

FY13 Risk Management & Insurance Report

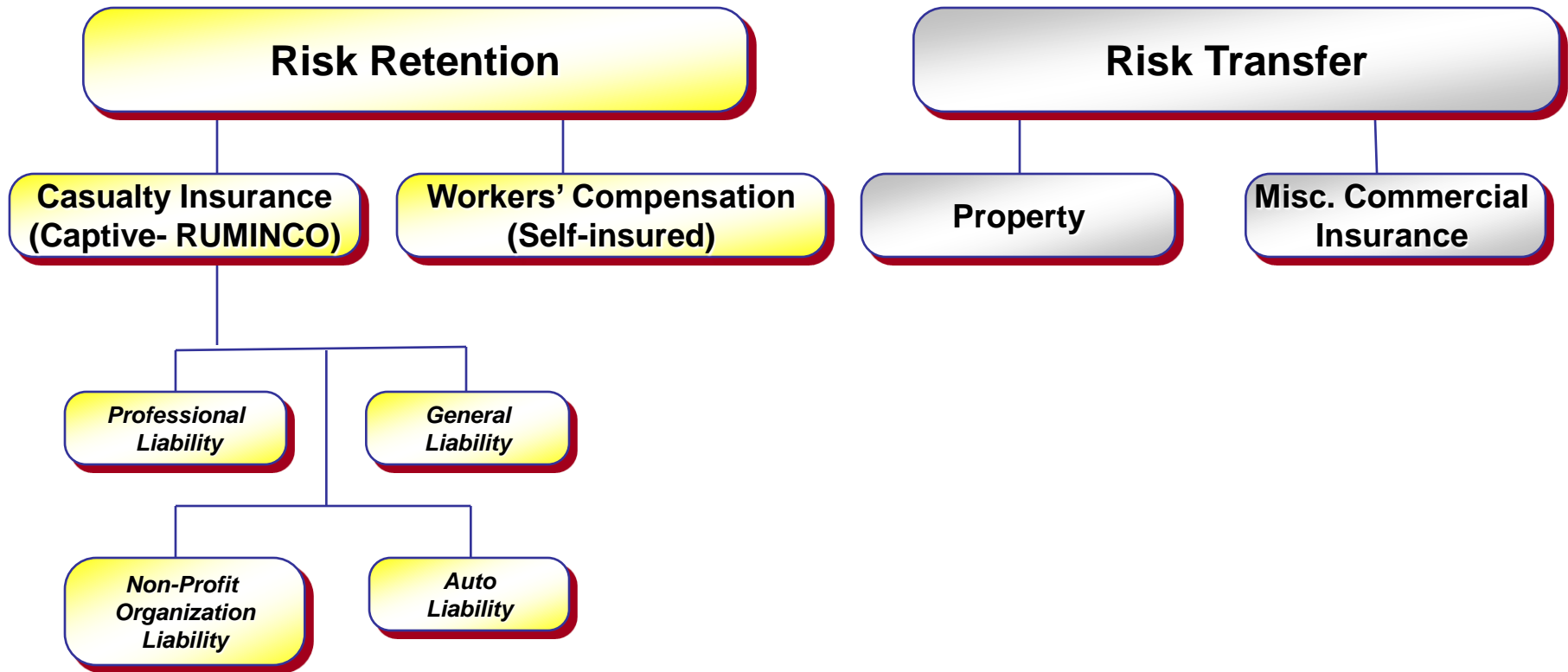
Board of Regents Finance
Committee

February 13, 2014



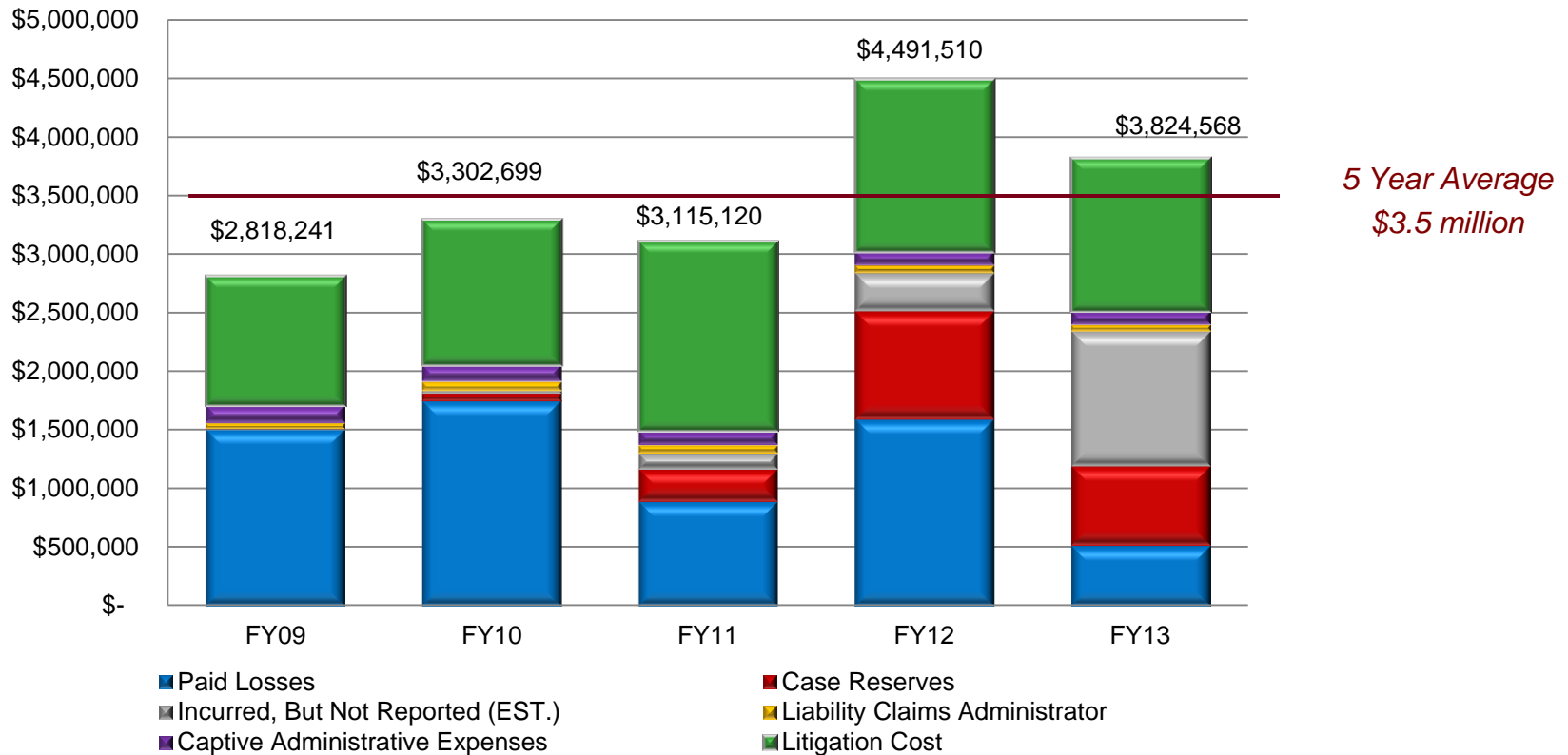
