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Doc #: 210130 Pages: 18 Book: Page:  
STATE OF MONTANA MADISON COUNTY  
Recorded 6/16/2023 1:10 PM KOT: COM-JRNL  
Paula McKenzie, CLERK & RECORDER  
Fee:\$ 0.00 BY: Paula McKenzie  
To: FILED, ,

**Commissioners Special Meeting  
Renewal Meeting 2023-2024 MACO Property & Casualty**

On Monday, May 15,2023 a meeting was held in the Commissioner’s Office in the Administrative Building in Virginia City, Mt. Commissioners Dan Allhands, Chairman, Ron Nye, and Bill Todd were present. Assistant to Commissioners, Lisa Carruthers, was present to take minutes.

All those present were Peter Novich, Shannon Chamberlain, Josh Dustin, and Vicki Tilstra.

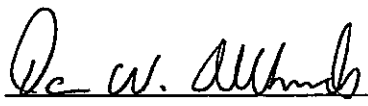
Renewal Meeting 2023-2024 MACO Property & Casualty Insurance Dan Allhands, Chairman called the meeting to order at 11:00 am.

Open Discussion and utilization of the attached packet: Shannon Chamberlain, MACo Insurance Rep opened the discussion walking the Commissioners through the document. The Board of Insurance Trustees met on April 5, 2023 staff, broker and board held a meeting to establish and review our costs. The Board passed a motion to approve the policy.

Overall, there is a 6% increase. Changes to the policies: chemicals exclusion, automatic coverage on coverage you have 180 days to put any new item on the schedule, vehicles and water craft will be on a separate policy. Special Districts will not be covered. The trustees decided based on the loss ratios to no longer include them. The special districts have an increase in insurance so now their price points will adjust. The HR guidance seems to be the major issue, as was embezzlement rate.

MACo is Requesting that the County utilize all the services they have to offer. The Risk Management Services team is available to assist the County when and how they can. Discussion and walk through the packet continued.

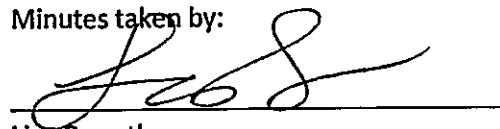
Dan Allhands, Chairman, Ron Nye, and Bill Todd all reviewed and had no further questions regarding the MACO Property and Casualty Insurance Policy. Bill Todd made a motion to approve the signing and approval of The MACo Property and Casualty Insurance Policy. Seconded by Ron Nye. No further discussion followed. All three Commissioners voted in favor and at 11:40am Dan Allhands carried the Motion.



Dan W. Allhands, Chairman  
Board of Madison County Commissioners


Date Approved: June 13, 2023

Minutes taken by:



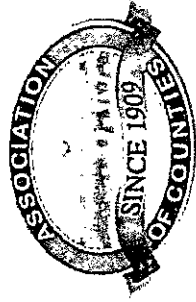
Lisa Carruthers

Assistant to Commissioners

Attest: 

