Protected Loss Fund Program Webinar Series Part 2
Agenda

I. Part 1
   A. Protected Loss Fund Program (PLFP)
      1. Purpose
      2. Programs
      3. Structure & Costs

II. Part 2
    A. Claims Review
    B. Identifying Risks
    C. Lessons from the field

III. Part 3
    A. Emerging Issues
    B. Special Events
    C. Online Resources
Claims Review and Discussion

- Last point in Part 1: Both the Actuarial and Excess underwriters' reviews are heavily weighted by Loss History
- We will look at the following
  - Recent five-year review (June 1, 2015 - May 31, 2020)
  - Province Wide
  - “Top 10” in each category
- Review Frequency and Severity by:
  - Coverage
  - Source
  - Nature
  - Preventable vs Non-preventable
Claims Review and Discussion
By Coverage Frequency

- RB: 1491
- WC: 834
- GB: 602
- RC: 208
- AP: 206
- AD: 61
- GD: 46
- EP: 26
- PI: 25
- TE: 17

Claim count:

- Total: 1491

Coverage:

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Claim Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1491</td>
</tr>
<tr>
<td>RB</td>
<td>1491</td>
</tr>
<tr>
<td>WC</td>
<td>834</td>
</tr>
<tr>
<td>GB</td>
<td>602</td>
</tr>
<tr>
<td>RC</td>
<td>208</td>
</tr>
<tr>
<td>AP</td>
<td>206</td>
</tr>
<tr>
<td>AD</td>
<td>61</td>
</tr>
<tr>
<td>GD</td>
<td>46</td>
</tr>
<tr>
<td>EP</td>
<td>26</td>
</tr>
<tr>
<td>PI</td>
<td>25</td>
</tr>
<tr>
<td>TE</td>
<td>17</td>
</tr>
</tbody>
</table>
Claims Review and Discussion
By Coverage Severity

Total

$0
$5,000,000
$10,000,000
$15,000,000
$20,000,000
$25,000,000

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>RB</td>
<td>$20,117,791</td>
</tr>
<tr>
<td>FF</td>
<td>$6,096,166</td>
</tr>
<tr>
<td>WC</td>
<td>$3,694,336</td>
</tr>
<tr>
<td>GB</td>
<td>$1,954,012</td>
</tr>
<tr>
<td>RC</td>
<td>$1,265,527</td>
</tr>
<tr>
<td>PI</td>
<td>$1,033,178</td>
</tr>
<tr>
<td>EO</td>
<td>$574,361</td>
</tr>
<tr>
<td>EP</td>
<td>$552,270</td>
</tr>
<tr>
<td>AP</td>
<td>$471,078</td>
</tr>
<tr>
<td>PL</td>
<td>$292,609</td>
</tr>
</tbody>
</table>

Total: $20,117,791
# Claims Review and Discussion

## By Source Frequency

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alleged improper maintenance - other</td>
<td>279</td>
</tr>
<tr>
<td>Alleged Negligent Act</td>
<td>223</td>
</tr>
<tr>
<td>Ground/floor</td>
<td>105</td>
</tr>
<tr>
<td>Human Action, NOC</td>
<td>115</td>
</tr>
<tr>
<td>Not Otherwise Classified</td>
<td>164</td>
</tr>
<tr>
<td>Plumbing, Heating, AC, Discharge, Overflowing</td>
<td>178</td>
</tr>
<tr>
<td>Rain</td>
<td>296</td>
</tr>
<tr>
<td>Vandalism and Malicious Mischief - Prop.</td>
<td>144</td>
</tr>
<tr>
<td>Vehicle Accident</td>
<td>150</td>
</tr>
<tr>
<td>Windstorm</td>
<td>296</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,150</strong></td>
</tr>
</tbody>
</table>

**Total** 1,150
Claims Review and Discussion By Source Severity

- Employee Dishonesty: $5,089,000
- Rain: $4,134,295
- Windstorm: $2,921,884
- Plumbing, Heating, Discharge, Overflowing: $2,423,803
- Backup Sewer, Seepage: $2,357,313
- Freezing of Plumbing, Heating, AC System: $1,976,338
- Alleged Negligent Act: $1,818,728
- Fidelity, Forgery: $1,159,166
- Fire - Property Alleged improper maintenance: $1,130,316
- Alleged improper maintenance other: $1,127,477

