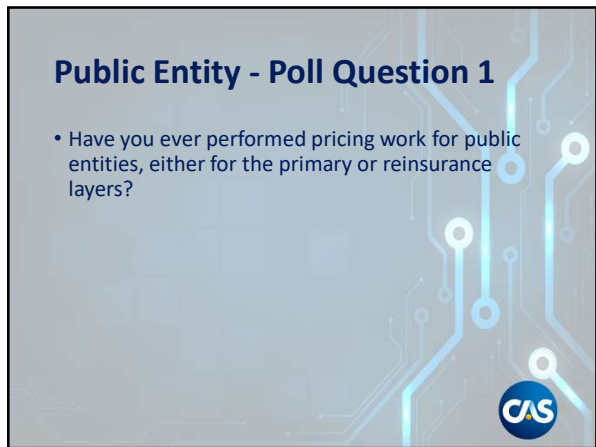




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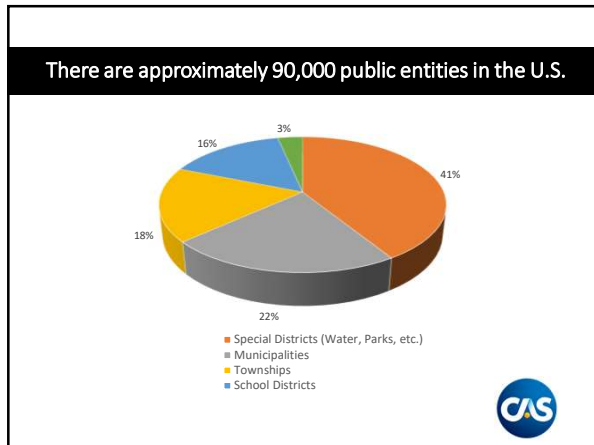
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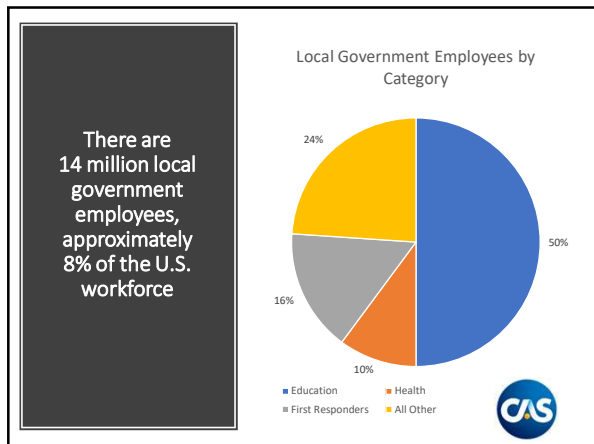
- Overview of Public Entities
- Liability
- Workers Compensation
- Cyber Liability



4



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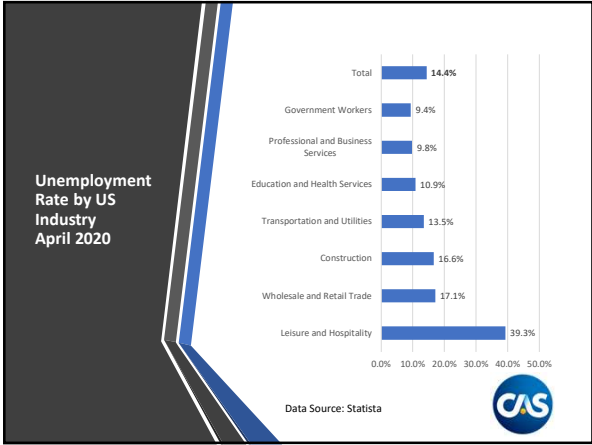
Public Entity Poll Question 2

• What is the total reinsurance premium spend for all public entities in the U.S. on a combined basis?

- Less than \$1 billion
- \$1 – 2 billion
- \$2 – 3 billion
- Greater than \$3 billion



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8

Liability Question #1

As we hear frequently in the media, police professional liability has become an increasingly high-profile exposure over the past decade.

How are public entities and their reinsurers responding to this exposure, in regards to claims handling, risk management, underwriting, etc.?



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Police Liability - Common Causes of Large Loss


- Excessive Force
- False Arrest
- Fatal Shooting
- Jail Suicides
- Civil Rights Violations/Preference for Federal Jurisdictions
- Wrongful Termination
- Improper Medical Care while in Custody
- Sexual Harassment



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Liability Question #2


How are public entities approaching insurance coverage for large scale acts of terror (including school shootings, targeting of first responders, etc.)?



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Liability Question #3

How has the emergence of the #MeToo movement and high-profile molestation claims affected the public entity reinsurance market?



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More than half of the country has either recently passed or is considering laws related to statutes of limitations for child sexual abuse cases

Recent legislative activity – statutes of limitations for child sexual abuse cases

Legend:
■ Takes effect in 2019 ■ Introduced in 2019 ■ Passed in 2019 ■ No current legislative activity

Notes: Governor of New Mexico vetoed bill that had passed legislature.
Colors represent status of legislative activity, laws were vetted by state.
Source: AAR Best

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Liability Question #4

While still an emerging issue, what do you think are the most likely COVID 19- related exposures facing municipalities within their liability lines of coverage?

