

# Property & Liability Outreach

Produced by Department of Administration Bureau of State Risk Management

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FY24, Quarter 3

## [P&L Manual Link](#)



## [Emergency Response Vendor List](#)

Whenever your agency experiences a loss that involves water, fire or smoke, it is extremely important to mitigate your damages. Above is a hyperlink of Emergency Response Contractors that can be found on the BSRM website. This list is broken down not only by location (area the company serves) but also the perils they can handle.

## [Self-Funded Property Claim Payments Through February\\*](#)

Auto	Auto
<u>FY23</u>	<u>FY24</u>
\$472,565.33	\$1,001,051.22

Property w/o Auto	Property w/o Auto
<u>FY23</u>	<u>FY24</u>
\$9,412,169.67	\$6,144,350.78

\*Does Not Include Excess Payments  
\*Claims Paid in FY24, not from FY24

## Excess Insurance Renewals

FY25 Property & Liability Excess Insurance Renewals are currently underway with the assistance of the State's broker of record, Arthur J. Gallagher & Co. In addition to excess Property and Liability insurance, the Bureau of State Risk Management purchases several insurance products which supply the state with coverage for things like Fine Arts, Aviation, Boiler & Machinery, Marine Cargo and a plethora of other niche and boutique policies for various agencies. The intent of these insurance products varies, as some policies are standalone products, meaning there is no coverage in or under the Self-Funded Program where others are purchased to insulate (mitigate) losses covered under/within the Self-Funded Program to act as various stop losses for different types of risk. If you are interested in learning more about how the State's Self-Funded Program works or your agency has a unique risk you'd like to discuss further, contact Bradley Templin.

## Auto Property Trends

The Bureau of State Risk Management provides comprehensive and collision coverage for those State of Wisconsin agencies and Universities of Wisconsin System campuses who report automobile values to BSRM on an annual basis. If coverage is in force with your agency, vehicles that are purchased throughout the year are automatically covered with the same coverage the agency has reported comprehensive coverage is required however collision coverage is optional. BSRM tracks losses from fiscal year to fiscal year. From FY14 (July 1<sup>st</sup> 2013) through FY21 (8 years of losses) agencies, reported on average of 171 auto property claims per FY equating to BSRM paying out/incurred, on average, \$2,723.10 per claim which averaged out to about \$465,650 a year in auto property claims being incurred/paid.

Since FY22 to date, the state has averaged only 136 auto claims (with 3 months to go in the FY) which is a 20% decline in submitted auto property claims however what has changed is the severity in the claims being incurred/paid. For the last 2 years and 9 months the average cost per claim paid/incurred out by BSRM rose to \$5,465.12 which is a 100% increase in cost averaging out to about \$744,544.06 a year in auto property claims being paid/incurred.

One of the main reasons of the price increase is obviously due to the result of the 2020 Coronavirus that was unleashed across the globe, however per Pinnacle Actuarial Resources, here are the top 10 Auto Physical Damage Cost Drivers:

- \*Supply Chain
- \*High Speeds on Roadways
- \*Distracted Driving
- \*Electronics
- \*Electric Vehicles
- \*Prosecutorial Priorities
- \*Total Less Thresholds
- \*Weather
- \*Cost of Repairs
- \*Dynamics in the Used Car Market
- \*Changes in Salvage Yard Business Practices
- \*Talent (lack of professionals in the Automotive Repair Sector)

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**THANK YOU TO ALL THOSE WHO ASSISTED IN SENDING IN DATA FOR OUR FY25 INSURANCE RENEWAL EFFORTS!**

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So, what can you or your agency do to mitigate or negate auto property losses from happening? Control your losses, how can you do that? Education, training and learning from your losses.

Training and Learning materials: [Drive Safe Wisconsin](#) (State of Wisconsin Agencies) or [Drive Safe Wisconsin](#) (Universities of Wisconsin System). If you are interested in learning more about your auto property incidents or claims, you may contact Property and Liability Program Manager, [Bradley Templin](#).

## Auto Liability Trends

The BSRM provides liability protections (funding) for State of Wisconsin/ Universities of Wisconsin System campuses officers, employees and agents who have been determined to be working within the scope of their employment, in tandem with those who have been deemed negligent (based on obtained facts of loss) against the State of Wisconsin's Modified Comparative Negligence 51% bar law. If you are interested in learning more about this doctrine, please contact the BSRM.

The one main difference between Auto Property and Auto Liability trends is that Auto Liability claims include bodily injury payments in addition to physical damage cost. By definition, bodily injury pays for the cost related to injuries sustained to an individual in which another party has been deemed (usually through an investigation, collection and corroboration of facts) negligent.

Just like as is performed with the states Auto Property claims, the BSRM tracks losses from fiscal year to fiscal year. From FY14 (July 1<sup>st</sup> 2013) through FY21 (8 years of losses) agencies accumulated on average of 88 auto liability claims per FY equating to BSRM paying out/incurred, on average, \$6,959.68 per claim which averaged out to about \$607,232 a year in auto liability claims being paid out/incurred for the entire program.

Since FY22 to date, the state has averaged only 47 auto liability claims (with 3 months to go in the FY) which is a 46% decline in submitted auto liability claims however what has changed is the severity in the claims being paid. For the last 2 years and 9 months the average cost per claim paid out by BSRM rose to \$17,680.40 which is a 154% increase in cost averaging out to about \$836,872.48 a year in auto liability claims being incurred/paid.

Auto Liability claims cost for physical damage are increasing for the same reasons noted above however a key driver in the Auto Liability space are the BI damages (including pain and suffering) being awarded to individuals in litigated matters are reaching all-time highs.

## Property & Liability Word Search

W I R P D B E W T U A R D D K  
 O F C Q O N X L I S C E E L U  
 Y R C P C E C H I U V A D I R  
 P Z U W U G L W P B D S U A E  
 I C S Y M L U M R R A O C B P  
 N L T S E I S A O O D N T I L  
 S A O A N G I G P G J A I L A  
 U I M L T E O G E A U B B I C  
 R M A V A N N R R T S L L T E  
 A E R A T C S E T I T E E Y M  
 N A Y G I E M G Y O E I P E E  
 C U D E O B H A W N R V E E N  
 E T A P N S C T L Y V Z R Y T  
 P O L I C Y J E X Y S A I B W  
 N P H N Y C E O T V H M L X H

Documentation	Exclusions	Peril
Deductible	Property	Auto
Aggregate	Adjuster	ACV
Policy	Subrogation	
Insurance	Negligence	
Claim	Liability	
Replacement	Customary	
Reasonable	Salvage	

## Paid Liability Claims Through February

FY23	FY24
\$2,363,330	\$3,443,263

## Open Claim Counts

March 2024	
<u>Auto</u>	<u>General</u>
14	15
<u>Civil Rights</u>	<u>Environmental</u>
544	0
<u>Medical Malpractice</u>	
14	
<u>Professional</u>	
9	
<u>Employment Practices</u>	
16	
<u>Total</u>	
612	

**Website:**  
[P&L Webpage](#)

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