

Executive Summary

On June 1, 2020, DuPage County entered into an insurance brokerage and/or risk management contract with Mesirow Insurance Services, Inc., an Alliant Company (Alliant) which is effective until May 31, 2024. Through this contract, Alliant is charged with administering marketing and placement services for the lines of insurance included in this proposal.

We have worked closely with DuPage County risk management staff over the past several months to prepare the underwriting submissions, respond to insurance carrier questions, and to assure that the County's priorities and risk profile are clearly understood. This truly has been a team effort and we appreciate the collaboration and support of the County's risk management staff and others who provided or assisted in the development of needed underwriting and loss data.

Current State of the Insurance Marketplace and Marketing Strategy

In 2023, we continue to experience a hardening insurance market across all lines of coverage, especially in healthcare and specifically skilled nursing. The markets who write insurance coverage in this sector are limited, and as such, we are consistently seeing carriers reduce limits, increase deductibles and demand pricing/rate increases. Based on the difficult state of the market, we approached 14 carriers who write nursing homes in Illinois. Unfortunately, there were none that provided competitive proposals. However, we are pleased to present to you the renewal with incumbent Trinity Risk Solutions at a total cost that is less than the expiring program while maintaining the same program parameters.

DuPage Care Center

DuPage County has been a member of the Trinity Risk Solutions (TRS) risk retention group of other senior care centers for many years. The risk retention group, 100% owned by its members, provides not only insurance, but also a way to reduce total cost of risk through robust risk management services to keep losses from occurring, and claims experts who specialize in nursing home claims in order to keep losses that do happen to a minimum. Further, each member of the risk purchasing group maintains an equity component through which 100% of all underwriting and investment income is allocated back to the members. The program continues to offer not only broad insurance coverage, but the benefits of services the county has come to rely upon over the years.

TRS continues to offer renewal terms at the same as expiring deductible of \$150,000 per occurrence with a \$250,000 corridor deductible.

The Premium Summary section of this proposal shows the breakdown of the premium and equity components of the expiring and renewal programs. The cost is down for the 2024 policy year due to two major components: First, the rating basis (number of beds) is reduced as a result of renovations currently underway, and second, due positive underwriting results for both DuPage Care Center and the program as a whole, there is no requirement for additional capital/equity payment into the program.

On page23 you'll find a copy of the TRS equity statement of the program through 12/31/2022. This shows the history of the equity and distributions to DuPage Care Center since the inception of the program. At year end 2022, the care center's current equity in the program is \$232,080. This statement will be updated for year end 2023 around the end of the first quarter of 2024, once all results are in through year end.

Premium Summary

DuPage Care Center - General and Professional Liability				
Carrier	Trinity Risk Solutions 1/1/2021 to 1/1/2022	Trinity Risk Solutions 1/1/2022 to 1/1/2023	Trinity Risk Solutions 1/1/2023 to 1/1/2024	Renewal Trinity Risk Solutions 1/1/2024 to 1/1/2025
AM Best Rating				
Reinsurers: Lloyds of London (primary)	A XV	A XV	A XV	A XV
The Doctors Company (umbrella)	A XV	A XV	A XV	A XV
Deductible per Occurrence	\$150,000	\$150,000	\$150,000	\$150,000
Aggregate Deductible (Aggregate does not apply to communicable disease claims)		\$600,000	\$600,000	\$600,000
Corridor Deductible	\$150,000	\$250,000	\$250,000 per claim	\$250,000 per claim
Aggregate Corridor Deductible		\$250,000	\$500,000 Aggregate	\$500,000 Aggregate
General Liability Limits	Claims Made	Claims Made	Claims Made	Claims Made
Per Occurrence	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Annual Aggregate	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Employee Benefit Liability	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
GL Pandemic Disease/Virus:		\$100,000 per occ \$300,000 Aggregate	\$100,000 per occ \$300,000 Aggregate	\$100,000 per occ \$300,000 Aggregate
Nursing Home Professional Liability Limits				
Each Medical Incident	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Aggregate	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
PL Pandemic Disease/Virus:		\$100,000 per occ \$300,000 Aggregate	\$100,000 per occ \$300,000 Aggregate	\$100,000 per occ \$300,000 Aggregate
Buffer Layer Limit (shared)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Rating Basis - beds	326	326	326	260
Retro Date	12/1/2002	12/1/2002	12/1/2002	12/1/2002
Total Premium/Program Costs:				
Primary GL/Nursing Professional buffer layer (\$1,000,000)	\$239,973 \$20,121	\$249,316 \$34,206	\$214,385 \$37,627	\$186,753 \$37,627
Premium Taxes	included	included	included	included
Risk management/misc services	\$8,185	\$9,276	\$8,721	\$8,914
Annual Premium	\$268,279	\$292,798	\$260,733	\$233,294
Risk Adjusted Surplus	\$29,649	\$38,405	n/a	\$1,000
Total - Premium and risk adjusted surplus:	\$297,928	\$331,203	\$260,733	\$234,294
Short Term Capital Strengthening pay-in	\$50,546	n/a in 2022	\$82,028	n/a in 2024
Total amount due	\$348,474	\$331,203	\$342,761	\$234,294
Estimated Long-term Capital Due:	\$50,546 - \$126,196 over 3-5 years		\$44,169 over 2-3 years	\$44,169 over 1-2 years

