

NLC NATIONAL LEAGUE OF CITIES

RISC RISK INFORMATION SHARING CONSORTIUM

THE INTERSECTION OF UNDERWRITING & LOSS CONTROL

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October 26 | 1:15 - 2:15 p.m.

The Intersection of Loss Control and Underwriting

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Public Entity Partners

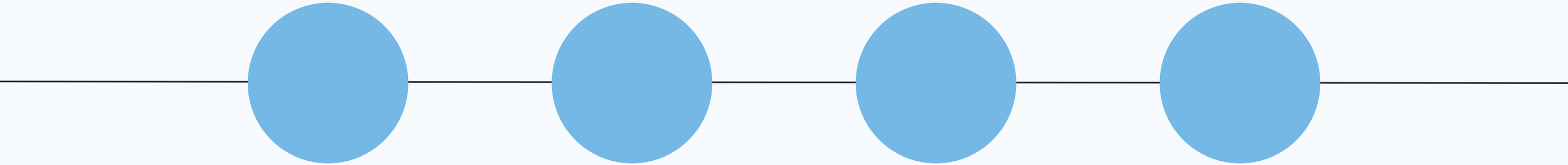
Michael Foster
Loss Control Consultant
Public Entity Partners



Objectives

- Schedule Modifier and How We Use Them
- Risk Management Standards – Who Sets Them?
- The Value of Loss Control
- Protecting the Pool
- Underwriting Philosophy – Approaching Exclusions

Underwriting Process



Exposures

Risk Management Efforts

Losses

Base Rates

Property & Crime

Workers' Compensation & Employer's Liability

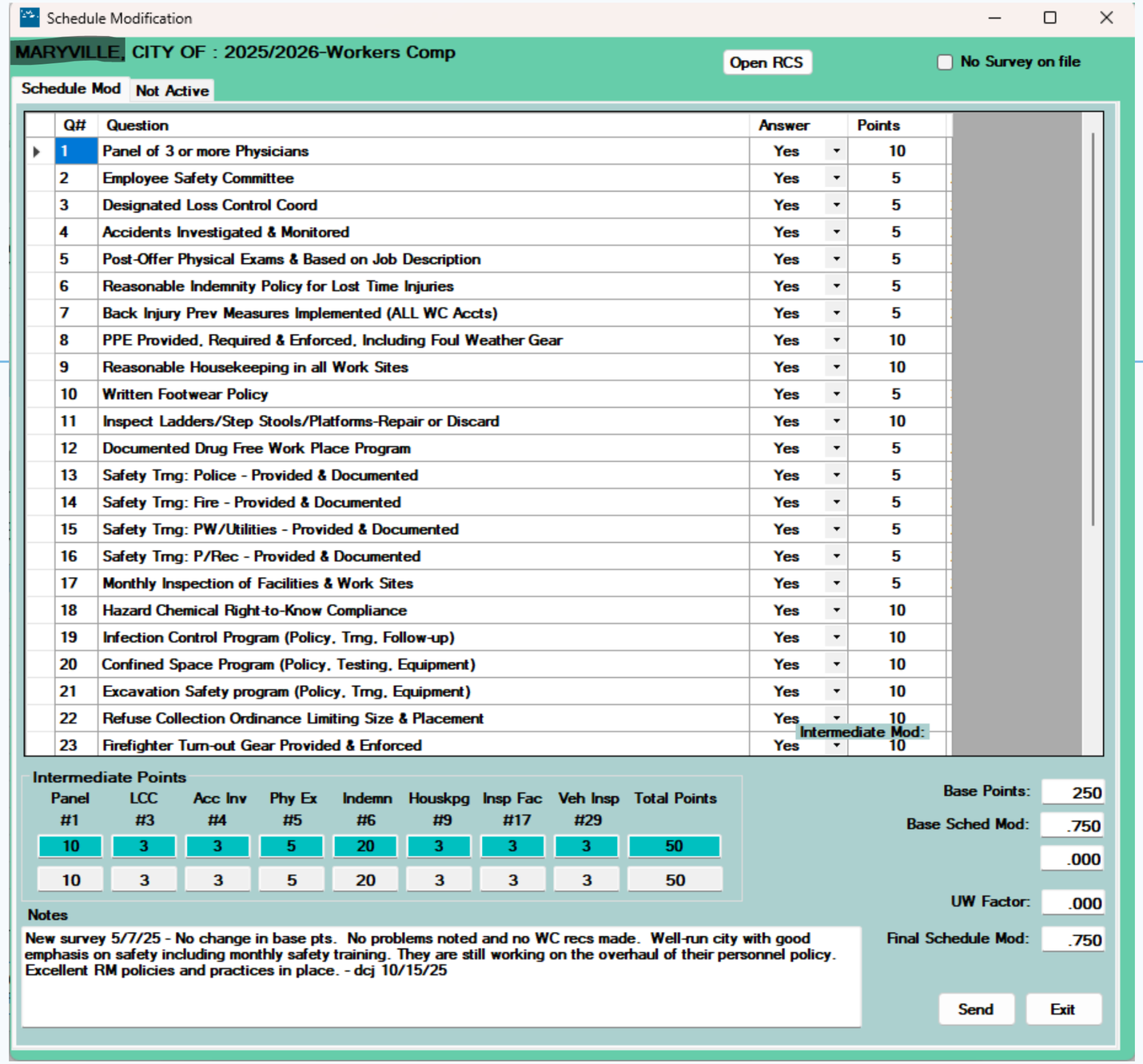
What has a schedule modifier?