Paula McKenzie, Clerk and Recorder, Madison County

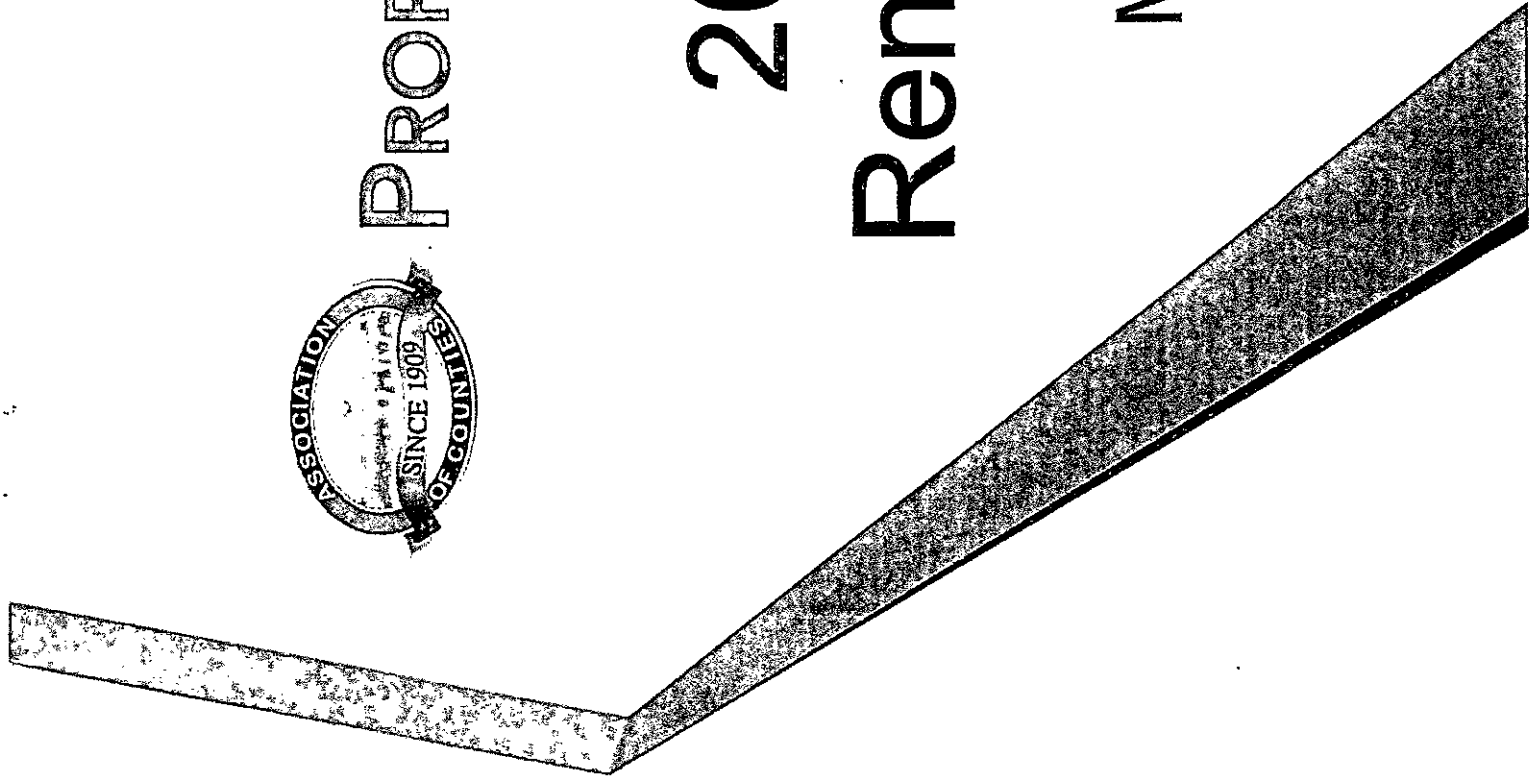




**PROPERTY & CASUALTY**

# **2023 – 2024 Renewal Meeting**

**Madison County**



# **AGENDA**

1. Excess and Reinsurance Market Analysis
2. Pool Claims Analysis
3. 2023 – 2024 Contribution compared to 2022 – 2023
4. County Claims Review
5. Liability & Property Coverage Document Language Changes
6. Special Districts
7. Risk Management Services
8. Property Acknowledgement Form

# Current Insurance Market Issues

**SOCIAL INFLATION** – The increase in claims/insurance losses caused by legislative, judicial, social, economic and technical developments.

**Nuclear Verdicts**– Loss amounts which are far greater than the expected value and can be in excess of \$10 million. For example – wrongful incarcerations.

**Litigation Funding**– Investors are backing the law firms that are suing and making a lot of money doing it.

**Natural Disasters**– The increase in the number of natural disasters has a direct impact on property loss costs across the country. Hurricanes, Tornados, Floods, Wind & Hail.