Key Coverage Summary

<p>INSURANCE COMPANY: A.M. BEST RATING: A.M. BEST RATING:</p>	<p>Trinity Risk Solutions, a Risk Retention Group (Reinsurer) Lloyds of London, A XV (Umbrella Carrier) The Doctor's Company, A XV</p>
<p>POLICY/COVERAGE TERM:</p>	<p>01/01/2024 to 01/01/2025</p>
<p>Coverage Form:</p>	<p>Claims Made and Reported Coverage</p>
<p>Retroactive Date:</p>	<p>12/01/2002</p>
<p>Defense:</p>	<p>Inside the Limit</p>
<p>Limits:</p>	
<p> General Liability Occurrence</p>	<p>\$1,000,000</p>
<p> General Liability Aggregate</p>	<p>\$3,000,000</p>
<p> Nursing Home Liability Aggregate</p>	<p>\$3,000,000</p>
<p> Nursing Home Liability Occurrence</p>	<p>\$1,000,000</p>
<p> Employee Benefits Liability</p>	
<p> Per Occurrence / Annual Aggregate</p>	<p>\$1,000,000 – subject to GL General Aggregate</p>
<p> Sexual Abuse/Misconduct Liability</p>	
<p> Per Occurrence / Annual Aggregate</p>	<p>\$1,000,000 – subject to Prof Liability Aggregate</p>
<p> Pandemic Disease/Virus</p>	<p>\$100,000 Per Occurrence \$300,000 Policy Period Aggregate</p>
<p>Deductible:</p>	<p>Per Expiring</p>
<p>Per Occurrence</p>	<p>\$150,000</p>
<p>Aggregate</p>	<p>\$600,000</p>
<p>Corridor Deductible:</p>	<p>\$250,000 – maximum per claim \$500,000 – maximum per policy period</p>
	<p>(Aggregate deductible not applicable to communicable disease claims)</p>
	<p>Retention Applies to Pay Damages and Allocated Loss Adjustment Expenses</p>
<p>Standard Policy Provisions Highlights</p>	<ul style="list-style-type: none"> • Extended Reporting Endorsement • Consent to Settle Endorsement • Sexual Abuse and Misconduct Endorsement • Deductible Liability Endorsement
<p>Additional/Excess Limit:</p>	
<p>Buffer Limit - Aggregate – Follow Form</p>	<p>\$1,000,000</p>

Key Coverage Summary - continued

Policy Auditable:

Not Auditable

Binding Conditions:

- Acceptance / Rejection of TRIA Form

Notable Exclusions: (including but not limited to)

- Punitive Damages Exclusion
- Medical Payment Coverage – General Liability (Patients)
- Services Provided by Health Care Providers – General Liability
- Cyber Acts are totally excluded
- Communicable Disease Exclusion

Please Refer to Your Policy for All Exclusions

Notable Policy Conditions:

- Subject to terms and conditions included within the Subscriber's Agreement and TRS RRG Bylaws
- Policy is only cancelable at policy expiration. If cancelled prior to expiration, full estimated premium is earned

THIS IS A CLAIMS MADE POLICY

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

See Disclaimer Page for Important Notices and Acknowledgement

Market Summary

Carrier	Response
Convalescent Center - General and Professional Liability - Effective January 1, 2024	
IPMG/Trinity RRG	Incumbent – Quoted per expiring terms and conditions at \$234,294
MedPro	Declined – cannot provide current retro date, would require retro date inception
AIG	Declined – no longer writing this type of business
Sapphire Blue	Declined- cannot provide current retro date, would require retro date inception
Berkley	Declined- cannot provide current retro date, would require retro date inception
Bowhead	Declined- cannot provide current retro date, would require retro date inception
CNA	Indicated \$300,00 premium, requires copy of the expiring policy to formally underwrite and price
AWAC	Declined- cannot provide current retro date, would require retro date inception
Church Mutual	Declined - losses
Berkshire Hathaway	Declined- cannot provide current retro date, would require retro date inception
Markel	Declined- cannot provide current retro date, would require retro date inception
Arch	Declined- cannot provide current retro date, would require retro date inception
Munich Re	Declined- cannot provide current retro date, would require retro date inception
Proassurance	Declined- cannot provide current retro date, would require retro date inception
Ironshore	Declined- cannot provide current retro date, would require retro date inception
TDC – (The Doctors Company)	Declined- Already a reinsurer on the program