

**TEXAS MUNICIPAL LEAGUE
INTERGOVERNMENTAL RISK POOL**

Underwriting & Claims Committee Meeting

**Granbury Conference Center – Ballrooms 5 & 6
623 East Pearl St.
Granbury, TX 76048**

April 24, 2025

Committee Members Present

Mike Alexander
Rickey Childers
Mike Land

Staff Present

Lindsey Fields
Paula Marr-Ludwig
David Nix
Aaron Hardiman
Chrissy Alves
Jennifer O’Sullivan

Others Present

Collin Schoenfeld

Rickey Childers called the Underwriting and Claims Committee of the Texas Municipal League Intergovernmental Risk Pool to order at 2:12 P.M. on Thursday, April 24, 2025.

Election of a Committee Chair

MOTION by Rickey Childers, seconded by Mike Alexander, to elect Mike Land to serve as Chair of the Underwriting and Claims Committee. Motion passed with unanimous approval.

Consideration of Minutes of July 25, 2024 Underwriting & Claims Committee (Tab 10)

MOTION by Rickey Childers, seconded by Mike Alexander, to approve the Minutes of the July 24, 2024 Underwriting and Claims Committee meeting. Motion carried with unanimous approval.

Consideration of Property Rate Recommendations & Property Reinsurance Recommendations for May 1, 2025 to May 1, 2026 (Tab 11)

Lindsey Fields presented the staff recommendations for property rates and property reinsurance for May 1, 2025 to May 1, 2026, under Tab 11.

MOTION by Mike Alexander, seconded by Rickey Childers, to recommend to the Board the property rates and the reinsurance rates and layer structure as set forth below:

Property Rates/Coverage Changes

- Apply a 5% inflationary factor to all Members’ scheduled building and contents values.
- Increase the minimum Real & Personal Property deductible option to \$1,000.
- Adjust Real & Personal Property deductible credits and rates resulting in an overall 4.7% rate increase.
- Apply an additional 35% increase to housing authority Real & Personal Property rates (through a Member type factor) in response to poor loss experience.
- Apply a 9% rate increase to Boiler & Machinery coverage.
- Apply a 5% rate increase to Mobile Equipment coverage.
- Apply a 10% rate increase to Auto Physical Damage coverage.
- Apply a 50% rate increase to Auto Catastrophe coverages.
- Increase the Wind & Hail deductible buyback option charge from 20% to 25%.

- Amend the original Property coverage monoline restrictions for all new Members on or after June 1, 2025 as shown in the body of the report.
- Increase the Real & Personal Property, Mobile Equipment, and Crime coverages' minimum contributions based on the year to year change in the Pool's operating budget (as shown in the body of the report) for a \$5,445 total minimum contribution across all applicable coverages.

Reinsurance Rates & Structure

- Approve the overall reinsurance structure above, as recommended in the body of the memo.
- Approve the estimated external reinsurance expenditure on layers above \$25 million of \$37,450,754 with an additional contingency of \$3,745,075 (10%), with leeway for the Executive Director to make modifications to the structure among internal and external sources, but not to exceed \$41,195,829. (A final recommendation of the structure, with final pricing, is expected to be available by the time of the Board Meeting).
- Approve the estimated external expenditure of \$2,847,813 with NLC Mutual, for co-participations in various levels of the proposed reinsurance structure, with an additional contingency of \$284,781 (10%), with leeway for the Executive Director to make modifications to the structure of the internal and external sources, but not to exceed \$3,132,594 in premium to NLC Mutual.
- Approve the internal reinsurance fund pricing by layer, as noted in the body of the memo, with a total estimated allocation above the \$25 million layer of \$8,427,750.
- Approve the estimated facultative reinsurance placement of \$652,000 for Baytown Municipal Management District's convention center / hotel complex, with an additional contingency of \$65,200 (10%), with leeway for the Executive Director to make modifications to the structure, but not to exceed \$717,200 in premium. (A final recommendation of the structure, with final pricing, is expected to be available by the time of the Board Meeting).

Motion carried with unanimous approval.

Consideration of Workers' Compensation Rate Recommendations for 2025-26 (Tab 12)

Lindsey Fields presented the recommendations of staff for Workers' Compensation rates for 2025-2026, under Tab 12.