UNIVERSITY OF MINNESOTA
Driven to DiscoverSM

Risk Finance Program Structures



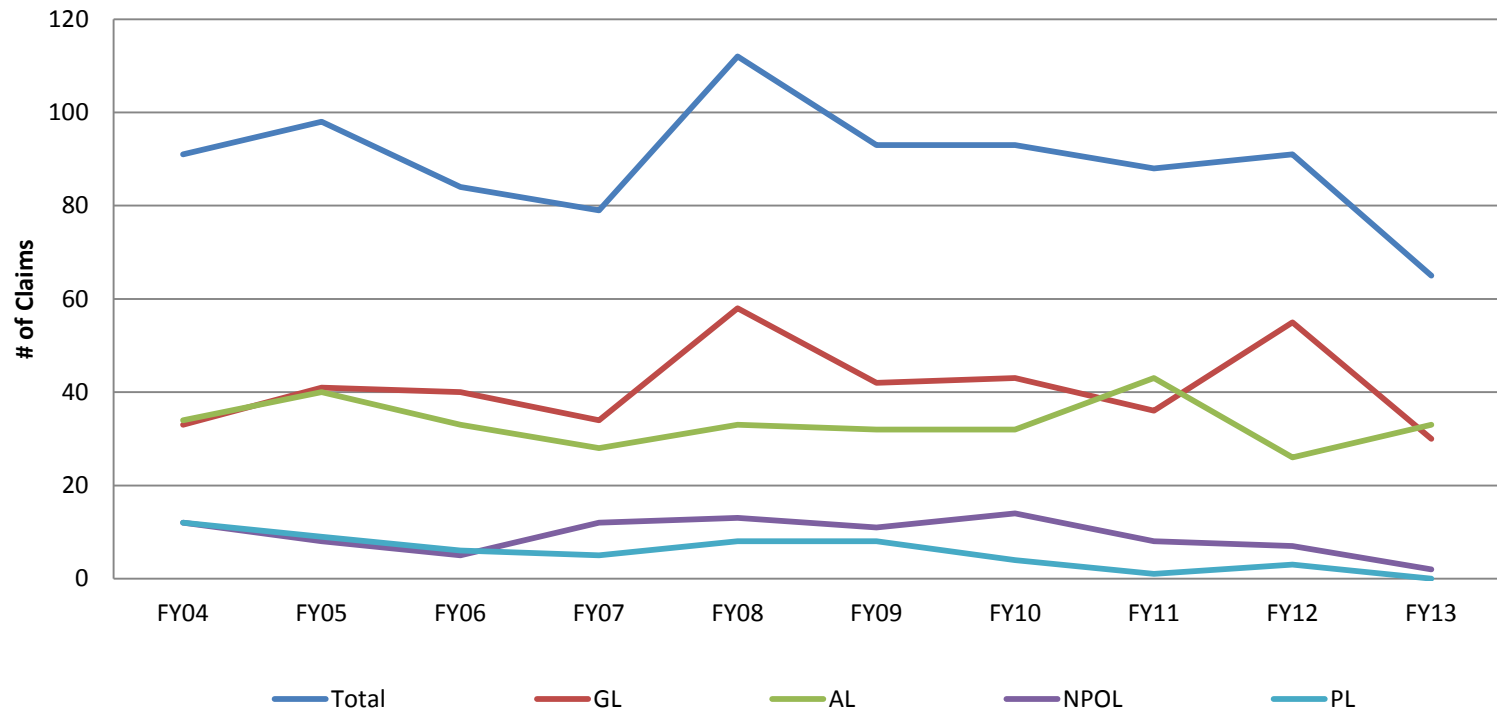
Casualty Insurance (Captive-RUMINCO)

