

## Executive Summary

On June 1, 2024, DuPage County entered an insurance brokerage and/or risk management contract with Alliant Insurance Services, Inc., which is effective until May 31, 2027. Through this contract, Alliant is charged with administering marketing and placement services for the lines of insurance included in this proposal.

### **Current State of the Insurance Marketplace and Marketing Strategy**

In 2024, 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 due to increased claims frequency and severity with case settlements increasing dramatically across the country. For the past several years we approached numerous carriers and were unsuccessful in obtaining terms competitive with the county's current program. We again contacted the carriers to see if there have been any changes to their underwriting philosophy and unfortunately there has not been any change in the market where carriers are able to compete with the TRS program.

### **DuPage Care Center**

DuPage County has been a member of the Trinity Risk Solutions (TRS) risk retention group 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.

For the renewal effective January 1, 2025, TRS continues to offer renewal terms at the same as expiring deductible of \$150,000 per occurrence with a \$250,000 corridor deductible.

TRS offered an option to purchase a \$2,000,000 umbrella. The limit would attach above your \$1m primary and \$1m buffer limit. In the event the Buffer limit was exhausted, the umbrella would drop down and attach to the \$1m primary limit. The cost to include is \$176,378.

The Premium Summary section of this proposal shows the breakdown of the premium and equity components of the expiring and renewal programs. For the 2025 policy term, the rating basis (number of beds) remains down compared to past years because of renovations currently underway. The Risk Adjusted Surplus is the portion of the premium directed to the program surplus. This direct payment to surplus enables the program to keep reinsurance costs down as those are rated on underlying premium. This amount will be reflected as equity on your annual statement.

On page 22 you will find a copy of the TRS equity statement of the program through 12/31/2023. This shows the history of the equity and distributions to DuPage Care Center since the inception of the program. At year-end 2023, the care center's current equity in the program is \$278,801. This statement will be updated for year end 2024 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	Trinity Risk Solutions 1/1/2024 to 1/1/2025	Renewal Trinity Risk Solutions 1/1/2025 to 1/1/2026
AM Best Rating					
Reinsurers: Lloyds of London (primary)	A XV	A XV	A XV	A XV	A XV
The Doctors Company (umbrella)	A XV	A XV	A XV	A XV	A XV
Deductible per Occurrence	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Aggregate Deductible (Aggregate does not apply to communicable disease claims)		\$600,000	\$600,000	\$600,000	\$600,000
Corridor Deductible	\$150,000	\$250,000	\$250,000 per claim	\$250,000 per claim	\$250,000 per claim
Aggregate Corridor Deductible		\$250,000	\$500,000 Aggregate	\$500,000 Aggregate	\$500,000 Aggregate
General Liability Limits	Claims Made	Claims Made	Claims Made	Claims Made	Claims Made
Per Occurrence	\$1,000,000	\$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	\$3,000,000
Employee Benefit Liability	\$1,000,000	\$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	\$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	\$1,000,000
Aggregate	\$3,000,000	\$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	\$100,000 per occ \$300,000 Aggregate
Buffer Layer Limit (shared)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Rating Basis - beds	326	326	326	260	260
Retro Date	12/1/2002	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	\$249,316	\$214,385	\$186,753	\$220,185
Premium Taxes	\$20,121	\$34,206	\$37,627	\$37,627	\$43,271
Risk management/misc services	included	included	included	included	included
Annual Premium	\$8,185	\$9,276	\$8,721	\$8,914	\$9,609
Risk Adjusted Surplus	\$268,279	\$292,798	\$260,733	\$233,294	\$273,065
<b>Total - Premium and risk adjusted surplus:</b>	<b>\$297,928</b>	<b>\$331,203</b>	<b>\$260,733</b>	<b>\$234,294</b>	<b>\$290,536</b>
Short Term Capital Strengthening pay-in	\$29,649	\$38,405	n/a	\$1,000	\$17,471
<b>Total amount due</b>	<b>\$348,474</b>	<b>\$331,203</b>	<b>\$342,761</b>	<b>\$234,294</b>	<b>\$290,536</b>
Estimated Long-term Capital Due:	\$50,546 - \$126,196 over 3-5 years				\$34,942 over the next 2 years