

Property & Liability Outreach

Produced by Department of Administration Bureau of State Risk Management

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FY25, Quarter 1

P&L Manual Link



Whenever your agency/campus has a larger valued shipment (over land, air or sea) be sure you are reporting the shipment to BSRM if you are looking for coverage through the Self-Funded program. The agency/campus deductible of \$1,000 still applies when and where applicable. If you have any additional questions or concerns, Contact Property Specialist, [Andy Eisler](#) to learn more.

Marine Cargo Shipment Request Form

Paid Property Claims (Property & Auto Property)

<u>FY23</u>	<u>FY24</u>
\$14,924,406	\$9,701,136

Amounts paid are payments made within the indicated FY and do not include insurance recoveries or successful subrogation efforts.

Open Claim Counts

<u>Auto Property</u>	<u>Property</u>
102	135

FY25 Insurance Renewals

BSRM with the assistance of the state's broker of record, Gallagher, just finished the states FY25 Excess Property & Liability renewals along with the placement of several other boutique policies. The state saw a better-than-expected outcome on the excess property renewal (even with substantial increases in reported values and claims reaching the excess layers by way of aggregated losses in FY24. However, the state continues to see increased insurance cost related to the excess liability program based on the state's collective exposures (law enforcement, corrections, higher education, sexual misconduct and or traumatic brain injury/concussion etc.). For more detailed information on either program, contact, Brad Templin

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Risk Management Spotlight: Meet Joseph Rayzor

Hello, I'm the Director of Risk Management for the Universities of Wisconsin. I've worked in higher ed risk management for over 10 years, spending time at both a regional comprehensive institution and a large research institution. Prior to working in higher education, I worked as a subrogation attorney for an insurance company (as a result I always love a good claim story). I enjoy learning how others apply the principles of risk management to their passions, and during COVID I took the opportunity to participate in the Big Wave Risk Assessment Group's online educational program.

I received my law degree from the University of Mississippi, my undergraduate degree in business administration from the University of Tennessee and I'll be earning my master's in business administration in the fall of 2025 from the University of Iowa. But, you will always find me cheering on the athletic teams of the Universities of Wisconsin.

I'm married and have three daughters ages 11, 8, and 4. In my free time I coach my girl's lacrosse team, volunteer for local causes, and enjoy spending time outside.

Liability Liaise – CrowdStrike & Business Interruption Claims

On Friday, July 19th an American cybersecurity company, CrowdStrike deployed a faulty update to its security software that caused an estimated 8.5 million computers running Microsoft Windows to crash bringing forth the dreaded "blue screen of death". The crash interrupted several different industry's ability to conduct business, from airlines to hospitals and seemingly anything in between.

Insurance products, like property or even cyber coverage provide coverage for business interruption (replaces certain business income lost or otherwise not realized during the insured's inability to conduct business due to a covered loss after applicable deductibles or waiting periods have been met) Now two weeks or so removed from the event, the question that is being asked is, is there any insurance coverage for this massive worldwide event?

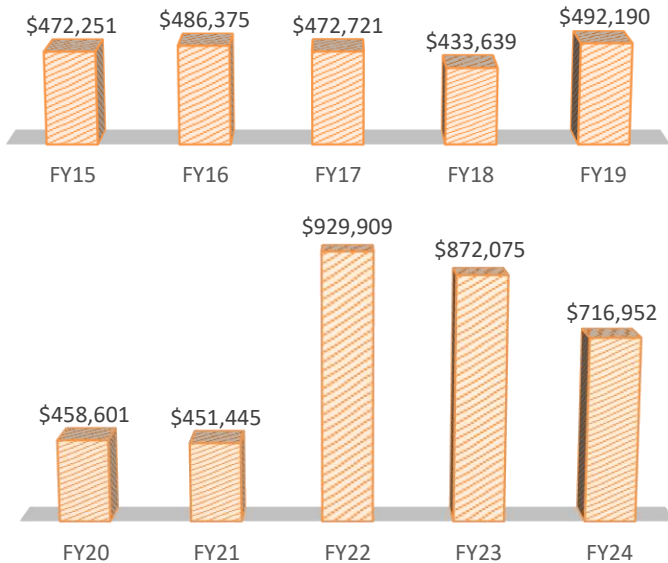
According to a Reuters article published on Monday, July 22nd insurers are bracing for hundreds if not thousands of claims, however, are likely to avoid any major financial impact even though losses are assumed to account for billions in economic damages related to the outage."

Why? It all depends on how what coverage was purchased, how the policy language is written, what if any, are the waiting periods/deductibles and what exclusions are in place per the policy.

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Loretta Worters, a spokesperson from the Insurance Information Institute shared the following: “Typically, cyber insurance covers cloud downtime due to security failure, operational failure or system failure of the insured’s own operations, generally, policies do not cover downtime due to non-malicious cyber events at a third-party network service provider.” In this case the third-party network service provider would be CrowdStrike and the downtime created by their application failure would be considered a “Non-Malicious Act”. With all of that said, each claim made will need to be reviewed and coverage determinations be made based on the policy language of each policy.

The High Cost of Auto Repairs



Graphs above show the BSRM managed auto losses (comprehensive and collision) that occurred in each of the last 10 fiscal years and what those incurred (paid + outstanding) losses were for each FY. As you can see the cost has increased quite significantly even though the average frequency decreased from 180 claims from FY15-FY19 to an average of 151 between FY20-FY24.



Experts Corner with Katie Vohs

In recent years, the State has experienced fire losses due to self-heating/spontaneous ignition. Spontaneous heating/ignition is an exothermic reaction that occurs in organic materials without an external ignition source being present. A few examples include but are not limited to: A fire originated on a kitchen shelf where rags with cooking oil were left in a pile, a fire originated in a trash can where painting/staining supplies were disposed of and a fire originated in a commercial dryer when oily rags were being dried (even after being washed in the washing machine).

Common sources of Spontaneous Heating fires include (but are not limited to):

- Improper storage and disposal of oily rags or painting/staining supplies.
- Washing and drying of towels and rags with saturated vegetable oils, massage oils, or animal fats (occurs during in dryer or in basket/hamper immediately after being dried)
- In dust collection bags containing fine particles of saw dust.
- Baled hay or piles of wood mulch, animal feed, compost, manure, leaves.

Tips to mitigate potential fire hazards:

- Store piles of organic materials (hay, compost, mulch, manure, leaves) away from buildings. Hay should be completely dry before baling and placing in a well-ventilated storage facility.
- Keep piles of organic material small to allow heat to dissipate and the air to circulate.
- Store, use, and dispose of oils/chemicals or soiled rags per manufacturer instruction and per OSHA/nationally recognized consensus standards.
- Inform yourself and others about the various oils, chemicals, or other materials being used in your facilities, the possibility of self-heating, and proper disposal/storage of these items. *Please be aware these types of fires also have a tendency to reignite after being extinguished.*

Paid Liability Claims

FY23	FY24
\$3,453,568	\$4,382,417

Open Claim Counts

July 2024	
Auto	General
16	12
Civil Rights	Environmental
546	0
Medical Malpractice	
13	
Professional	
7	
Employment Practices	
14	
Total	
608	

Website:
[P&L Webpage](#)

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