Auto Liability and Physical Damage

Law Enforcement Liability

General Liability

Errors & Omissions

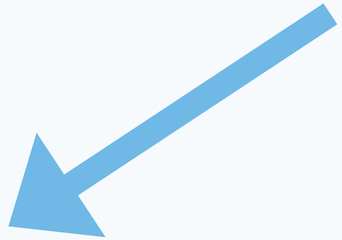


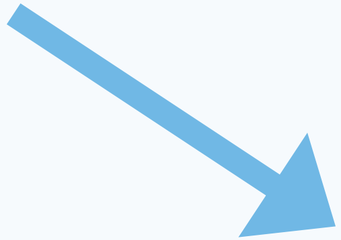
Schedule Credit

Risk Management Best Practices by Line of Coverage

The information provided by loss control is a key part of an underwriter being able to differentiate between one city and another.

How do we keep from being just another insurance product?





Risk Management

Loss Control

Risk Management Standards

→ Who sets them?

22. **RISK MANAGEMENT STANDARDS**

PE Partners may establish risk management standards for **you**. These standards are designed to prevent or to decrease conditions, acts, or omissions with the potential for causing **losses**. These standards may be mandatory or advisory. These standards may vary depending on **your** size and functions. **PE Partners** may cancel this policy or increase its cost if **you** fail to comply with these risk management standards.



Loss Control Responsibilities

- **Loss Control Survey**
  - Risk Identification
  - Risk Analysis
  - Risk Treatment
- **Recommendations**
  - Resources
- **Notes for UW**



Risk Identification

Physical environment

- Natural disasters/weather
- Infrastructure

Operational environment

- Day-to-day activities
- Services provided

Internal environment

- Employee attitudes
- Employee behaviors

Resources

- Checklists
- Inspection reports
- Incident/Accident review
- Claims review

Risk Analysis

Things we ask:

- What happens if you do nothing?
- Who could get hurt?
- What is the contributory value?
- What is the productivity impact?
- Is this a liability exposure?
- What is the frequency/severity?
- What is the probability?

Risk Treatment

Risk Transfer

- Contracts
- Insurance
- Risk retention

Risk Control

- Risk avoidance
- Loss prevention
- Loss reduction



DAMAGED SLIDE



CLIMBING STRUCTURE CONCERNS



DAMAGED SWING

When visiting Kefauver and Houston Park, the park and playground equipment was in overall good condition. There are new playgrounds at both parks, but there are several issues that need to be addressed at the upper playground.

1. At Kefauver Park the upper playground ground cover needs to be added immediately. There are white stickers on the poles that mark the minimum level of ground cover. The ground cover is 6 to 12 inches below the marked area. Ground cover needs to be added around the play equipment to meet the proper levels. According to the Handbook for Public Playground Safety - Section 2.4 Surfacing:

The surfacing under and around playground equipment is one of the most important factors in reducing the likelihood of life-threatening head injuries. A fall onto a shock absorbing surface is less likely to cause a serious head injury than a fall onto a hard surface.

Over seventy percent of the injuries that occur at playgrounds are a result of a fall and a direct correlation can often be made between the seriousness of the injury and the surface under and around the play equipment. For this reason, the U.S. Consumer Product Safety Commission recommends six to twelve inches of ground surface material is installed beneath each piece of equipment (the depth is based on the type of material installed).

