



# **Insurance and Risk Management Update**

**Finance & Administration  
Committee Meeting**

**April 13, 2023**

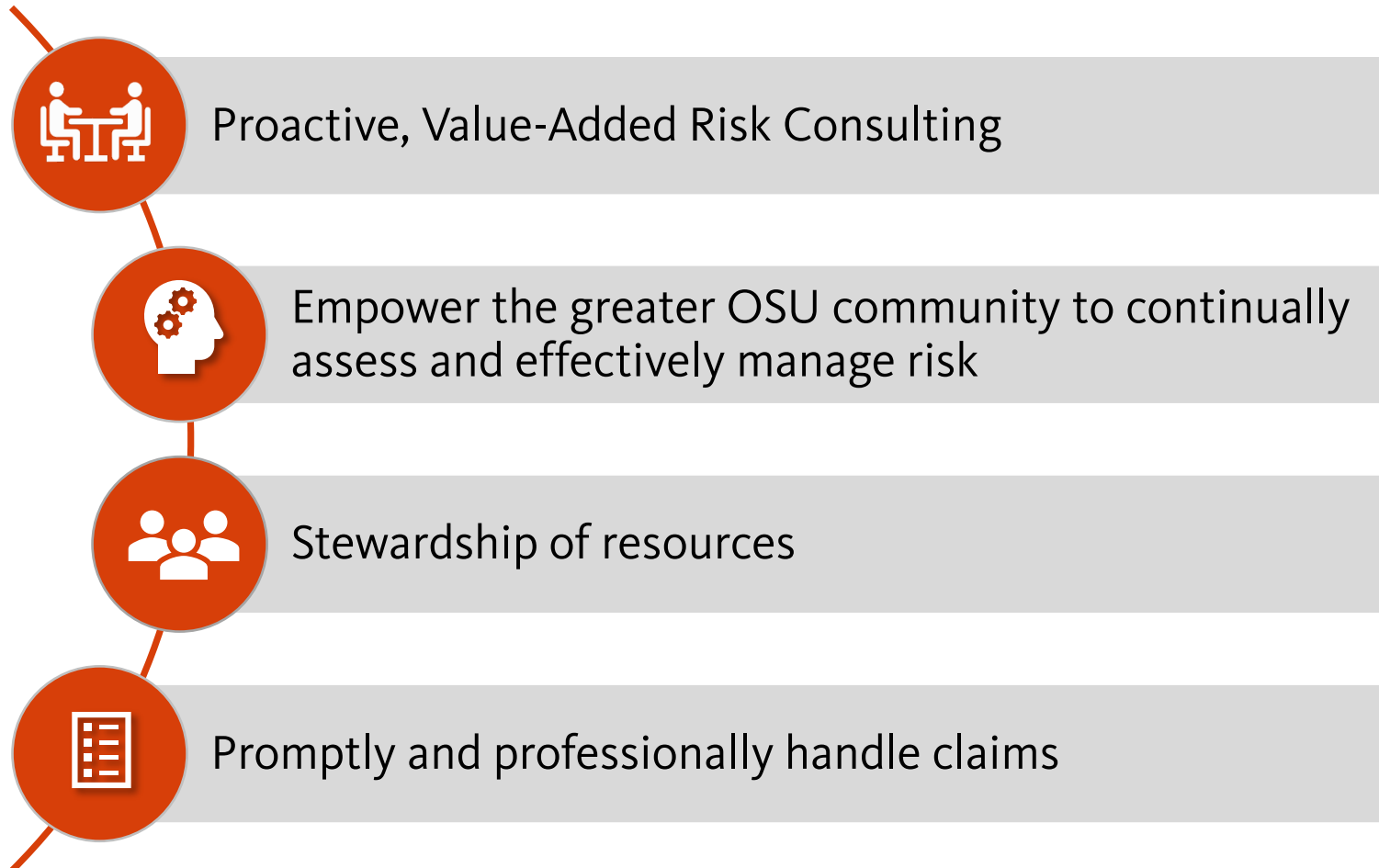


**Oregon State  
University**

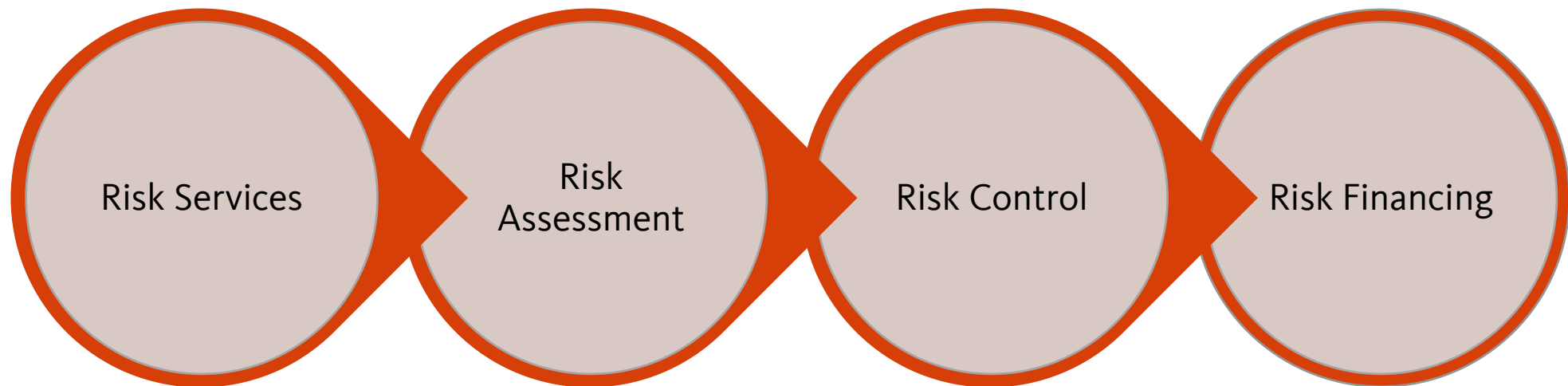
# Presentation Items

1. Risk Management Goals
2. Risk Management Services
3. Public Universities Risk Management and Insurance Trust (PURMIT) Overview
4. Insurance Coverage in FY2023
5. Examples of Insurance Coverage
6. Insurance Chart (PURMIT Standard Coverage)
7. Insurance Market Update for FY2024
8. Insurance Claims