## Renewal Summary By Line of Coverage

- Liability - 5% increase to the base rate
- Property – Vehicles 1.10/\$100  
Equipment .44/\$100  
Bldgs/Cnts .23225/\$100 (15% increase)  
Inflationary Factor – 6%
- B&M/Equipment Breakdown – 26% increase
- Fidelity & Crime – 7% increase
- Terrorism – no change



**PCT- PROPERTY & CASUALTY LOSS RATIO  
BY YEAR AS OF 12/31/2022**

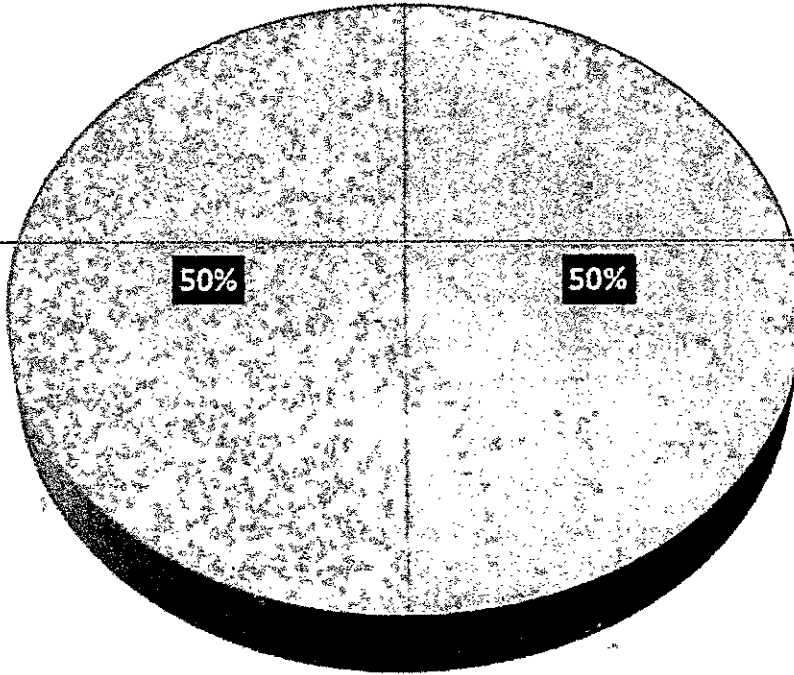
	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	TOTAL
<b>Incurred</b>						
<b>Liability Loss</b> (less Deductibles)	\$8,000,284	\$19,337,884	\$5,955,548	\$3,801,721	\$3,842,084	\$40,937,522
<b>Liability</b>						
<b>Premium</b>	\$6,491,981	\$7,018,283	\$7,348,912	\$7,650,234	\$8,356,636	\$36,866,046
<b>Liability Loss</b>						
<b>Ratio</b>	123%	276%	81%	50%	46%	111%
<b>Incurred</b>						
<b>Property Loss</b>	\$1,691,418	\$2,069,059	\$2,678,340	\$1,519,678	\$1,718,219	\$9,676,715
<b>Property</b>						
<b>Premium (1)</b>	\$4,089,298	\$4,099,000	\$4,114,433	\$4,442,931	\$4,896,435	\$21,642,097
<b>Property Loss</b>						
<b>Ratio</b>	41%	50%	65%	34%	35%	45%