Program Cost



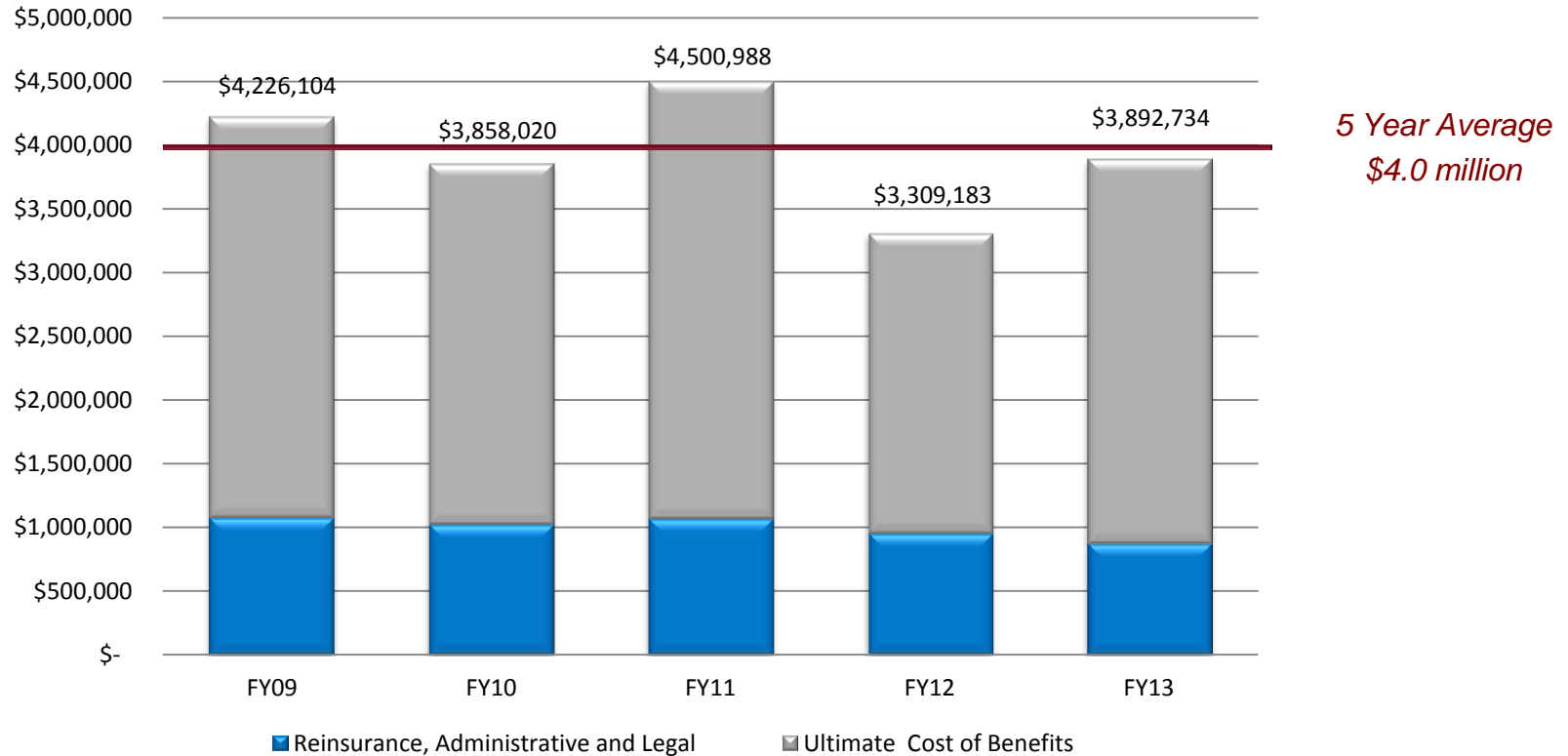
Casualty Insurance (Captive-RUMINCO)