2. The concrete footers holding the equipment in the ground are exposed causing a trip and safety hazard. According to the Handbook for Public Playground Safety - Section 3.6 Tripping Hazards: Play areas should be free of tripping hazards (i.e., sudden change in elevations) to children who are using a playground. Two common causes of tripping are anchoring devices for playground equipment and containment walls for loose-fill surfacing materials. All anchoring devices for playground equipment, such as concrete footings or horizontal bars at the bottom of flexible climbers, should be installed below ground level and beneath the base of the protective surfacing material. This will also prevent children from sustaining additional injuries from impact if they fall on exposed footings.

3. At the upper playground the protective plastic coding and protective paint on the equipment is peeling, tearing and worn off exposing the metal frame. The protect coding needs to be replaced and the equipment needs to be repainted with the protective paint to cover the exposed metal. According to the Handbook for Public Playground Safety - Section 2.5.4 Paints and Finishes: *Painted surfaces should be maintained to prevent corrosion and deterioration. Paint and other finishes should be maintained to prevent rusting of exposed metals and to minimize children laying with peeling pat and paint flakes*.

4. There were several swings broken and the chains are hanging loose creating a potential safety hazard and liability exposure. The swings need to be replaced, and chain needs to be removed until the swings are replaced.

5. The slide is broken and currently taped off. The slide needs to be repaired or removed. It needs to remain closed until it is repaired or replaced. It is also recommended that the entrance of the slide is closed off with a solid barrier.

6. There are several chains and hooks that are in poor condition that need to be replaced. There are also chains that are to long for the swings leaving the swings too low to the ground.

Public Entity Partners recommends the issues are addressed immediately and that facility maintained in a proper manner. An ongoing inspection program could help identify these concerns on a timelier basis. Pictures of areas of concerns and the Handbook on Public Playgrounds will be sent in an additional email.

Response:



PLAYGROUND STRUCTURE

PUBLIC ENTITY PARTNERS

4 - 26 Parks and Recreation Kefauver Park

During the visit to Kefauver Park, the park is in overall good condition, but there are a few liability exposures that need to be addressed.

1. There is an old playground that is no longer maintained and is closed to the public. The city has it tapped off from the public, but the tape has been torn down and there was no signage posted informing the public that it is closed. Public Entity Partners recommends the equipment is removed and signage be posted that the playground is closed to the public.

2. The bleachers at football stadium and the pickle ball courts are missing several end caps creating a potential safety hazard and lability exposures. All missing end caps should be replaced.

3. It was noted at the pickle ball courts the post of the pavilion are close to the court and have no protective padding creating a potential safety hazard and lability exposure. All post should have protective padding to help reduced the safety and liability exposure.

Public Entity Partners recommends these issues are addressed as soon as possible. Pictures of the area of concern will be sent in a seperate email.

Response:

Notes

ACTIVITIES | NOTES

died at the jail. The county just settled with the person's family and then they filed against the city at the end of statute of limitation. The city was the arresting department. There was a large sewer claim last December, and they have reviewed and changed operation policy to prevent future claims. They have a LE claim for false arrest – the court has stayed the civil matter until the criminal case is done. They are not really doing driver safety training outside of police and fire department doing EVOC. They have done driver safety awareness and review – made recommendation for all departments. They have done MVR checks outside of PD in over 3 years – made recommendation. They had restricted areas with employee/personnel only signage - made recommendation to update language. They are making some updates to the old city hall to lease to the downtown Madisonville alliance that is nonprofit group. They will have lease agreements and require them to carry insurance. They also lease a playground to Douglas-Cherokee Economic Authority Inc, which is one of our insured. They are tearing down the office section of fire station 1 due to black mold and water issues. They are keeping the bay and living quarters. They will build a new office section. They have a large pond at Kefauver Park and a creek at Houston Park.

Met with new public works director/operation manager Charlie Adkins. He was the assistant director, safety director and natural gas director. He has hired a new safety person and gas director. They have done some reorganization of the public work building. They have done a good job organizing it and they have built a separate workshop and storage area for equipment. They have made someone the shop manager to keep it organized and manage the inventory. They added some new trucks to their fleet and the equipment looked in good shape. They have added keypads to the doors at the shop and hope to do the same with the gate into the storage yard. They have a bucket truck that needs to be tested – made recommendations. They don't use it very much.

