cyber Crime \$1,000,000 Limit – Bricking Costs \$100,000 Limit - Extortion Sub-Limit (MFA Requirement to Increase) \$25,000 Retention
<u>Fiduciary Liability</u> – US Specialty Insurance Co \$1,000,000 Limit \$ 5,000 Deductible	\$1,892	\$1,892	<u>Fiduciary Liability</u> – U.S. Specialty Insurance Company \$1,000,000 Limit \$ 5,000 Deductible
<u>Terrorism</u>	\$1,499	\$1,452	<u>Terrorism</u>
Total Premium for 2022-2023	\$183,569	\$187,537	Total Premium for 2023-2024

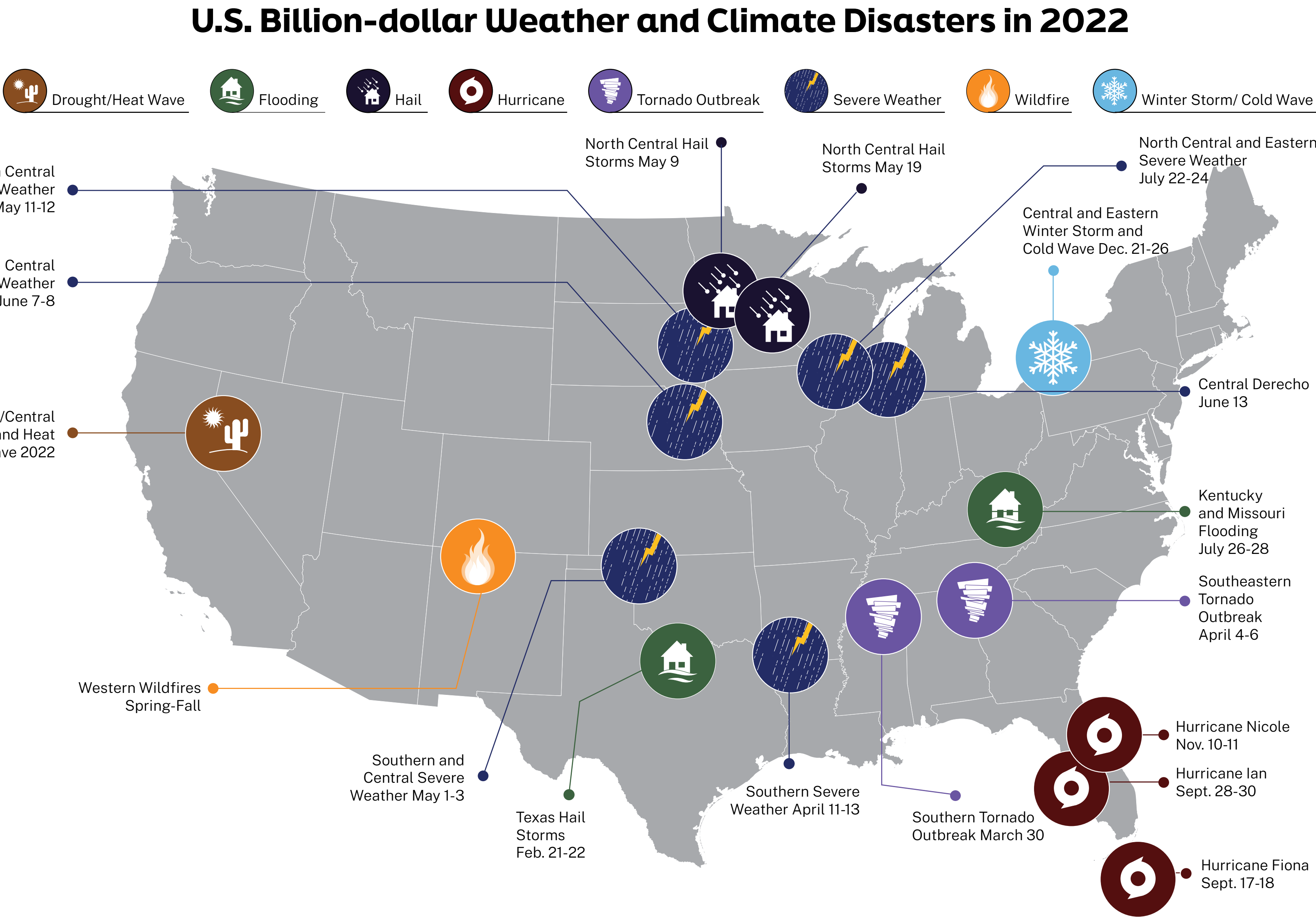
A.M. Best Rating: State National A Builders A- US Specialty A++ Beazley Insurance Company A Cowbell/Palomar A-