Annual Claim Count



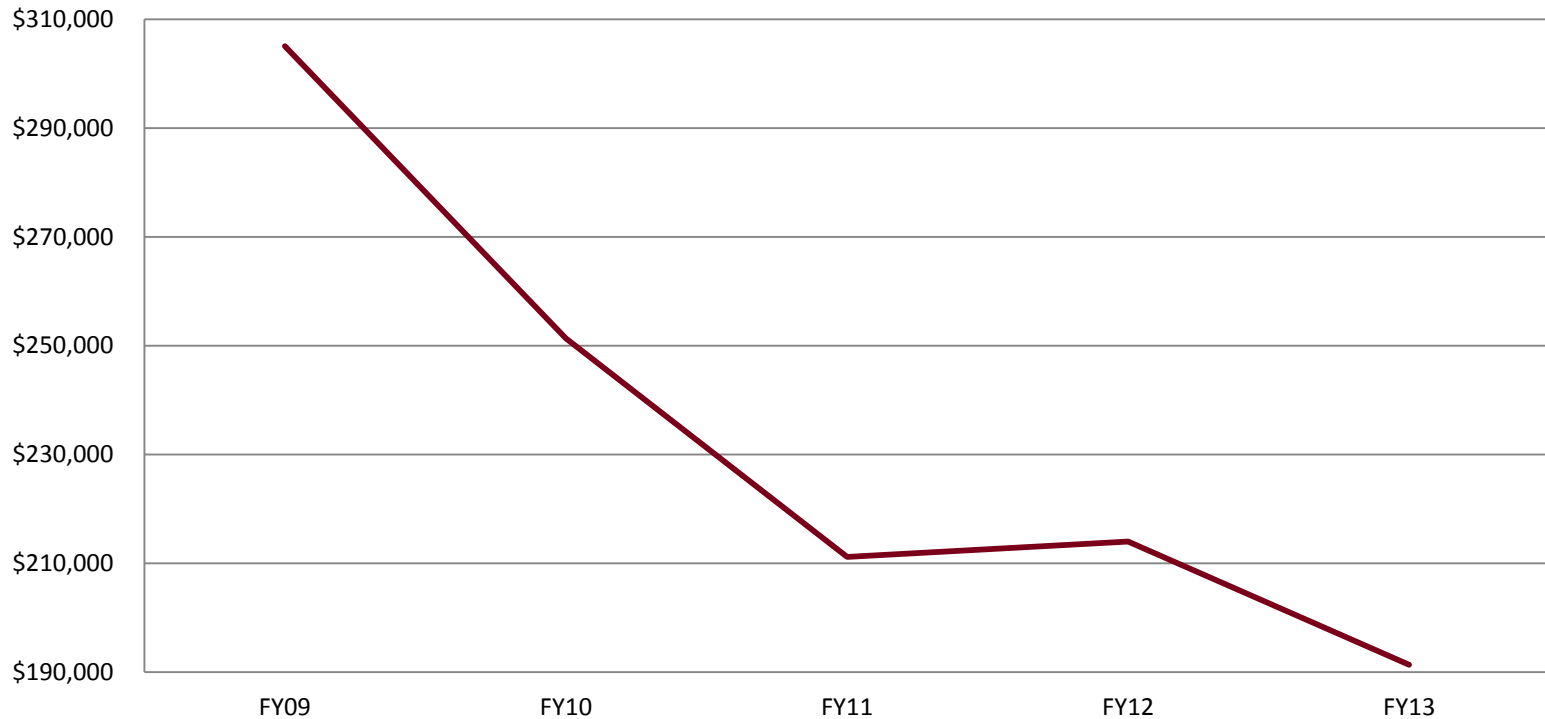
Workers' Compensation (Self-Insured)

Program Cost



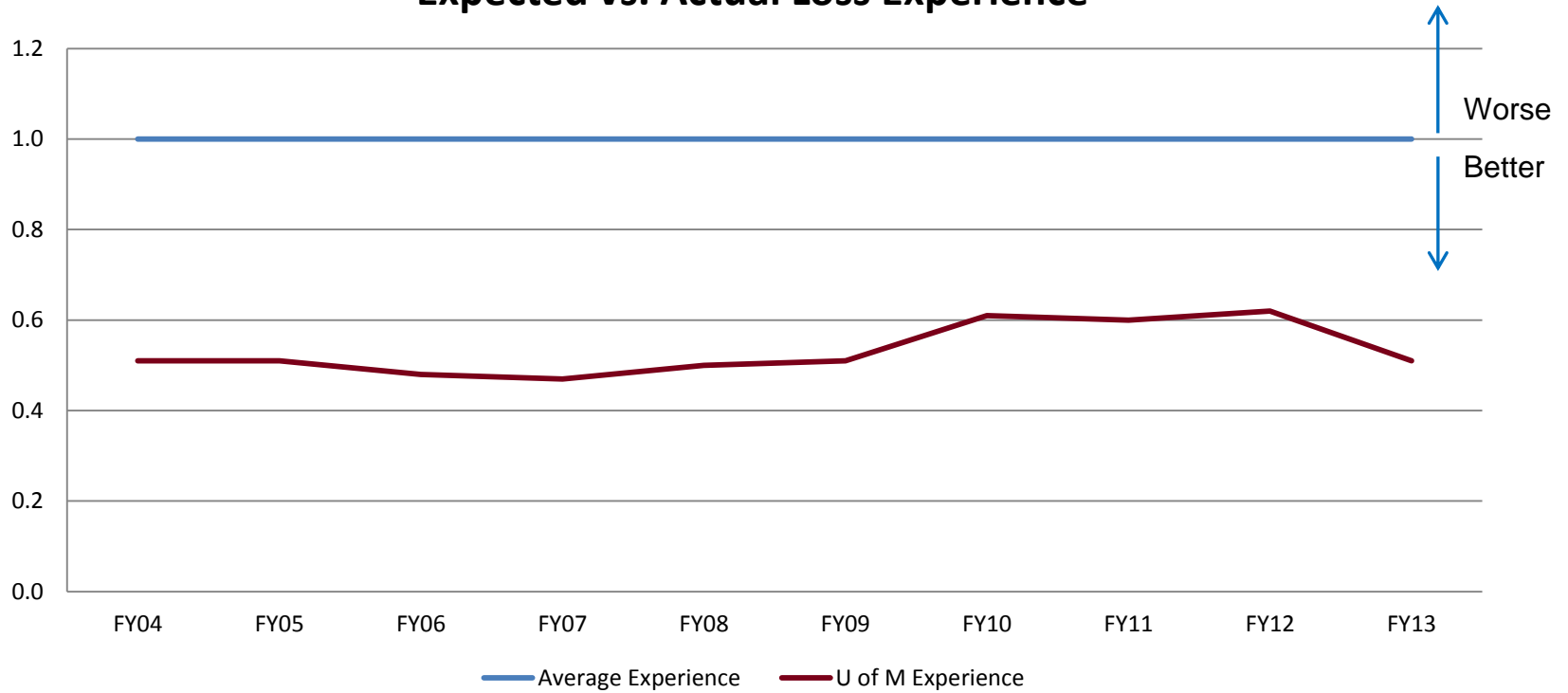
Workers' Compensation (Self-Insured)