# Risk Management Goals

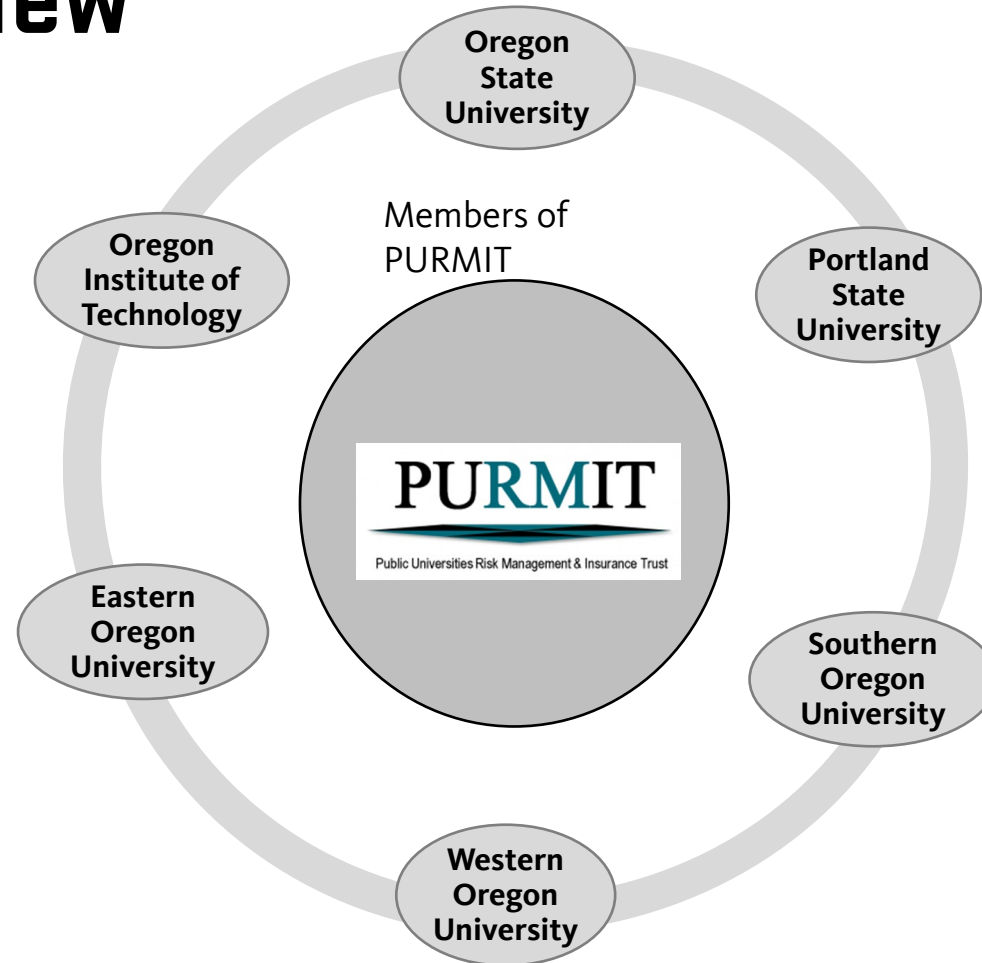


# Risk Management Services



# PURMIT Overview

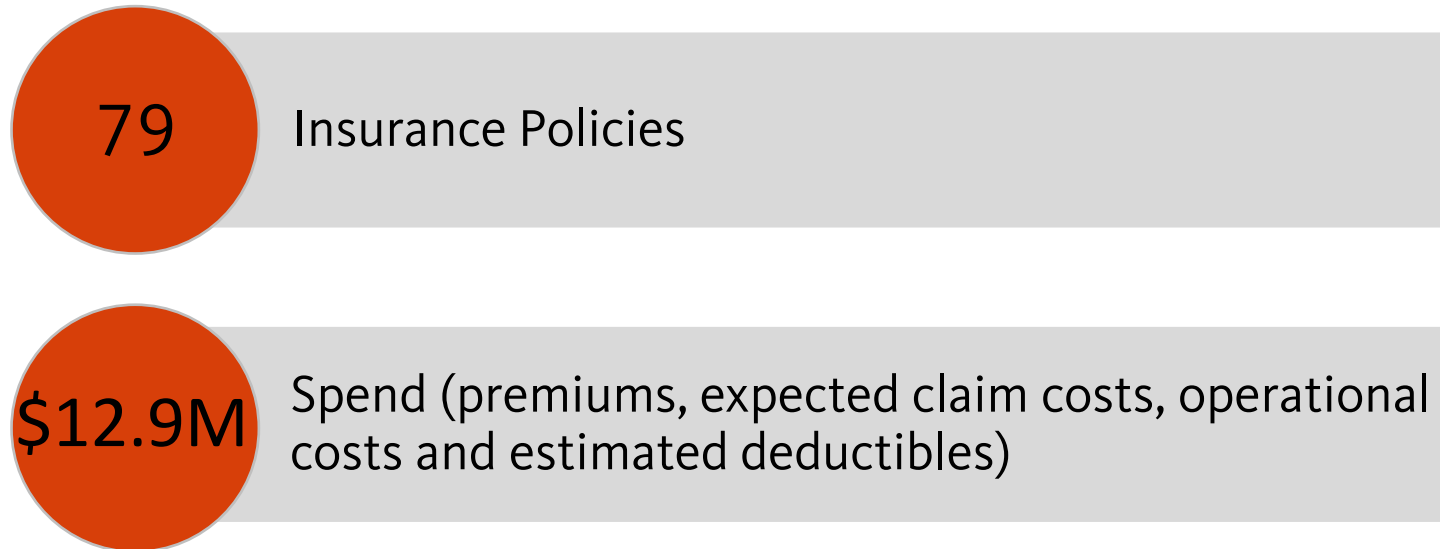
- Provides risk management support to six of Oregon's public 4-year higher education institutions
- Offers self-insured program for primary layer of property and casualty lines
- Provides administrative and operational services to Members



- Funded by annual Member contributions
- Governed by a Board of Trustees from Member Universities
- Bi-weekly meetings of Risk Council (Member risk professionals)

The **Public Universities Risk Management & Insurance Trust (PURMIT)** provides support to Oregon's six public higher education campuses through a comprehensive strategic enterprise risk management function that focuses on the risks associated with life safety, reputation, financial, compliance, and operational exposures. This is accomplished through the application of risk financing to include risk transfer and risk retention, and through the implementation of risk controls including risk assessments, training and compliance awareness and monitoring.