U.S. Billion-dollar Weather and Climate Disasters in 2022

Extreme weather events have become increasingly devastating in recent years, often resulting in substantial property damage and loss of life. Making matters worse, these events aren't limited to one geographic area — they impact businesses and communities across the United States.

The National Oceanic and Atmospheric Administration (NOAA) found that 2022 recorded 18 separate billion-dollar weather and climate disasters in the country, representing the third-highest number of such disasters in a calendar year and totaling \$165 billion in overall damages. The NOAA also confirmed that these disasters caused at least 474 fatalities, constituting the eight most weather-related deaths in a single year since 1980. A diverse range of disasters was responsible for these ramifications, including droughts, floods, wildfires, hurricanes, tornadoes, hailstorms, cold waves and hurricanes.

This map outlines the billion-dollar weather and climate disasters that took place throughout the United States in 2022 .



Many experts believe extreme weather events are the new norm. As these catastrophes become more frequent and severe, it's vital for businesses to work closely with trusted insurance professionals to determine effective risk management measures and secure proper insurance aimed at minimizing weather-related losses. For more information, contact us today.

Property Market Conditions

July 2023 Key Trends and Rate Variances

Capacity →

- Contraction of reinsurance capacity, significantly affecting treaty renewals starting January 1st continued through mid year renewals
- Lack of capital investment diminishing the development or growth of property capacity
- Continued scrutiny on secondary catastrophe perils being Severe Convective Storm (SCS), Wildfire and Flood

Cost ↗

- Acceleration of rate increases in Q2 are nearing the high point of the past 23 quarters
- Bifurcated market exists with significant cost increases for certain risks and geographies
- Valuation adding to cost by an average of 9%
- Best in class with technically sound pricing and credentialed valuation are seeing the best results

Coverage →

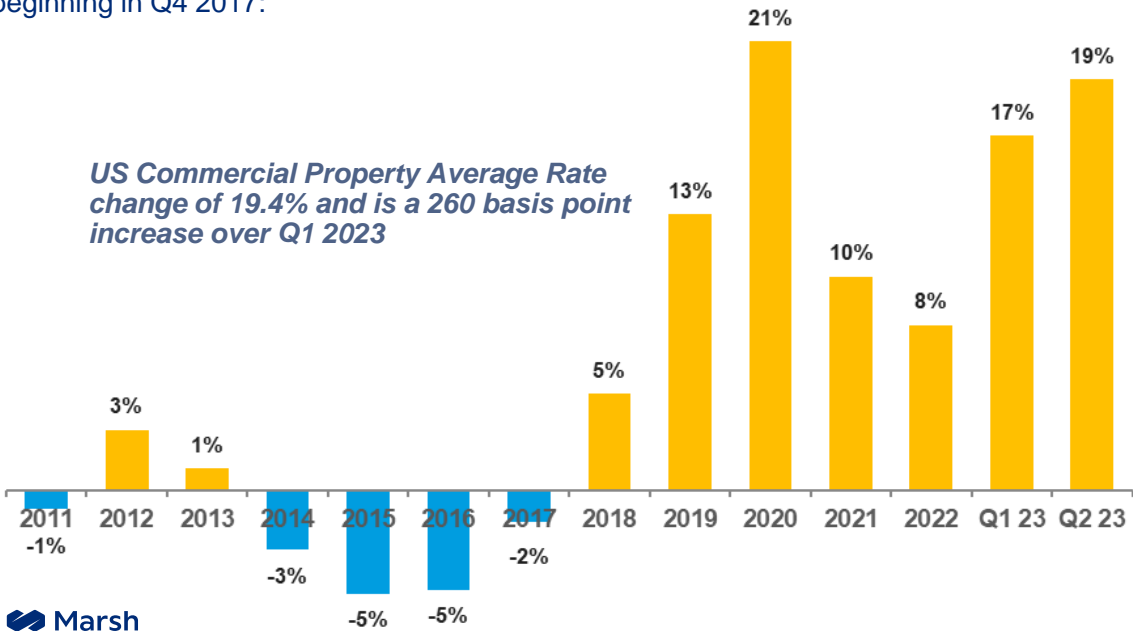
- Heavier Insurer push to instill higher minimum natural catastrophe peril deductibles for New Madrid EQ, Pacific NW EQ, Named Wind, and Severe Convective Storm
- Time Element coverage extensions still under scrutiny for manufacturing book.
- More indemnity limitations tied to reported values which require credentialing to remove

