

2022 OFFICE OF RISK MANAGEMENT ANNUAL REPORT

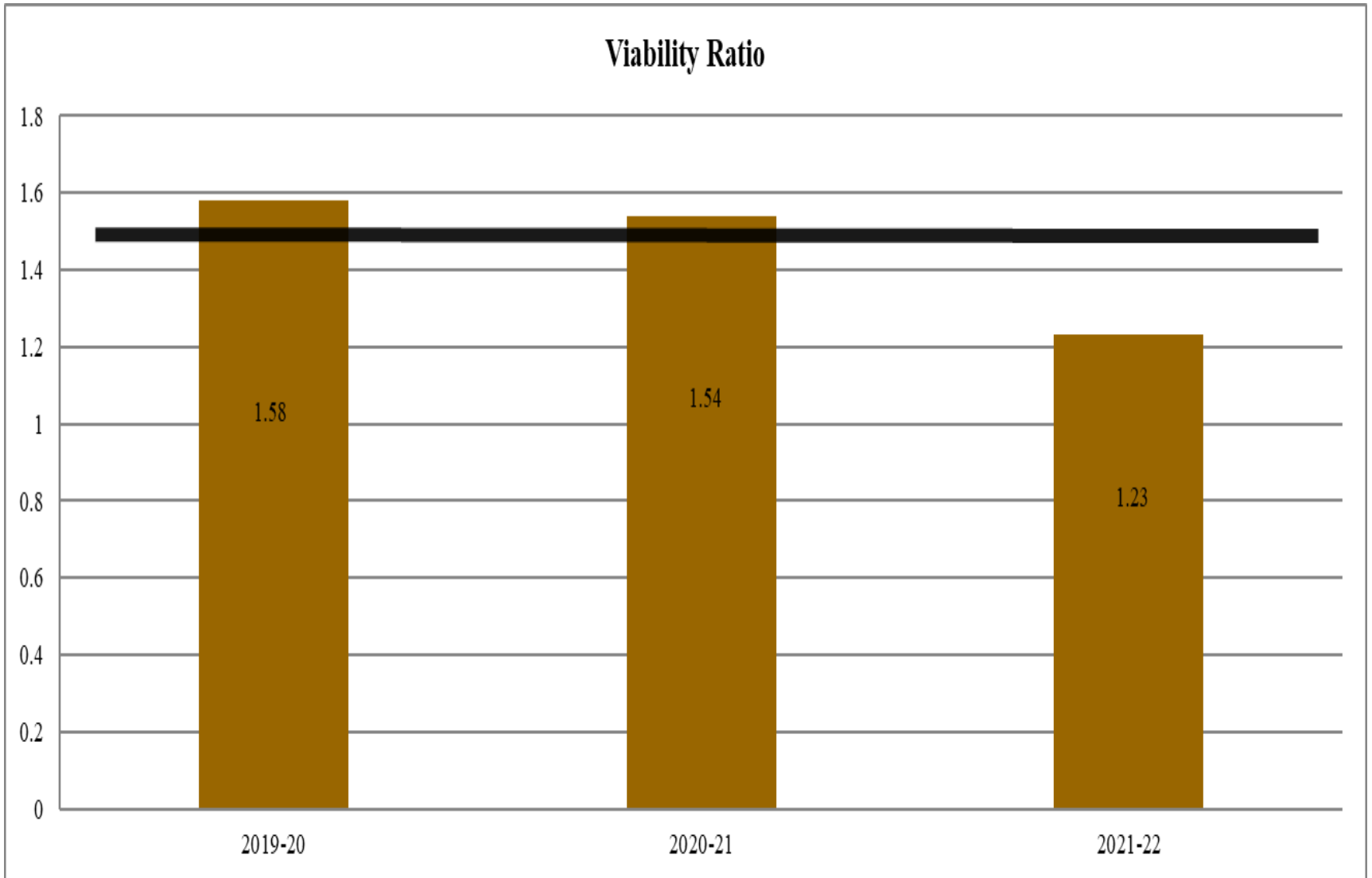


PRESENTED BY OFFICE OF RISK MANAGEMENT AND OFFICE OF LEGAL COUNSEL

OBJECTIVES:

- Report on fund financial health
- Review status of market conditions
- Cover renewal highlights
- Answer questions on written report
- Provide select benchmarking data
(*see Appendix*)

FUND FINANCIAL HEALTH



WHY MARKET REMAINS IN TURMOIL

- The hits keep coming...hurricanes and other severe weather continue negative impact on property insurers
- Continuation of deteriorating loss trends across most lines of coverage continue to negatively impact underwriting (workers comp being an exception)
- The Russia/Ukraine conflict - billions in aircraft losses
- Lingering uncertainty regarding extent of potential COVID-19 claims
- “Social inflation” from adverse jury verdicts (plaintiff-friendly decisions based on theories of enterprise liability) still affecting liability sector