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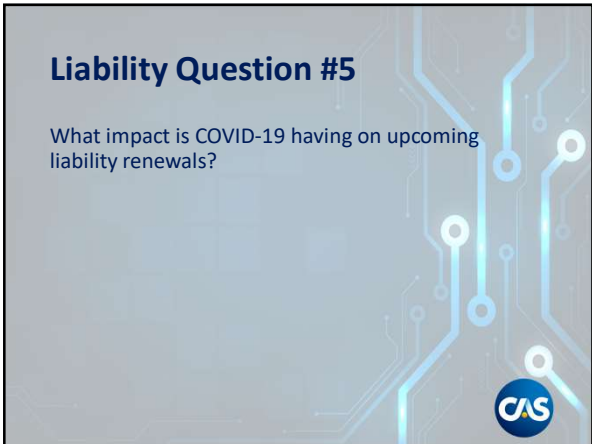

Potential COVID-related exposures for local governments

- Stay-at-home orders
- Jail exposure
- Police enforcement
- Education services and ADA
- Voter rights infringements
- Property takings

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Liability Question #5

What impact is COVID-19 having on upcoming liability renewals?

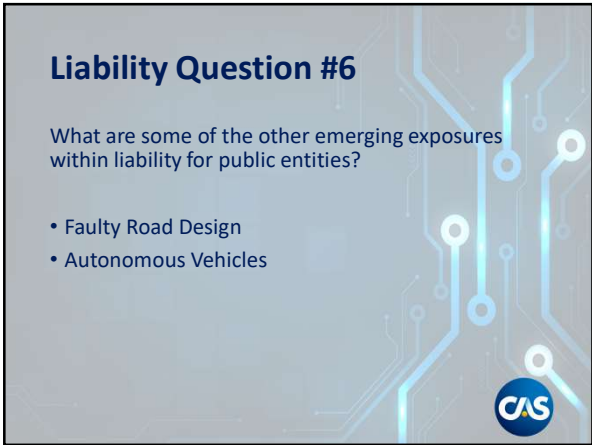



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Liability Question #6

What are some of the other emerging exposures within liability for public entities?

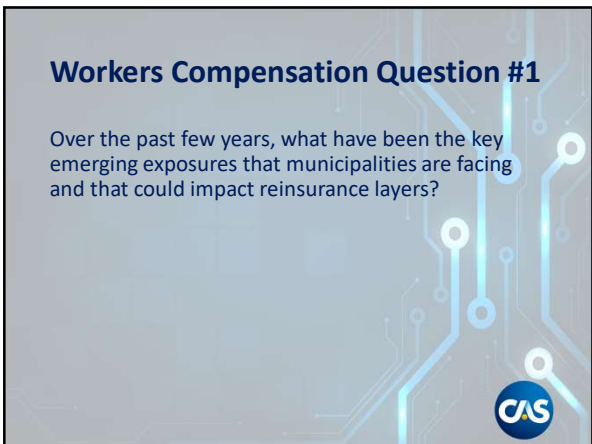

- Faulty Road Design
- Autonomous Vehicles



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Workers Compensation Question #1

Over the past few years, what have been the key emerging exposures that municipalities are facing and that could impact reinsurance layers?



18

Of the 33 states with cancer presumption laws, 20 are very broad, allowing coverage for any type of cancer

Firefighter Cancer Laws
 At least 33 states have some type of law that presumes certain types of cancer are a job-related illness for firefighters who apply for disability benefits. Arkansas has a law that provides death benefits to the family, but only if it is recommended by a state-appointed review panel.

States that have laws that presume some cancers are job-related for firefighters who apply for disability benefits

Source: The International Association of Firefighters
 © 2019 The Fire Charitable Trusts

19

Over the past three years, a growing number of states have passed PTSD laws for first responders

- 34% of first responders have been diagnosed with clinical depression or PTSD, a number that eventually could exceed 50% (source: Willis Towers Watson)
- Over twenty states have either already passed or are considering PTSD legislation to cover first responders
 - Different treatment across states in terms of who has the burden of proof

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Workers Compensation Question #2

26 states have already taken or are considering regulatory/legislative action to expand WC coverage to include first responders who become infected with COVID-19 (and in some jurisdictions, covering the lost-time for quarantining as well).

How significant of a risk does this pose to public entities, and what are the potential scenarios in which these claims could reach reinsured layers?

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First Responders appear to have a higher COVID-19 infection rate but lower fatality rate than population as a whole

- Infection rates for police officers appears to be significantly higher than the rest of the population
- COVID-19 death rates for infected officers are significantly lower than the rest of the population, driven by a lower age distribution and, likely, fewer co-morbidities

Group	Percentage testing positive	Deaths per 10,000
NYC Police	12 – 15%	8
NYC Total	3%	25
US Police	2-3%	1
US Total	0.5%	3

Data Source: NLC Mutual's analysis of publicly available data from a variety of sources.



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COVID-19 WC Presumption for First Responders (cont'd)

- Potential ways that reinsurance layers could be reached
 - Long-term effects to respiratory and neurological function are still unknown and could lead to permanent injury claims with significant on-going medical care
 - Fatalities involving relatively high death benefits and relatively low attachment points



23

Cyber Liability Question #1

What has been the cyber liability climate for public entity risks over the past few years?

- Governments being singled out as ransomware targets has put strain on pricing and terms
- Fraudulent instruction (e.g., invoice for bridge in Florida city)



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Cyber Liability Question #2

How might the environment surrounding cyber coverage be impacted by COVID-19?

- Potential increase in both frequency and severity
 - Cyber attempts increasing due to stay-at-home orders
 - IT and other staff for local governments may be strained as they transition to remote working environments and may not be as effective in prevention