MOTION by Rickey Childers, seconded by Mike Alexander, to recommend the Board adopt the following workers' compensation rate changes set forth below:

1. Apply a 10% rate reduction to classifications to the following class codes, which have a three-year loss ratio of under 50% and an annual contribution of more than \$1 million per class code: Street & Road Repair and Construction; Street Cleaning; Refuse Reduction; Refuse Collection; Firefighters (paid), and Ambulance Services (paid).
2. Increase the Workers' Compensation minimum contribution based on the year-to-year change in the Pool's operating budget (as shown in the body of the report) for a \$5,445 total minimum contribution across all applicable coverages.

Motion carried with unanimous approval.

Consideration of Liability Rate Recommendations for 2025-26 (Tab 13)

Lindsey Fields presented the staff recommendation for Liability rates for the 2025-26 fiscal year under Tab 13.

MOTION BY Rickey Childers, seconded by Mike Alexander, to recommend the Board adopt the rate changes set forth under Tab 13, as follows:

- General Liability – 10% rate increase to electric utility classification, 20% rate increase to gas utility classification, and 10% rate increase to Housing Authority classification resulting in a 1% overall change.
- Law Enforcement Liability – 5% rate decrease.

- Errors & Omissions Liability – 5% rate decrease.
- Automobile Liability – 17% rate increase.
- Aviation Liability – 15% rate increase.
- Supplemental Sewage Backup– No rate change.
- Increase the General Liability, Law Enforcement Liability, Errors & Omissions Liability, and Auto Liability coverages' minimum contribution based on the year-to-year change in the Pool's operating budget (as shown in the body of the report) for a \$5,445 total minimum contribution across all applicable coverages.

Motion carried with unanimous approval.

Consideration of Cyber Rate Recommendations and Coverage Document Changes for 2025-26 (Tab 14)

Aaron Hardiman presented the staff recommendation for Cyber rates and Coverage Document changes for 2025-26 set forth under Tab 14.

MOTION BY Mike Alexander, seconded by Rickey Childers, to recommend the Board adopt the Cyber rate and Coverage Document changes set forth under Tab 14, as follows:

- Authorize the Executive Director to execute the agreement with Cowbell Cyber, effective October 1, 2025, through September 30, 2026.
- Approve the Core and Core+ costs as detailed in Option B within the body of the report.
- Approve the new Cyber Coverage document as shown in Appendix A.

Motion carried with unanimous approval.

Consideration of Housing Authority Coverage Provided by the Pool (Tab 15)

Aaron Hardiman presented the staff recommendation set forth under Tab 15 for Housing Authority coverage provided by the Pool.

MOTION by Rickey Childers, seconded by Mike Alexander, to recommend the Board approve the recommendation of staff that the following Underwriting guidelines to be effective June 1, 2025, for any new Housing Authority member and renewals for all current Housing Authority members:

1. Implement a maximum available limit for all liability lines to a \$1 million limit per occurrence / \$2 million aggregate for all Housing Authority members.
2. Total liability coverage limits for Housing Authority Members will only be extended (by indemnification in place of additional insured status) up to the statutory limits in the Texas Tort Claims Act for related private interests, including real estate management contracts.
3. Any Housing Authority Member who serves a substantial private interest, through a review of applicable agreements and structures, is ineligible for Pool Membership.

Motion carried with unanimous approval.

Liability and Property Claims Report on Liability Claims Trends (Tab 16)

Chrissy Alves and Jennifer O'Sullivan presented the Liability and Property Claims Report on Liability Claims Trends, set forth under Tab 16.

Workers' Compensation Claims Report on trends concerning workers' compensation claims (Tab 17)

David Nix presented the Workers' Compensation Claims Report on trends concerning workers' compensation claims, set forth under Tab 17.

Risk Services Report including Membership Activity, Operations Update, Cyber Coverage Update and Underwriting Results (Tab 18)

Aaron Hardiman presented the Risk Services Report including Membership Activity, Operations Update, Cyber Coverage Update and Underwriting Results, set forth under Tab 18.

Loss Prevention Report on Member Interactions, Activities, and Training (Tab 19)

Irvin Janak presented the Loss Prevention Report on Member Interactions, Activities, and Training, set forth under Tab 19.

Subrogation Division Progress Report (Tab 20)

Chrissy Alves presented the Subrogation Division Progress Report as set forth under Tab 20.

Adjournment

Committee Chair Opal Mauldin-Jones adjourned the meeting of the Underwriting & Claims Committee at 3:25 P.M.

Approved by the
Underwriting & Claims Committee
on July 24, 2025



Lindsey Fields,
Deputy Executive Director and COO