Litigation Cost



Workers' Compensation (Self-Insured)

Expected vs. Actual Loss Experience

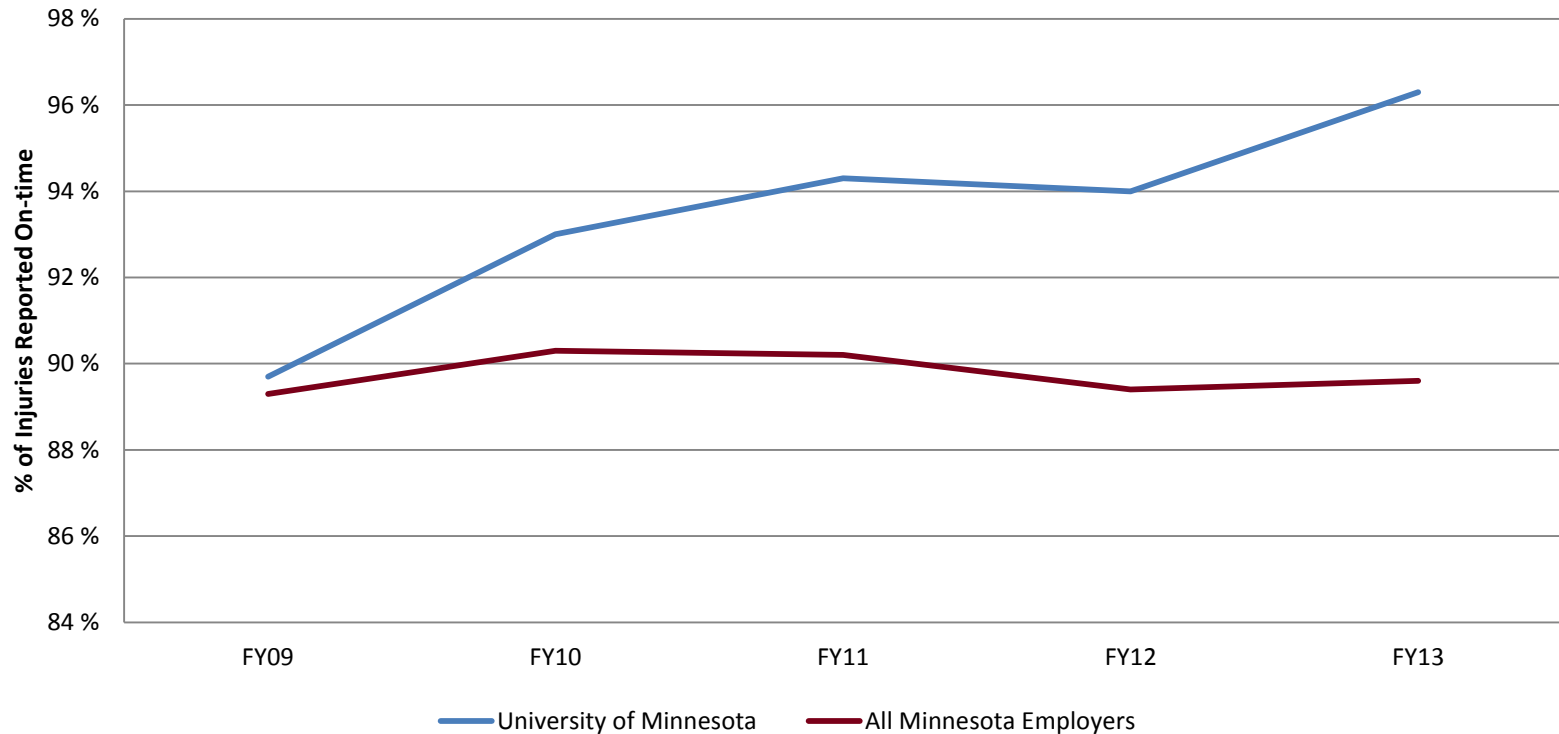


University of Minnesota loss experience is consistently much better than average.



