

# RECREATION CENTERS OF SUN CITY, INC.

## Insurance Committee

March 14, 2025

Chair Tom Foster called the meeting to order at 9:00am in the Lakeview Board Room.

**Present:** Chair Tom Foster, Co-Chair Chris Nettesheim, committee members David Wieland, Kim Wanek, John Chaney

**RCSC Staff:** Finance-Support Sr. Leader Kevin McCurdy, Controller Angie Nelson

**Guests:** Lockton Company Representatives present Gail Wilson

**Election of Secretary 2025** – Kim Wanek elected as Secretary for 2025.

**Review/Amend Meeting summary** – The Meeting Summary for September 6, 2024 was accepted as presented.

### Action Items:

Review and update 2025 Committee Roster – completed

**Broker presentation and Discussion** – Ms. Gail Wilson from Lockton provided a review of current insurance program. This included a review of all lines of coverages with current premiums, deductibles, and layers. She shared the insurance marketplace conditions are more favorable for the upcoming renewal.

Property insurance has stabilized. Ms. Wilson shared the property insurance markets have not been negatively impacted as a result of various wildfires and other catastrophic losses. Property valuations are being reviewed to make sure they are consistent with construction inflation costs. There have been no RCSC property losses. The current industry trend is a flat to 10% renewal increase. Lockton recommends marking this line of coverage.

### Liability –

- General Liability - Lockton is still seeing significant increases – looking at 5-10% increase. Ms. Wilson said they will be able to market this line to more carriers this year. Claims are being settled more quickly
- Auto – increases of between 5-10% is expected. RCSC has good loss experience. Support/Finance Sr. Leader McCurdy said that all new vehicles are outfitted with telemetry to monitor driving habits and provides reports to supervisors on dangerous or distracted driving incidents. The focus is on correcting behaviors prior to accidents. Replaced 10-12 vehicles last year and the option to include telemetry was provided and selected.
- Umbrella & Excess – currently four layers. One for umbrella and 3 excess with various carriers over the umbrella. Review is needed during the renewal to determine amount and needs. Purchasing \$30M today and need to analyze if this remains a need. Proposals

this year will show several layers. Carriers are reducing amount per layer. Increases of 5-15% for umbrella; and 5-10% for excess anticipated.

- Marketing all lines above. Philadelphia has been the insurance provider for a number of years. Because losses have stabilized other carriers are interested in insuring RCSC. Current safety efforts have improved risk mitigation efforts but are not reflective of any trends yet.

Workers' Compensation - RCSC has implemented a pre-employment screening process and implemented a return to work program (when applicable). These efforts should assist in reducing losses in the future. Lockton has provided assistance with these efforts. This year's Experience Rating Modification, or "mod" increased from 1.93 to 2.14 due to past years' loss experience. The worst year is the year that just rolled into the formula process. Marketing this line of insurance this year. Expect to see up to a 3% increase.

Flood – Not all RCSC properties are covered by this line. Last year, this was a purchased line of coverage as it had been an add in by Philadelphia. Premiums have been flat, and Lockton shared they are not expecting an increase.

Executive Risk– Fairly flat currently. Challenge last year due to program structure previously. Able to provide a solution but it was expensive. Incumbent carrier may not long sit over the Directors and Officers coverage. Revisit benchmark data to assist in decision making process.

Cyber – RCSC saw a decrease last year. Looking for a flat market this year. Market experiencing claims but capacity remains.

Pollution – 3 year policy not expiring this year.

Blanket – looking for flat renewal.

Renewal expectations – marketing to keep renewal low. Significant loss ratios. Philly looking for substantial increase. May not market cyber small spend and most likely flat.

**Additional Discussion:** Ms. Wilson shared Philadelphia is interested in renewing the account and not looking for RCSC to move its coverage. Underwriting remains with human underwriters vs. computer generated premiums. Ms. Wilson will request the Philadelphia Underwriter to visit with the Insurance Committee. Support/Finance Sr. Leader McCurdy shared he is pleased with the Philadelphia service – pricing would be a motive to switch carriers. Committee Chair Foster inquired whether Lockton would again review its commission level on the account. Ms. Wilson shared Lockton will prepare fee based and commission based options for their services.

**Adjournment:** The meeting adjourned at 10:00am.

**Next Meeting:** Next Meeting is April 18, 2025 at 9:00am in the Lakeview Center Boardroom

Respectfully submitted,

Kim Wanek, Secretary

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