**Number of Claims:**

Liability 2,222

Property 2,234

**MACo PCT Claims  
10 Years  
07/01/2012-06/30/2022**

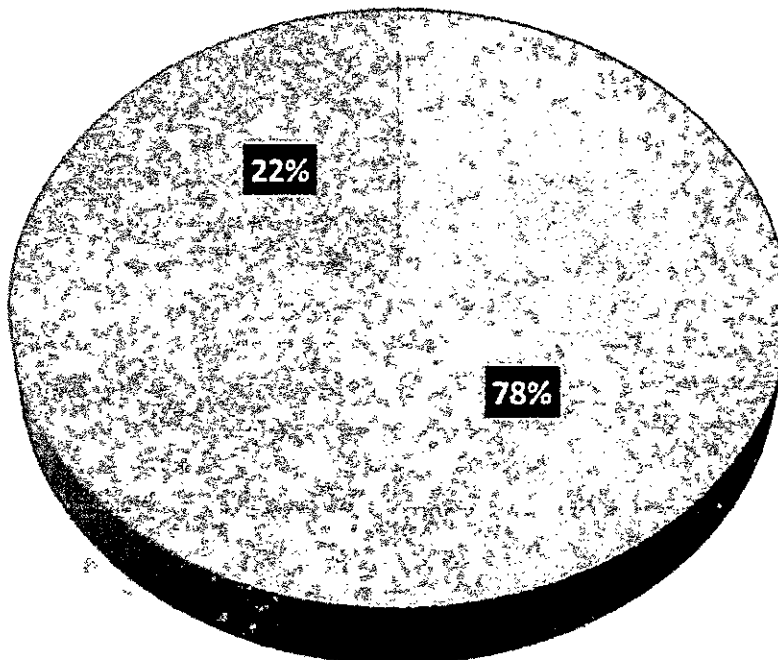


- Liability
- Property

**Amount Incurred:** Liability \$61,010,387

Property \$17,223,536

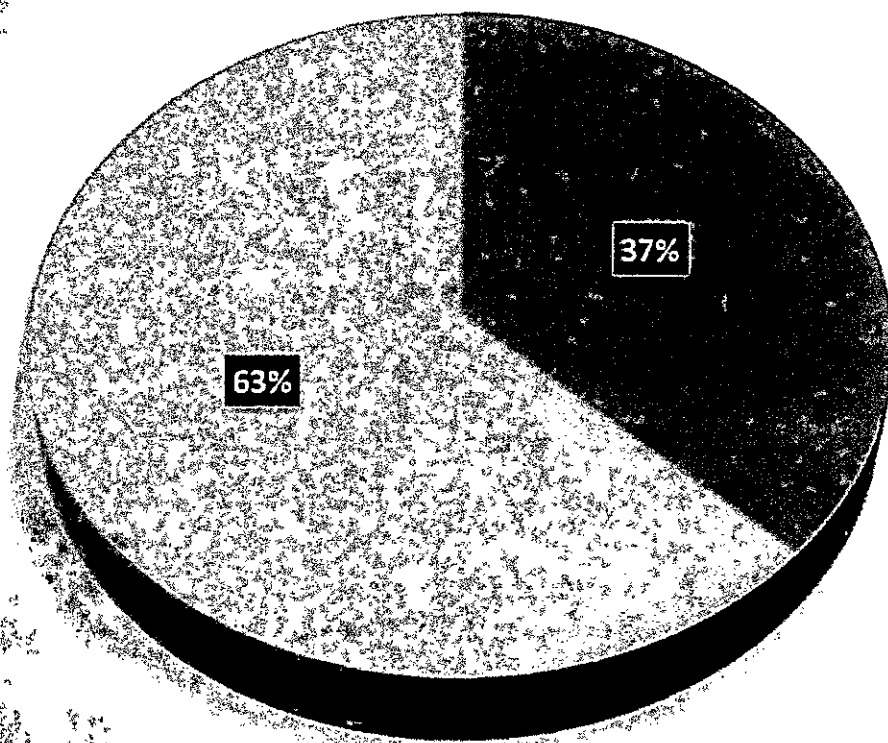
**MACo PCT Incurred Cost  
10 Years  
07/01/2012-06/30/2022**



- Liability
- Property



**10 Years of Litigated Claims  
07/01/2012-06/30/2022**



- Settled - IND/BI
- Resolved Without Indemnity

## Employment Practices Claims

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- ✓ New language in the Memorandum of Indemnity Coverage effective July 1, 2019
- ✓ 43 employment claims filed since
- ✓ \$115,000 in waived deductibles



**MONTANA ASSOCIATION OF COUNTIES  
PROPERTY & CASUALTY TRUST**

**RENEWAL COMPARISON**

**Madison County**

**COMPARISON**

	<u>2022 - 2023</u>	<u>PRELIMINARY 2023 - 2024</u>
Buildings/Contents <u>IV</u>	\$28,990,076	\$31,926,893
Vehicles <u>IV</u>	\$4,694,672	\$5,039,911
Equipment <u>IV</u>	\$4,954,572	\$6,026,330
Number of Employees	203	190
Property Contribution	\$167,504	\$195,592
Liability Contribution	\$315,653	\$316,965
<b>TOTAL</b>	<b>\$483,157</b>	<b>\$512,557 +6.09%</b>

Property Contribution = Property Loss Fund, Equipment Breakdown, Fidelity & Crime, Terrorism