# Insurance Coverage in FY23



Considerations in choosing insurance coverage: Professional judgement and experience, exposure, premium, limits, retention/deductibles, carrier, relationships, risk assessment, risk controls, market cycle and conditions, policy terms and conditions, benchmarking of other higher ed institutions

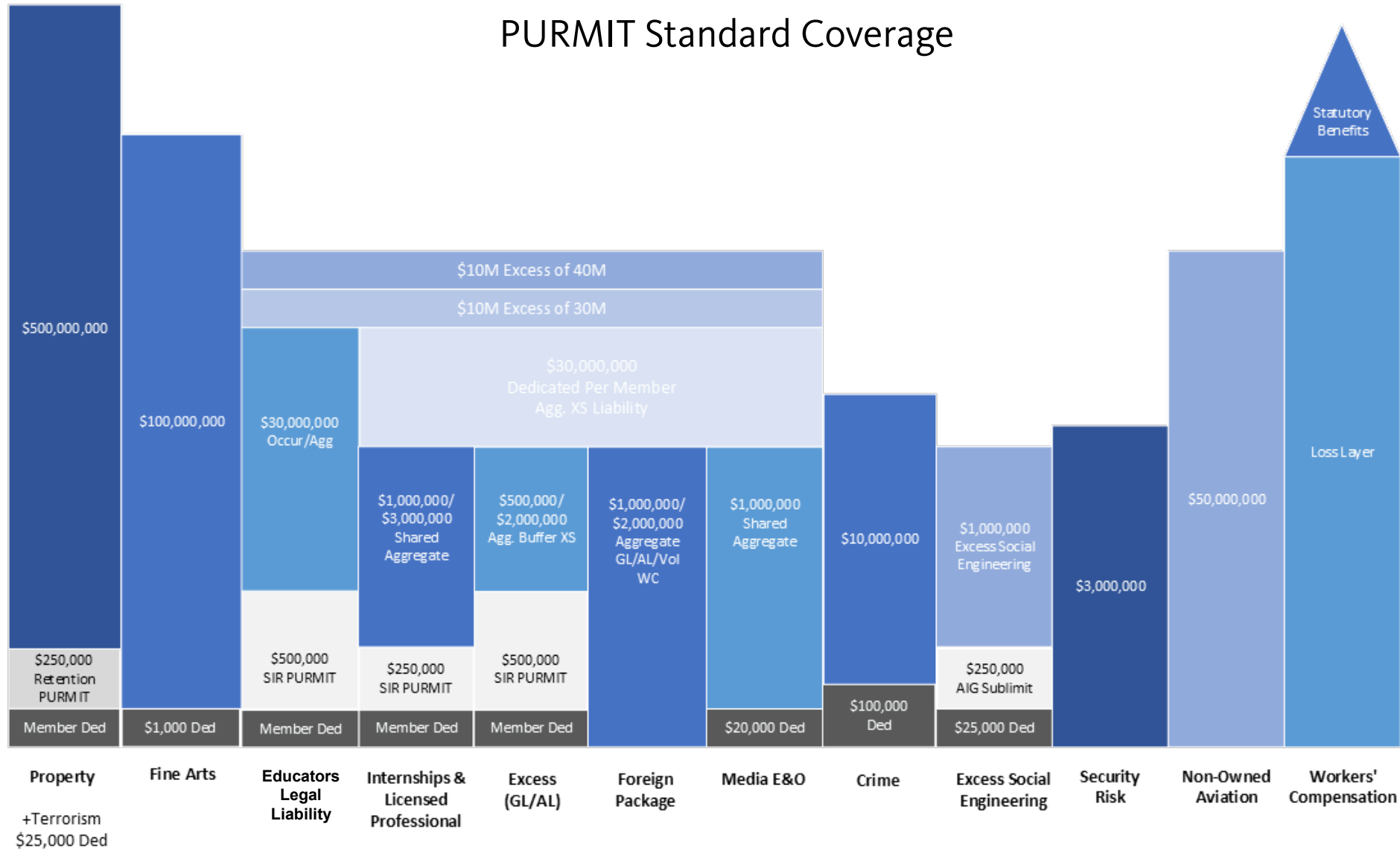
# Examples of Insurance Coverage

| Liability   | Property   | Workers' Comp & Employers' Liability  | Marine  | Accident Medical   | Cyber   |
|---|--|---|---|--|---|
| <ul style="list-style-type: none"> <li>• General Liability</li> <li>• Auto Liability</li> <li>• Professional Liability</li> <li>• Educators Legal Liability</li> <li>• Medical Malpractice</li> <li>• International</li> <li>• Media E&amp;O</li> <li>• Non-Owned Aviation</li> <li>• Loggers Broad Form</li> </ul> | <ul style="list-style-type: none"> <li>• Buildings</li> <li>• Contents</li> <li>• Fine Art</li> <li>• Over the side/subsea equipment</li> <li>• Builders Risk (course of construction)</li> <li>• National Flood Insurance Program policies</li> </ul> | <ul style="list-style-type: none"> <li>• Oregon</li> <li>• Other States