Workers' Compensation (Self-Insured)

On-time Reporting



On-time reporting to the MN Department of labor and industry has continued to improve since the FY09 implementation of electronic First Report of Injury and apportionment of late fines to the unit responsible.

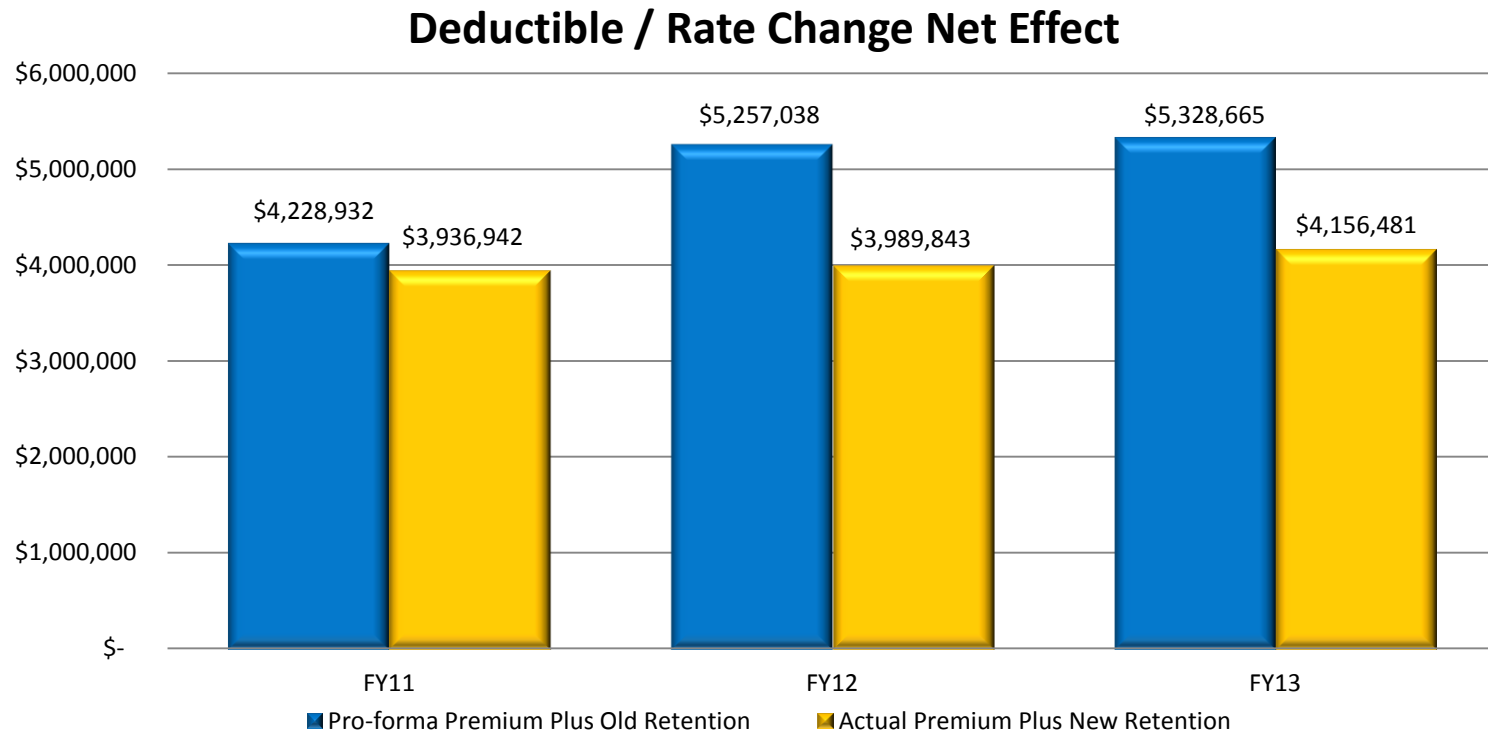


Property Insurance

- FY10 MHEC property program changes (resulting from RFP)
 - Increased deductible
 - \$200,000 to \$500,000
 - Reduced rate
 - FY10 \$0.036
 - FY13 \$0.019 (-48%)
- Has rate reduction offset the increased deductible?