Liability Contribution = Liability Loss Fund, Bond Payment



**PCT- PROPERTY & CASUALTY LOSS RATIO  
BY YEAR AS OF 12/31/2022**

Madison County

	2019-2020	2020-2021	2021-2022	TOTAL
<b>Incurring</b>				
<b>Liability Loss</b> (less Deductibles)	\$61,776	\$226,843	\$65,000	\$353,619
<b>Liability Premium</b>	\$164,379	\$190,581	\$207,475	\$562,435
<b>Liability Loss Ratio</b>	38%	119%	31%	63%
<b>Incurring</b>				
<b>Property Loss</b>	\$289,437	\$6,503	\$48,783	\$344,723
<b>Property Premium (1)</b>	\$68,930	\$96,018	\$111,421	\$276,369
<b>Property Loss Ratio</b>	420%	7%	44%	125%

# MEMORANDUM OF LIABILITY COVERAGE CHANGES

## PFAS AND RELATED CHEMICALS EXCLUSION (PENP5087122022)

This Policy is amended as follows:

I. The following exclusion is added to **General Policy Exclusions**:

**This Policy does not insure against:**

- (1) Any liability, loss, damage, cost, expense, **CLAIM, BODILY INJURY, PERSONAL INJURY or PROPERTY DAMAGE** or allegations thereof, based upon, arising out of or in any way attributable to **PFAS** or the **PFAS** content of any substance or product; or
- (2) Any loss, cost or expense arising out of or in any way related to:
  - (a) Any request, demand, or statutory, regulatory or legal requirement or any other order that any **INSURED** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **PFAS**; or
  - (b) Any **CLAIM** or **SUIT** brought by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **PFAS**.

Provided however, paragraph (1) of this exclusion shall not apply to **Coverage Section Part A Excess Workers' Compensation for a Qualified Self-Insurer**, but only when coverage for losses arising from **PFAS** is required by law or regulation.

II. Solely with respect to this endorsement the following definition is added to the **General Policy Definitions**:

**PFAS** means:

- (1) Any perfluoroalkyl or polyfluoroalkyl substances in any form, including but not limited to: Perfluorooctane sulfonate (PFOS), Perfluorooctanoic acid (PFOA), Perfluorononanoic acid (PFNA), Perfluorodecanoic acid (PFDA), Perfluorobutane sulfonic acid (PFBS), N-Methyl-perfluorooctane sulfonamido acetic acid (Me-PFOSA-AcOH), Perfluorobutanesulfonate, Perfluorohexane sulfonic acid (PFHxS), Potassium Perfluorobutane Sulfonate (PFBS), or ammonium perfluorooctanoate (APFO), GenX, including hexafluoropropylene oxide dimer acid (HFPO-DA);
- (2) Any substance that, by whatever name known:
  - (a) Has a similar chemical formula, formation, or structure to any substance listed in paragraph (1) of this definition;
  - (b) Is a derivative of or an intended replacement of any substance listed in paragraph (1) of this definition;

(c) Is an associated homologue, isomer, salt, ester, alcohol, acid, or is a related degradation or byproduct, of any substance listed in paragraph (1) of this definition;

(d) Contains at least one fully fluorinated methyl or methylene carbon atom (without any H/Cl/Br/I atom attached to it); or

~~(e) Had been referred to by chemical structure, name or CAS Number, as a known or suspected PFAS, perfluoroalkyl, or polyfluoroalkyl chemical or substance in any foreign or United States federal, state or local statute, law, regulation, rule or written proposed rule, or governmental bulletin (including but not limited to publications of the United States Environmental Protection Agency) that had been published as of the effective date of this insurance; or~~

(3) Any goods, products, materials, compounds, or substances that actually or allegedly consist of, contain, or are contaminated with any amount of the substances described in paragraphs (1) or (2) of this definition.

III. The addition of this endorsement does not imply that other Policy provisions, including but not limited to **General Policy Exclusion E**, do not exclude coverage for **PFAS** related liability.

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EXCEPT AS AMENDED IN THIS ENDORSEMENT, THIS INSURANCE IS SUBJECT TO ALL  
COVERAGE TERMS, CLAUSES, AND CONDITIONS IN THE POLICY TO WHICH THIS  
ENDORSEMENT IS ATTACHED.