Coverage</li> <li>• International</li> <li>• Maritime Employers' Liability</li> </ul> | <ul style="list-style-type: none"> <li>• Marine General Liability</li> <li>• Protection and Indemnity, primary and excess layers</li> <li>• Hull and Machinery</li> <li>• Pollution</li> <li>• Ocean Cargo</li> </ul> | <ul style="list-style-type: none"> <li>• Intercollegiate Athletics</li> <li>• Prospective Student Athlete</li> <li>• International Travel</li> <li>• Camps and Clinics</li> <li>• Daycare</li> </ul> | <ul style="list-style-type: none"> <li>• Cyber</li> <li>• Social Engineering</li> </ul> |

Not all policies purchased are listed here.

# Insurance Charts

PURMIT Standard Coverage



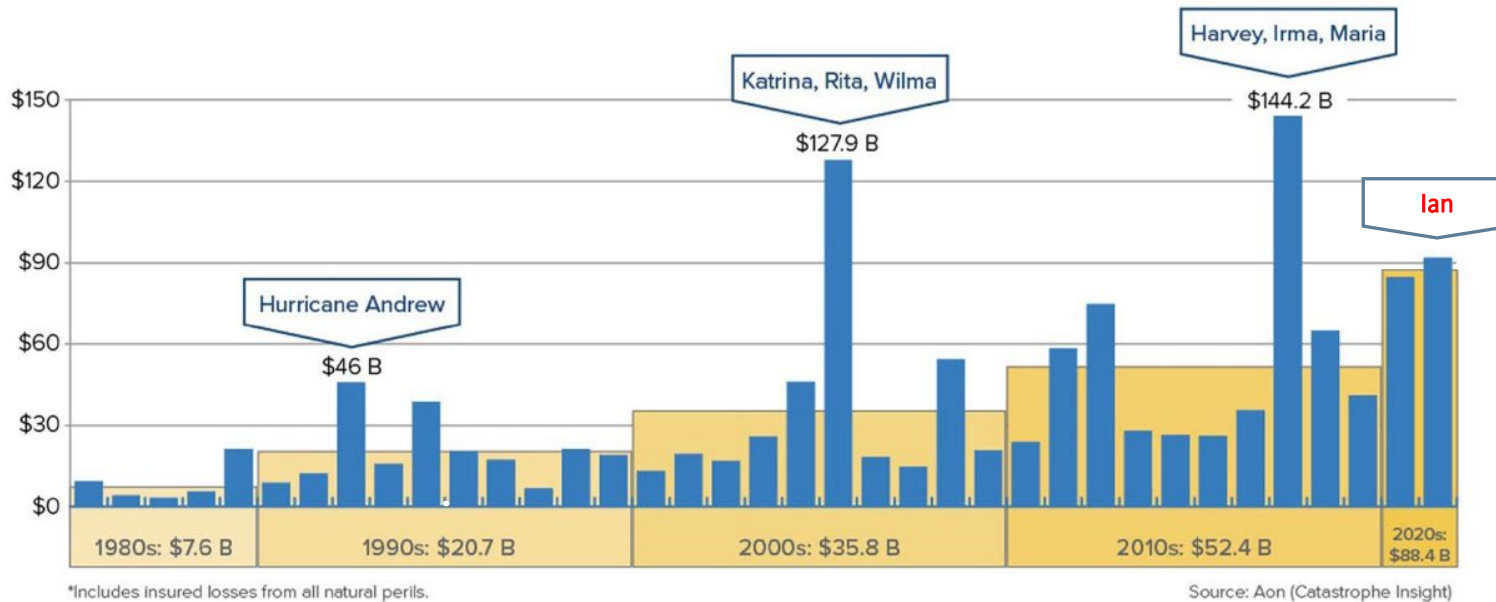


# Insurance Market Update for FY24

## Property

- Expect rate increases based on the following themes: CAT weather events, global inflation, valuations and reinsurance
  - Insurance carriers are projecting that Hurricane Ian is the 2<sup>nd</sup> largest storm in terms of insurance costs ever

Insured CAT losses are increasing at an alarming rate – nearly 700% since 80s



- Plans: Update replacement cost values (valuations), loss control, visit with property underwriters