Property Insurance

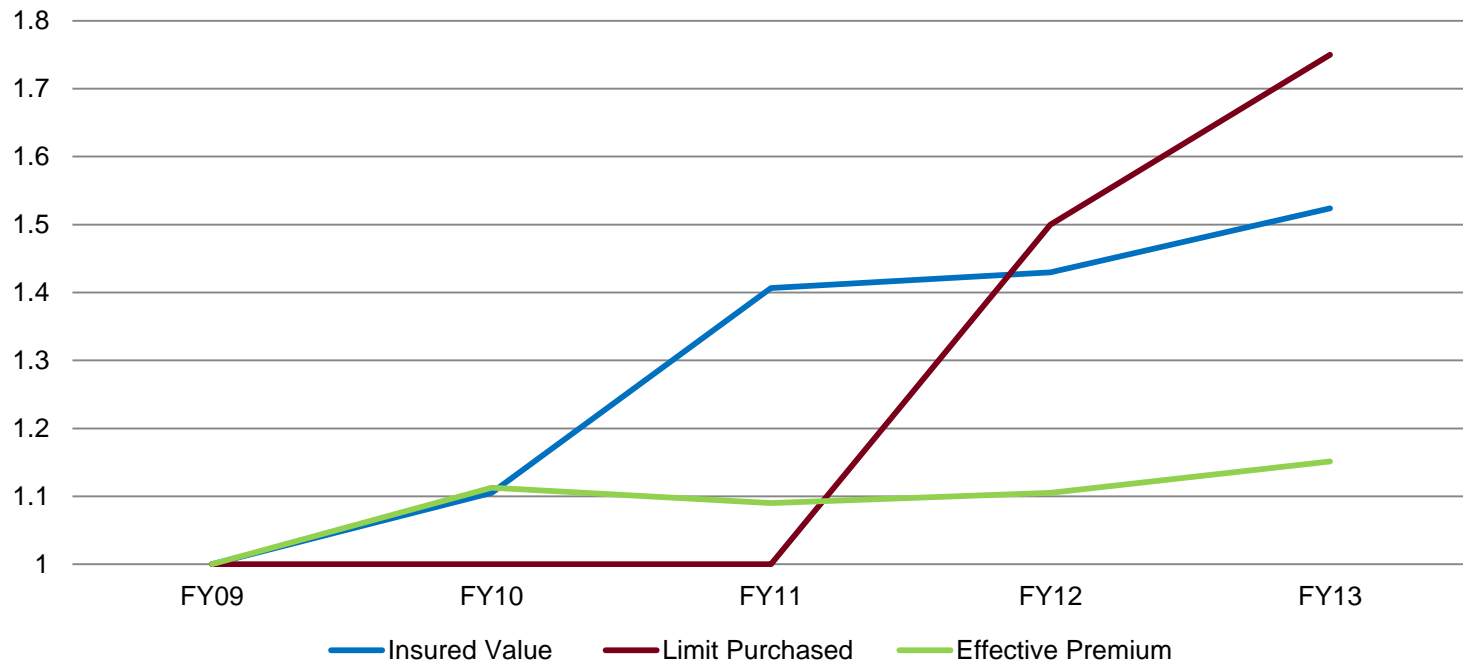


Pro forma comparison of old premiums plus retained losses at old deductible, to new premiums plus retained losses at new deductible. Program changes saved a total of \$2.7MM over the past three years.



Property Insurance

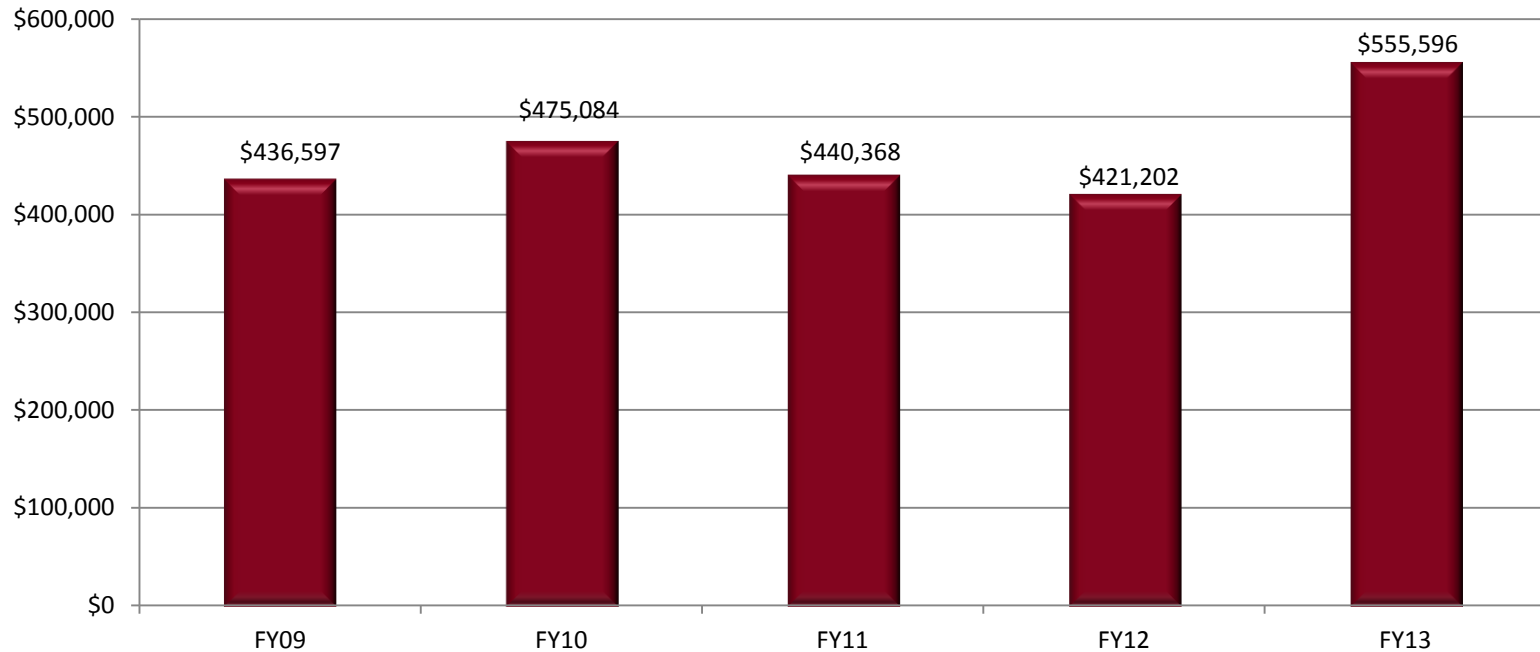
Value, Premium, and Rate Trends FY09 Baseline (FY09=1)