CYBER RATE DRIVERS

- Education industry has fallen out of favor with cyber insurers due to nature of networks and need for more stringent prevention controls (to keep pace with threats)
- Insurers still seeing large increases in ransomware claims
- Some excess carriers seeing a 40% increase in general cyber attack claims over previous years

RESULTS OF 2023 RENEWAL PROCESS

Property

- ❑ Rate up by only 1%
- ❑ Coverage remained substantially the same

Liability

- ❑ Program structure now UE, Ironshore, Lexington.
- ❑ \$40 million of traumatic brain injury vs. \$50 million.
Deductibles remained the same.
- ❑ Premium up 7%

RESULTS OF 2023 RENEWAL PROCESS

Cyber

- ❑ Premium 0% increase year over year.
- ❑ Reduced layers to Beazley and Starr.
- ❑ Limits moved from \$20 million to \$15 million.
- ❑ Strategic move saved \$660,000 in premium.
- ❑ Coverage enhancement - full \$15 million of ransomware vs \$7.5 million.



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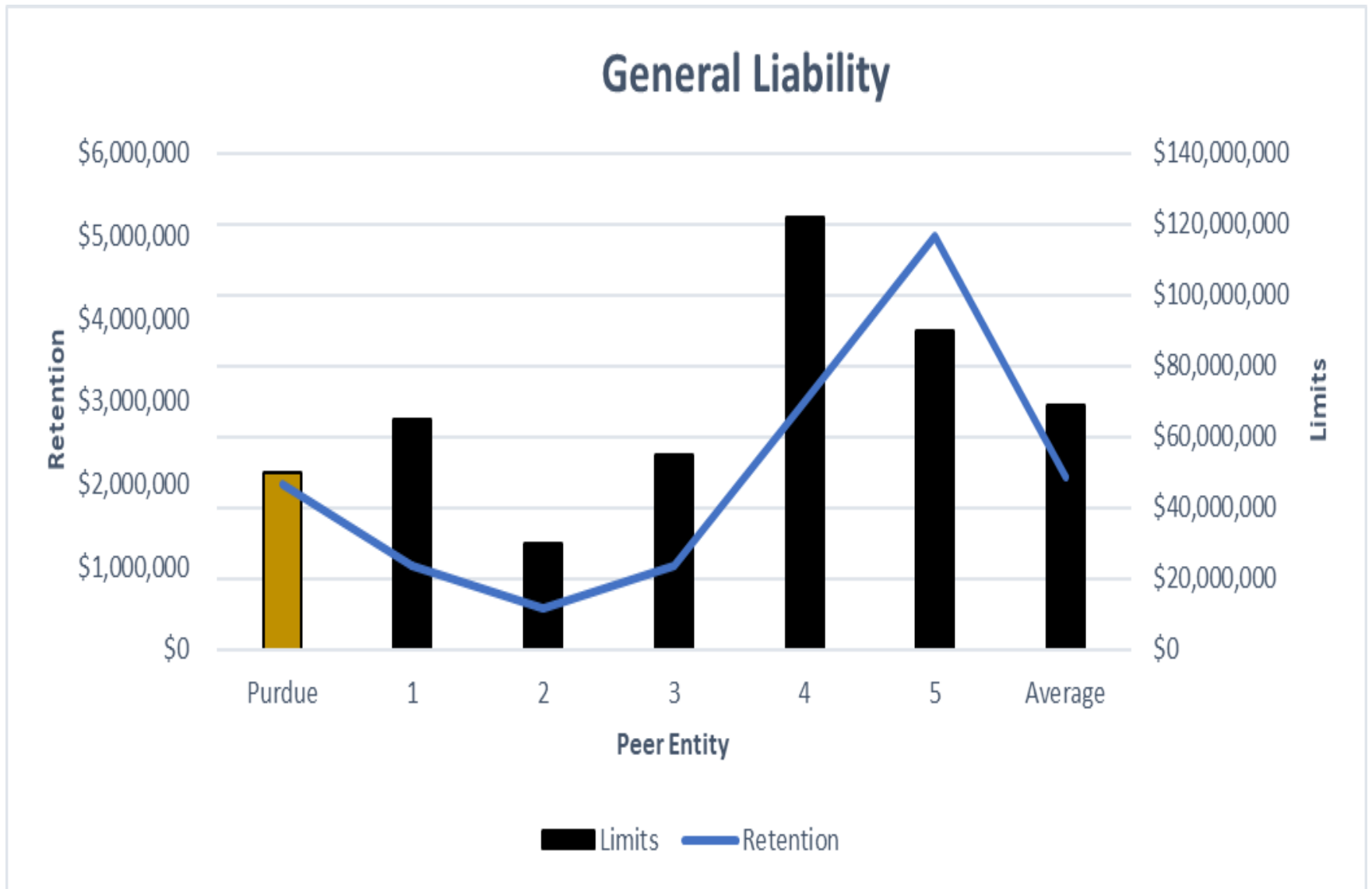
APPENDIX FOR QUESTIONS

WHAT IS THE UNIVERSITY'S MOST LIKELY LOSS EXPOSURE?