Claims →

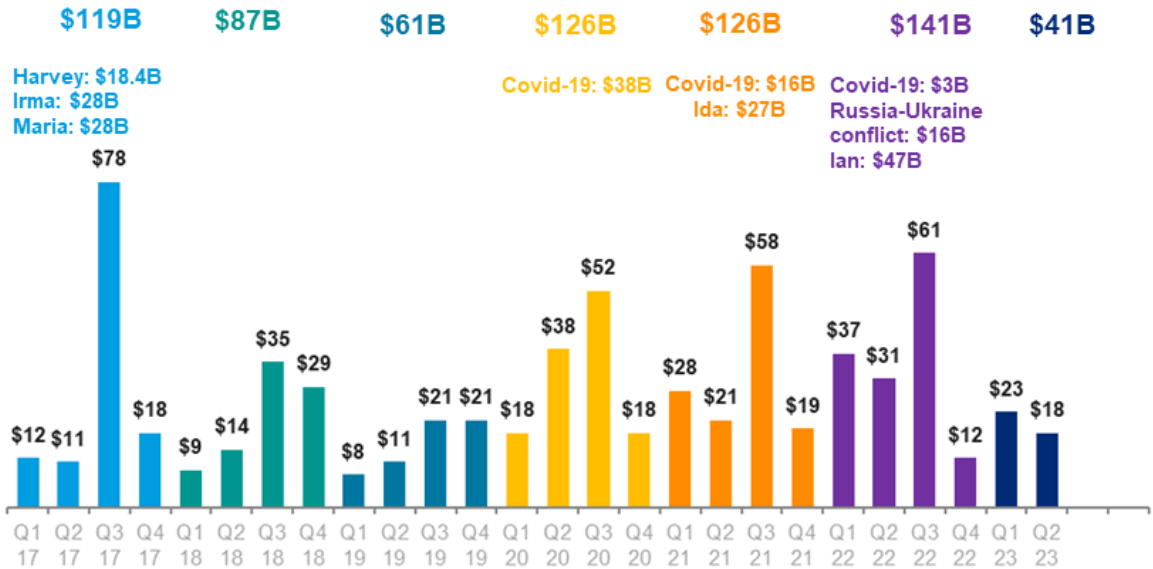
- Market now writes to a minimum expected \$125B global loss total
- Severe Convective Storm, Wildfire, and Winter Storms make up 20%+ of global loss content
- Inflation adding measurable amount to overall loss content and feeding reserve escalation

Rate Variance: US Property Portfolio

Marsh US property portfolio has experienced 23 consecutive quarters of rate increases beginning in Q4 2017:




Significant Global Insured Losses 2016 to 2023 (\$B)



Coweta County Water & Sewerage Authority

Effective December 1, 2023
1500/100 and 1000/80 No Plan Changes

	CIGNA Open Access Plus 1500 Buy Up Current/Renewal			CIGNA Open Access Plus 1000 Base Current/Renewal			CIGNA Local Plus 1500 Buy Up Current/Renewal			CIGNA Local Plus 1000 Base Current/Renewal		
In-network	OAP Buy Up			OAP Base			LP Buy Up			LP Base		
Deductible Individual	\$1,500			\$1,000			\$1,500			\$1,000		
Deductible Family	\$3,000			\$2,000			\$3,000			\$2,000		
Out-of-pocket maximum - individual	\$6,850			\$6,850			\$6,850			\$6,850		
Out-of-pocket maximum - family	\$13,700			\$13,700			\$13,700			\$13,700		
Coinsurance	100%			80%			100%			80%		
Office Visit(PCP) Copay	\$25			\$25			\$25			\$25		
Office Visit(specialist) Copay	\$50			\$50			\$50			\$50		
Urgent Care Copay	\$75			\$75			\$75			\$75		
Emergency Room Copay	\$400			\$250 Copay + 20% Coinsurance			\$400			\$250 + 20% Coinsurance		
Inpatient - facility	100% After Deductible			80% After Deductible			100% After Deductible			80% After Deductible		
Outpatient surgery - facility	100% After Deductible			80% After Deductible			100% After Deductible			80% After Deductible		
Out-of-network												
Deductible (individual/family)	\$5,000/\$10,000			\$5,000/\$10,000			\$5,000/\$10,000			\$5,000/\$10,000		
Out-of-pocket maximum (individual/family)	\$10,000/\$20,000			\$15,000/\$30,000			\$10,000/\$20,000			\$15,000/\$30,000		
Coinsurance	70%			60%			70%			60%		
Pharmacy												
Deductible	N/A			N/A			N/A			N/A		
Tier 1 - Retail	\$20			\$20			\$20			\$20		
Tier 2 - Retail	\$45			\$45			\$45			\$45		
Tier 3 - Retail	\$75			\$75			\$75			\$75		
Tier 4 - Retail	30% Coinsurance			30% Coinsurance			30% Coinsurance			30% Coinsurance		
Tier 1 - Home Delivery	\$50			\$50			\$50			\$50		
Tier 2 - Home Delivery	\$113			\$113			\$113			\$113		
Tier 3 - Home Delivery	\$188			\$188			\$188			\$188		
Tier 4 - Home Delivery	30% Coinsurance			30% Coinsurance			30% Coinsurance			30% Coinsurance		
Financial Summary	Census	OAP Buy Up		Census	OAP Base		Census	LP Buy Up		Census	LP Base	
Composite Rates		Current	Renewal		Current	Renewal		Current	Renewal		Current	Renewal
Monthly Premium		\$16,042.38	\$15,401.73		\$14,145.94	\$13,580.88		\$60,786.93	\$58,357.13		\$38,730.68	\$37,182.37
Annual Premium		\$192,508.56	\$184,820.76		\$169,751.28	\$162,970.56		\$729,443.16	\$700,285.56		\$464,768.16	\$446,188.44
Annual Variance		-\$7,687.80			-\$6,780.72			-\$29,157.60			-\$18,579.72	
Annual Percentage Variance		-3.99%			-3.99%			-4.00%			-4.00%	

Note: The plan descriptions are based on Marsh & McLennan's interpretation of the current plan design. We have attempted to duplicate the existing schedule of benefits, but actual plan provisions and claim administration will vary between insurance carriers. This description does not replace or supersede the contract. Insurance company offers are based on the information submitted and plan design outlined. Rating and conditions may be modified or withdrawn in the event that the risk characteristics at the time of enrollment are materially different from those assumed in the quotation.