# MEMORANDUM OF PROPERTY COVERAGE CHANGES

## C. AUTOMATIC COVERAGE (NEWLY ACQUIRED)

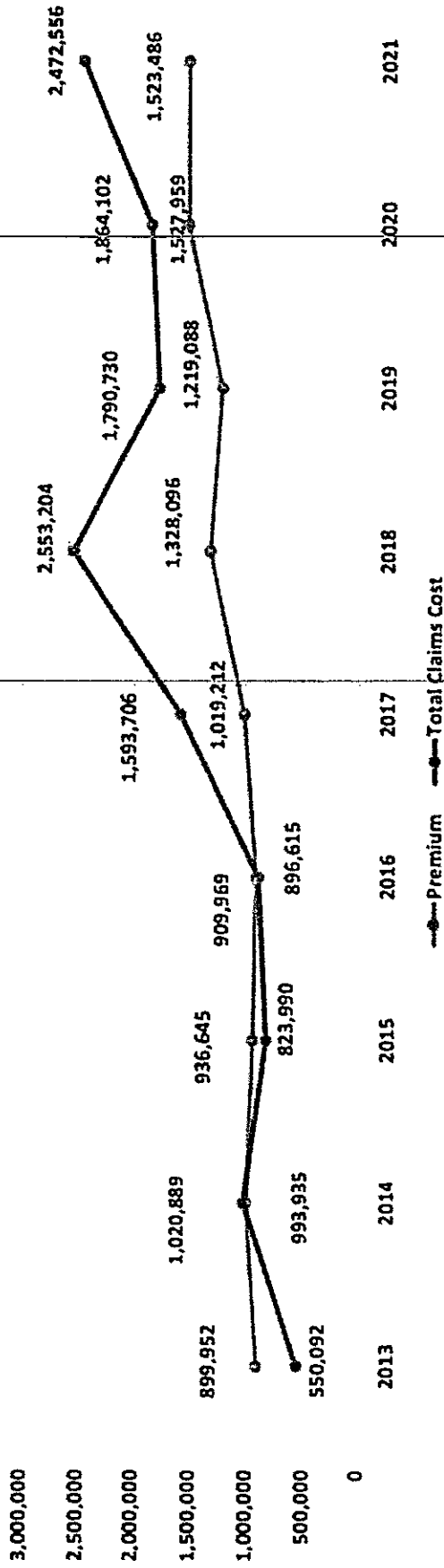
This Memorandum covers property covered at any Covered Property, and Mobile Equipment, rented, leased or purchased by the Entity within the Memorandum Territory.

This Additional Coverage does not apply to property insured in whole or in part by any other insurance policy.

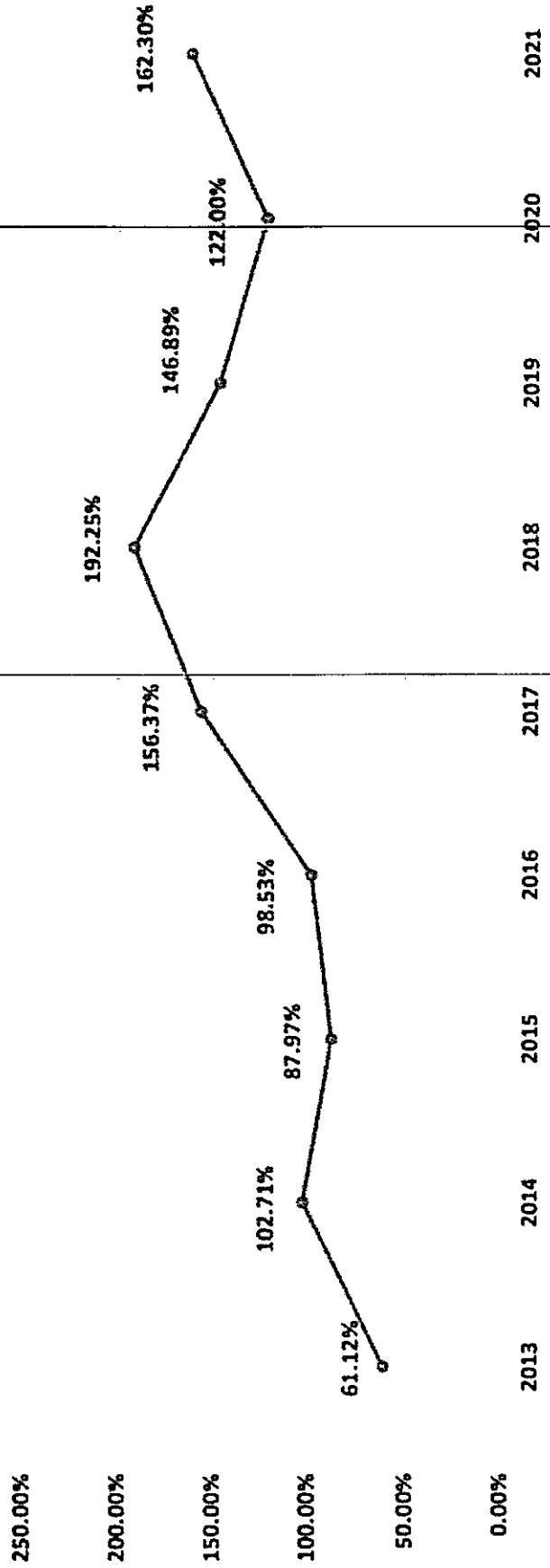
This coverage will apply until the Covered Property or Mobile Equipment is reported to MACo PCT or 180 days from the date of acquisition.