Total: $15,066,282
Claims Review and Discussion
By Nature of Loss
Frequency

<table>
<thead>
<tr>
<th>Nature of Loss</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interior structural damage</td>
<td>629</td>
</tr>
<tr>
<td>Strain</td>
<td>327</td>
</tr>
<tr>
<td>Contusion, bruise</td>
<td>290</td>
</tr>
<tr>
<td>Exterior structural damage</td>
<td>286</td>
</tr>
<tr>
<td>Property exterior</td>
<td>232</td>
</tr>
<tr>
<td>Fracture</td>
<td>227</td>
</tr>
<tr>
<td>Vehicle Damage</td>
<td>206</td>
</tr>
<tr>
<td>Contents</td>
<td>183</td>
</tr>
<tr>
<td>Building services</td>
<td>170</td>
</tr>
<tr>
<td>Laceration, open wound</td>
<td>121</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>629</strong></td>
</tr>
</tbody>
</table>
# Claims Review and Discussion

## By Nature of Loss Severity

<table>
<thead>
<tr>
<th>Nature of Loss</th>
<th>Total</th>
<th>$11,449,208</th>
<th>$6,310,349</th>
<th>$3,825,535</th>
<th>$2,123,121</th>
<th>$1,553,232</th>
<th>$1,226,644</th>
<th>$1,177,349</th>
<th>$1,136,759</th>
<th>$1,124,615</th>
<th>$1,117,225</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interior structural damage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money &amp; Securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exterior structural damage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combined exterior/interior structural damage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Torn cartilage/ligament/tendon</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Psychological Problems/mental anguish</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fracture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Otherwise Classified</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,117,225</td>
</tr>
</tbody>
</table>

*Note: The values are in USD.*
Claims Review and Discussion
Preventable vs Non-Preventable

- 5-year Claim total
  - 3,558 claims
  - $35,502,266 total incurred
  - Claims identified as preventable
    - 220 claims/6% of total claims
    - $6,868,302 incurred/19% of total
      - Majority of this is embezzlement - more on this later.
Claims Review and Discussion
How and When to submit a claim

• How:
  • Gallagher Bassett Services
  • 866-850-1933 for Property, GL, CA and PLF Autos
  • 800-926-1819 for WC
• When:
  • Within 24 hours of an incident
    • Claim vs Incident
    • Significance of early reporting
Claims Review and Discussion

Report Lag

Average Claim Incurred by Total Lag
Identifying Risks

- Must be able to identify risks that exist around you
- Each member of the staff should contribute to the overall loss prevention
- Common everyday risks abound
FIRE EXIT
THIRD GRADE

IN CASE OF FIRE...exit from the classroom door, turn right (north) and go to the nearest hallway and turn left (south) to go through the fire exit door. Go down the fire escape steps and proceed across the street (southwest). Stand quietly and wait for the “all clear” signal.

- Cougar Cave (Lower)
- Cougar Cave (Upper)
- Fourth Grade
- Third Grade
- Second Grade
- First Grade
- Kindergarten
- Preschool
- Media Center
- Classroom
- Staff Garage
- Gymnasium
- Library
- Music Room
- Art Room
- Kitchen
- Office
- Lunchroom

MY COUNTRY

Dwight D. Eisenhower
USA

August 30, 1961
Lessons from the Field

- Most Frequently Used Recommendations
- Repeat Offenders
- How Underwriters use the data
- Major topic of concern
  - Fraud Prevention
  - How we can help
Lessons from the Field
Top 20 Recommendations

Top 20 Recommendations
June 1, 2015 - May 31, 2020
Click a pie slice to read the recommendation.
Top 20 Recommendations

1. Non-GFCI Outlets *
2. Concrete Repair
3. Extension Cord/Power Strip
4. Fire Extinguisher Service
5. Content Inventory
6. Electrical Panel: Access *
7. Outside Persons Liability Insurance
8. Self-Inspections
9. Fire Extinguisher Training
10. Michigan Right-To-Know Law (RTKL)
11. Operation Identification
12. Carpet/Rugs
13. Emergency Operation Plan (EOP)
14. Exit Doors: Access *
15. Emergency Lighting: Repair *
16. Accounting Duties
17. Electrical Outlet Adapter
18. Emergency Exit Sign/Light: Repair
19. Labor Law Postings
20. Electrical Outlet/Light Switch
Lessons from the Field

- Accounting Practices
  - Lower Frequency of recommendation and occurrence
  - Potential for major loss
  - Video to help prevent fraud
    - Video
This concludes Part 2. Please join us next time for part 3 where we’ll cover the following:

Emerging Issues
Special Events
Online Resources
THANK YOU AND BE SAFE!

Michigan Catholic Conference
1-800-395-5565

Vince Andrews, Manager
vandrews@micatholic.org

John D. Greenburg
jgreenburg@micatholic.org

General questions
riskmanagement@micatholic.org