I visited Kefauver Park and there is a playground that is closed. They are working on a grant to replace it. They had it taped off but the tape had been torn down and there were no signs noted. They thought there were signs posted at one time. – made recommendation to remove the equipment and put up signs that it is closed. There were some bleachers missing end caps -made recommendation. They have new pickle ball courts that are under a pavilion. They post are close to the court and are exposed metal – recommend padding be installed. They have a new playground in the lower part of the park. It was in good shape with no safety concerns.

I visited Houston Park and it has a new playground, and it was in good shape. There was a speed hump that needs to be painted and signage – made recommendation. There was a bench that was loose that needs to be secured – made recommendation. There was metal wall that was by the road that had a sharp edge that needs some protection – made recommendation.

Date of Survey - 01/13/2026
Site 67, LEASED ELECTRONIC MANUFACTURING/ FOOD BANK, FLAGPOLE - OSC
Address: 245 FOREST AVENUE

Site Comments or observations to UW:

See most recent appraisal for building details

My observations are as follows:

The manufacturing plant side was in great shape

The recommendations were primarily made on the food pantry side of the building

The water heater was missing the plumbing fixture for the pressure release valve at time of survey

I did not locate a portable fire extinguisher on the food pantry side of the building

Extension cords were being used as a permanent power supply at time of survey

Propane tanks were stored in the building at time of survey

The housekeeping in the food pantry portion of the building could be improved

Site is secure and appears to be in average condition

Recommendations:

The plumbing fixture for the water heater pressure release valve should be installed to prevent the risk of injury in the event of an automatic hot water pressure release.

Portable fire extinguishers should be mounted in easily accessible conspicuous locations where they will have ready access, be immediately available for use, and be inspected and tagged annually by a certified fire safety contractor.

Extension cords should be used for temporary power supply only, per manufacturers recommendations, to minimize the risk of electrical fires.

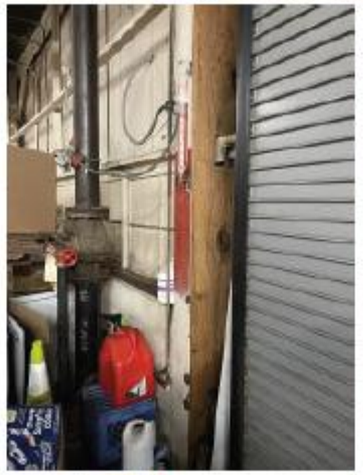
All propane cylinders need to be removed from the building and stored in a secured and well-ventilated area.

A housekeeping program should be implemented in this building to reduce the amount of clutter and minimize the risk of fire.

Damaged or missing junction box covers need to be replaced to minimize the risk of shock and electrical fires.













Good morning Jason,

I hope you're doing well. Our Property Loss Control Consultant, Jim Bell, recently conducted a property survey for the City of [redacted]. While he was there, he found Location #67, Leased Electronic Manufacturing/ Food Bank [redacted] to be quite a concern. While the manufacturing plant is in good shape, the food bank is not. The food bank presents a high fire hazard due to the use of several extension cords to power lights, missing junction box covers, and a significant amount of cardboard in the building. Housekeeping is also an issue. He noted a significant amount of rat poison plates. We've surveyed this location in 2023 and 2024. In 2023, the overall housekeeping was good. However, in 2024, we noted the high fire load at the food pantry. These conditions put the city at risk not only of fire loss, which would require replacing the building, but also from a loss of revenue, with an automatic limit of $250,000.Since we've made recommendations in the past and the conditions have significantly deteriorated, I will be changing Location #67 from replacement cost to actual cash value. We can reconsider the adjustment after Hohenwald takes corrective action. They will need to complete the following Loss Control recommendations:

Recommendations:

- The plumbing fixture for the water heater pressure release valve should be installed to prevent the risk of injury in the event
- of an automatic hot water pressure release.
- Portable fire extinguishers should be mounted in easily accessible conspicuous locations where they will have ready access,
- be immediately available for use and be inspected and tagged annually by a certified fire safety contractor.
- Extension cords should be used for temporary power supply only, per manufacturers recommendations, to minimize the risk
- of electrical fires.
- All propane cylinders need to be removed from the building and stored in a secured and well-ventilated area.
- A housekeeping program should be implemented in this building to reduce the amount of clutter and minimize the risk of fire.
- Damaged or missing junction box covers need to be replaced to minimize the risk of shock and electrical fires.

Please let me know if you have any questions.