- Vehicles & watercraft will be moved to separate policy

Special Districts  
Premium vs Total Claim Cost  
by Policy Year



Special Districts  
Premium Loss Ratio  
by Policy Year



# Risk Management Services Provided By MACo PCT

- Dan O'Malley [domalley@mtcounties.org](mailto:domalley@mtcounties.org) (406) 461-5424
  - Public Safety Risk Manager
  - Lexipol Law Enforcement Policies & Procedures
  - Jail/Detention Center Peer Review Program
  - Body Scanners
  - Critical Incident Response Team
  
- McKenzie McCarthy [mmccarthy@mtcounties.org](mailto:mmccarthy@mtcounties.org) (406) 441-5485
  - General Counsel
  - Human Resource Assistance
  - Guidance on Local Government
  - HR Trainings – Regional or Individual County Options
  
- Karen Alley [kalley@mtcounties.org](mailto:kalley@mtcounties.org) (406) 441-5472
  - Associate General Counsel
  - Land Use/Subdivision Guidance
  - Regional or Individual County Trainings
  
- Nancy Everson [neverson@mtcounties.org](mailto:neverson@mtcounties.org) (406) 459-2295
  - Governmental Finance Director
  - Internal Controls Trainings
  - Budget and Finance Guidance



# Risk Management Services Provided By MACo PCT

- Cyber Security Program – Who is your current IT vendor?
- In-House Claims Administration
  - ✓ Adjuster Relationships
  - ✓ Quarterly Claim Reviews
- In-House Defense Counsel
  - ✓ Member Savings
  - ✓ Attorney Relationships
- Origami Policy & Claims Software – Member Portal Access
  - ✓ Run Reports
  - ✓ View & Download Personnel Documents
  - ✓ View General Claims Information
  - ✓ View & Download Policy Documents
  - ✓ View Property Schedules



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**Montana Association of Counties**

*Property & Casualty Trust*

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**ACKNOWLEDGEMENT FORM**

**2023-2024 PCT RENEWAL  
SCHEDULED PROPERTY**

\_\_\_\_\_ County, in conjunction with their agent, has reviewed the four schedules (Buildings, Vehicles, Heavy Equipment and Other Equipment) and have made the necessary updates, deletions and additions.

Furthermore, we understand that:

- (1) Coverage may be denied if the property in question is not properly scheduled or on file with MACo PCT.
- (2) The renewal premium is calculated off the scheduled values, so it's important to thoroughly review the items and values.
- (3) If a scheduled item lacks a value, the County has not paid premium for that property; thus, the item is insured for liability only even if the Liability Only option states "No".
- (4) Changes to any of the three schedules should be done through the online Portal in a timely fashion.

I hereby certify that I am an authorized agent to sign on behalf of this County.

\_\_\_\_\_  
**Authorized Name (Printed)**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Authorized Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Agent Signature**

\_\_\_\_\_  
**Date**

PLEASE FILL OUT THIS FORM IN ITS ENTIRETY AND THEN SUBMIT BACK TO MACo. YOU MAY SUBMIT THE FORM VIA MAIL, EMAIL at [bknoopf@mtcounties.org](mailto:bknoopf@mtcounties.org) OR FAX 406-443-4161.