# Insurance Market Update for FY24

## General Liability

- Expect 15% increase
  - Public entities and higher education is an area of high concern for underwriters
  - Sexual abuse coverage continues to be a challenge
- Plans: build strong partnerships with carriers, partnering with multiple university units on risk control activities

## Cyber Insurance

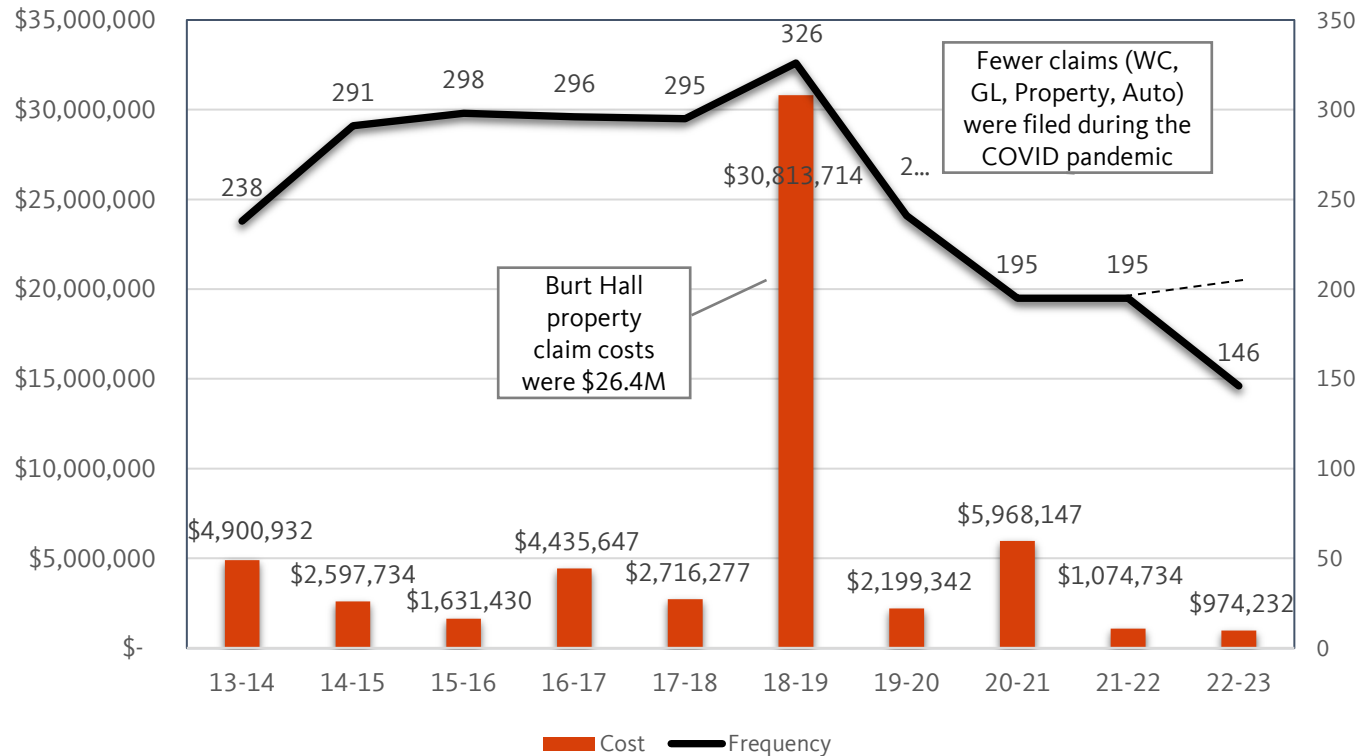
- Rate is still increasing, but decelerating
- Plans: requested vulnerability assessment, presenting to cyber underwriter, continued partnership with Office of Information Security

## Workers' Compensation

- Rate is stable, expecting a flat rate renewal – last year our experience rating was .55 (< 1.0 indicates performance is better than industry average)
- Plans: active claims management, training, partnering with Environmental Health and Safety on injury prevention