- 2019, deep dive analysis.
- It calculated the potential for losses.
- 99% confidence level 100 years
- Cyber \$10M.
- Liability \$8.34M.
- Property \$2.04M.

The assessment did conclude the University's current program comprised of a large retention with catastrophic excess insurance coverage is the most efficient and cost-effective option for the University.

PEER LIABILITY BENCHMARKING



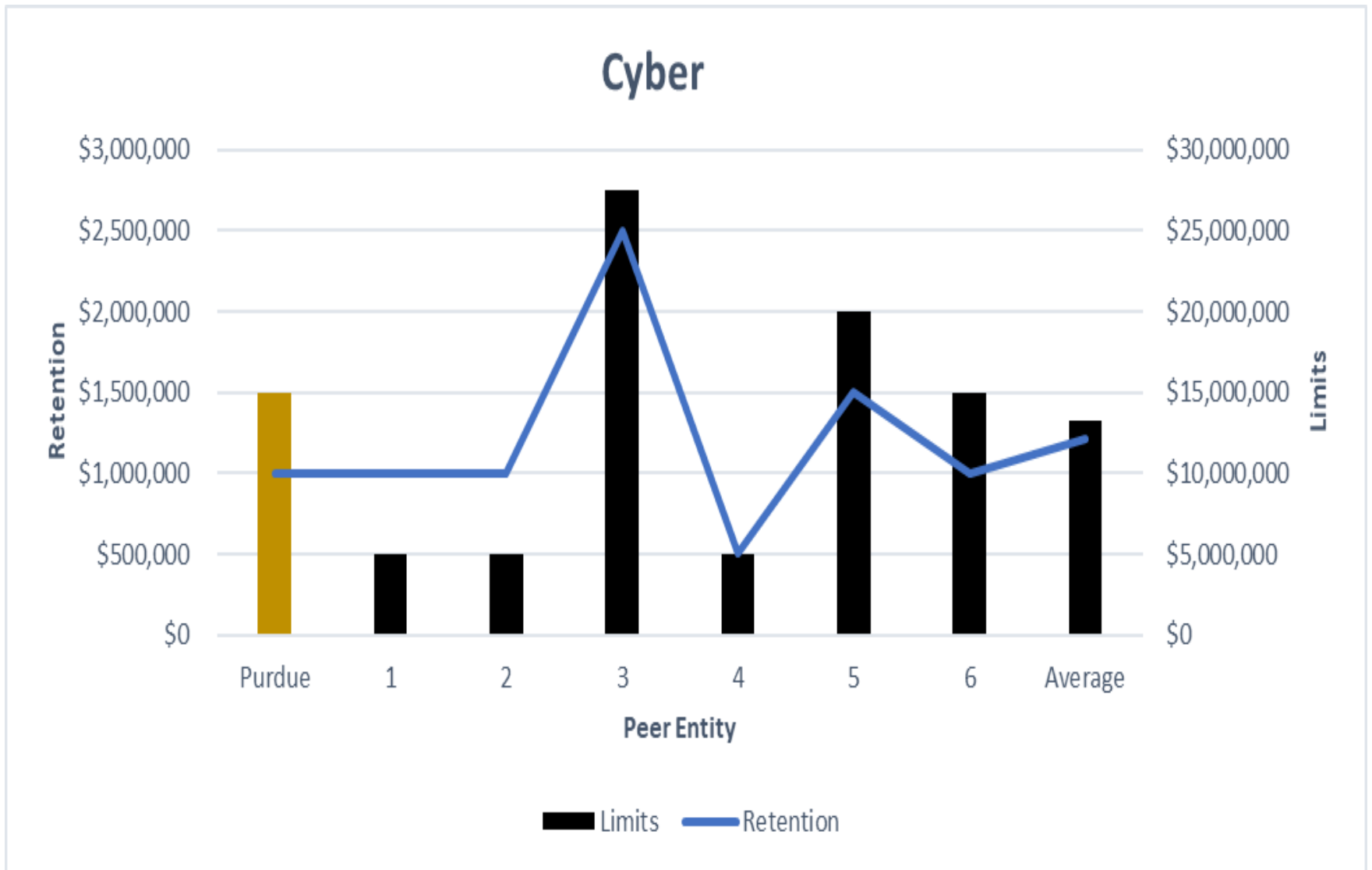
PEER PROPERTY BENCHMARK



PEER BENCHMARK CYBER PRICING



PEER CYBER BENCHMARK LIMITS



AVIATION

University / Large Flight Schools Premium Benchmarking Per \$1MM of Limit Purchased