*Insured values and policy limit are property policy cost drivers.
They have increased while premium has remained relatively static.*



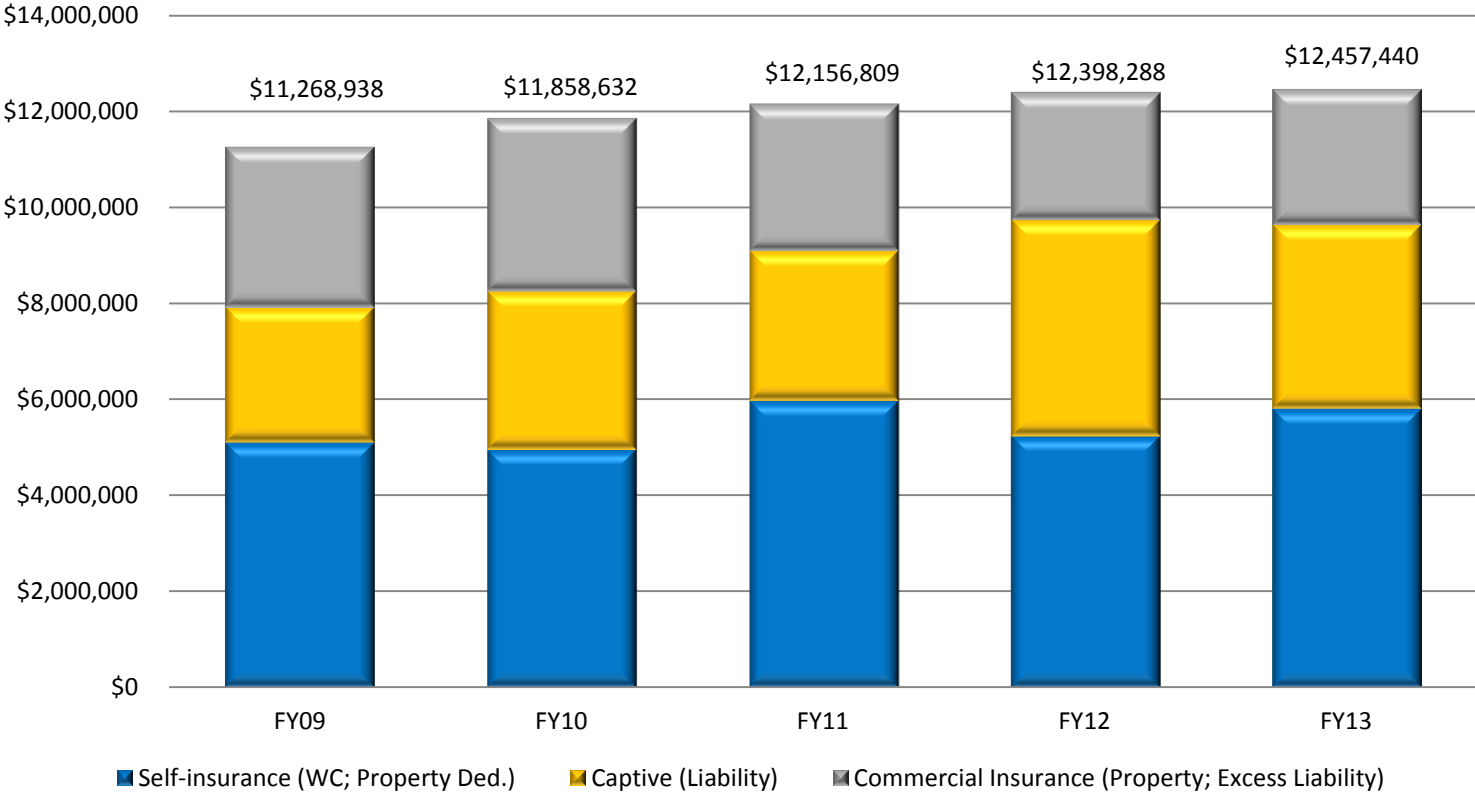
Miscellaneous Commercial Insurance



The FY13 increase from FY12 of \$134,394 was due to the addition of the Excess Clinical Trials Liability policy.



Five Year Cost of Risk



FY13 Completed Projects

- Added Extra-Minnesota Medical Clinical Trials Liability
- Modified University administrative policy on Alcohol Sales and Service and Venue Liquor Licensing
- Workers Compensation Payment Coordination



FY 14 Goals

- Slip/Trip/Fall Accidents
- Back Injuries from Trash Handling
- Vehicular Cell Phone Use