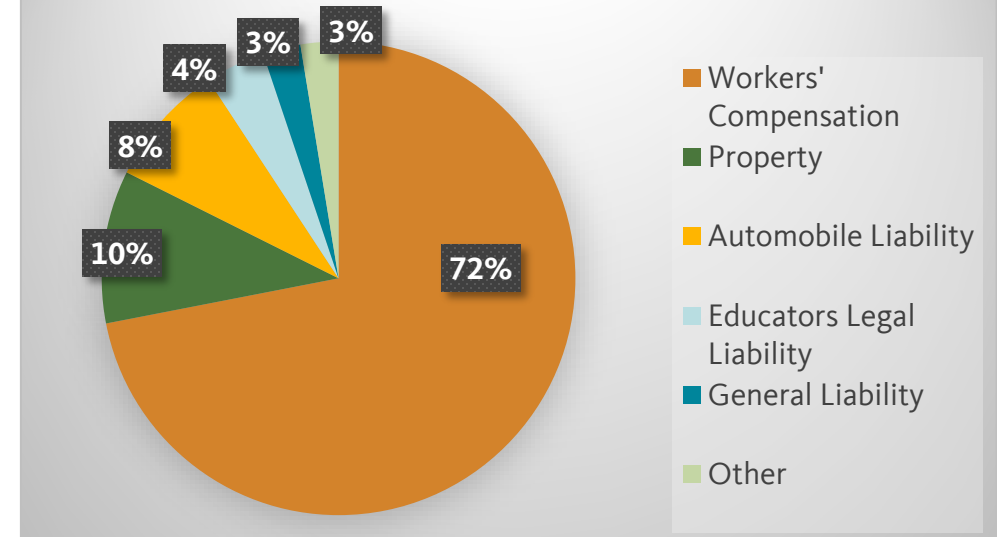
# Insurance Claims

**Frequency and Cost of Claims\***  
**Dates of Loss: 7/1/2013 - 3/9/2023**

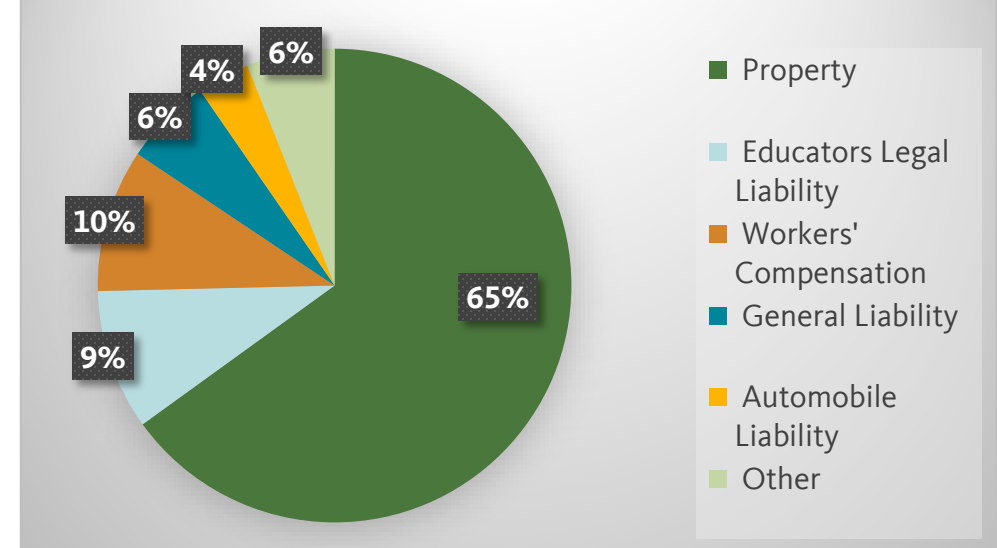


\*Not inclusive of Accident Medical Policies

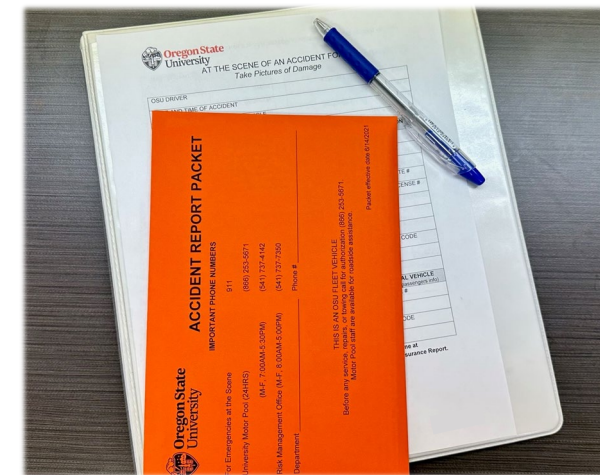
**Frequency by type of Claim**



**Cost by type of Claim**



# Discussion and Questions



# Appendix

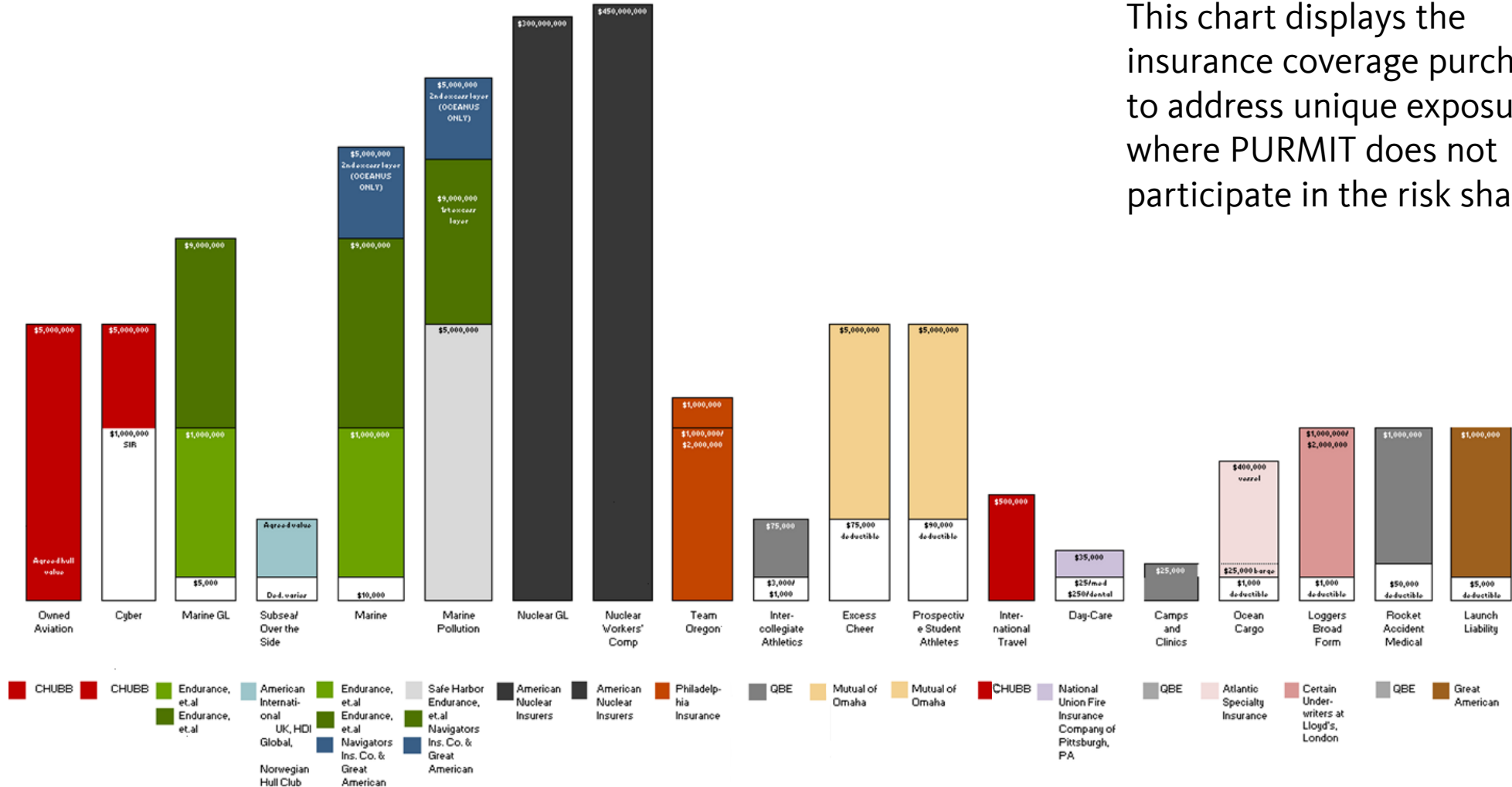
## **Additional Insurance Charts**

- **Specialty Insurance Coverage**
- **Property Insurance Schematic**

# Insurance Charts

## Specialty Insurance Coverage

This chart displays the insurance coverage purchased to address unique exposures, where PURMIT does not participate in the risk share.



# Insurance Charts

## Property Insurance Schematic

This schematic illustrates the shared and layered property insurance program with different carriers providing coverage up to certain percentage (shared) on different amounts (layers). For example, Swiss Re has 8% share on the primary \$100M (lower left gray box).