Thanks,

PUBLIC ENTITY PARTNERS

BUSINESS INSURANCE BEST PLACES TO WORK 2025

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Supplemental information
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Journal

7/16/2022 5:00:00 AM
This was a survey requested by U/W to look at the property at 345 Mobley Street. The city has purchased the land and leased it back to the seller for 2 years. The seller is in poor health. Basically, this is an abandoned junkyard. The city has agreed to (by contract) to provide liability insurance for the premises during the 2 year leasehold. Much of the junk is stored OUTSIDE the fencing. The city requested that PEP goes to bat for them & provide coverage. U/W has pictures of the property but pictures really don't do justice to the nature of the premises.

How did Underwriting respond?

- Addressed liability issues with extreme amount of junkyard debris around property
- Gave a specific timeframe to clean up
- Excluded property coverage



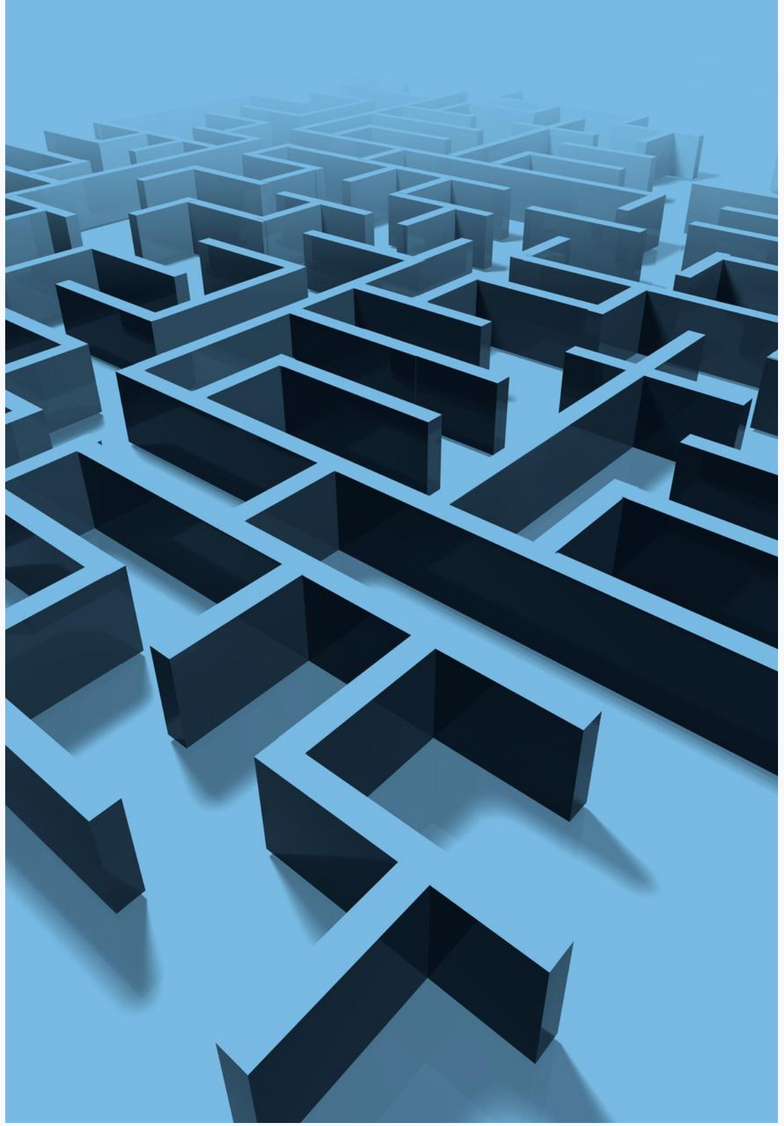


Protecting the Pool

Philosophy on Exclusions &

Coverage Reductions

Reinsurance



Marketing Reinsurance

- Reinsurance Underwriters Routinely Ask About:
  - Loss Control Programs
  - How Underwriting Decisions are Informed by Risk Control



How Can We Collaborate?



Inter Departmental Training

- Key Topics – Cyber, etc.

Joint Survey with Underwriter and LC Consultant

Data Analysis on Losses

Relationships with Members

Where do they intersect?



- Shared Responsibility of Risk Assessment
- Data Exchange
  - Surveys/inspections inform underwriting decisions
- Pricing Adjustments based on controls
- Policy Conditions tied to Safety Measures



Questions?