

WISCONSIN COUNTY MUTUAL INSURANCE CORPORATION & COMMUNITY INSURANCE CORPORATION

THE PROTECTOR

A QUARTERLY PROPERTY LOSS CONTROL NEWSLETTER

ISSUE SEVEN

Q1 2022

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WEDNESDAY,
MARCH 2, 2022
2:00 P.M. – 3:00 P.M.

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Wisconsin County Mutual Insurance Corporation



HOT TOPICS FOR COLD WEATHER DRIVING

TIPS TO KEEP YOU SAFE (AND WARM)

The winter months make for treacherous road conditions across much of the state of Wisconsin. When the temperature drops, the best thing you can do stay safe is to be ready. Whether you are driving through a busy metropolitan area or sparsely populated country roads, there are heightened risks to be aware of in winter. You never know what may happen, so it is essential to be prepared for anything. Here are some good practices to keep with you in the winter months.

Practice Proper Vehicle Maintenance

It is crucial to inspect your vehicle before getting on the road in unfavorable conditions. First, remember cold weather lowers battery power, so be sure yours is in good shape before the cold conditions take over. Ensure that there is proper winter coolant in your radiator and no leaks. Check to make sure the heater, defroster, and wiper blades are all in correct working order because if you have not used these things in a year or more, there is no guarantee they will be functioning when you need them! Most importantly, check your tires. Winter roads can provide minimal traction, so decent tread depth is critical.

Be Prepared with Equipment and Supplies

Equally crucial to vehicle maintenance is having the right gear to get you through the most severe winter conditions. Before setting out, be informed about the safety devices available to you, such as chains or cables. Subzero temperatures and ice-covered

roads with heavy snowfall are not the best conditions to learn in!

Gelling is the primary concern in diesel fuel when it comes to fuel. Gelling can occur during freezing temperatures which may cause diesel fuel to thicken up. One of the top ways to prevent fuel gelling is to ensure the fuel never gets too cold. Keep your tank as full as possible in cold conditions to reduce the opportunity for water/condensation to collect and freeze and carefully monitor the temperature and wind chill.

Always carry a winter driving kit with you because you never know when one of these items could save your life. Recommended items to stock in your kit include the following: flashlight and batteries; blankets; extra clothing; first aid kit; a bag of sand/salt; excess washer fluid; windshield scraper; jumper cables; cell phone and charger; and a lighter or matches.

Know the Road Conditions

Pay attention to the weather. If you cannot tell whether the road is icy and the temperature is hovering around freezing (32 degrees F), watch other vehicles to gauge the conditions. Sliding vehicles, lack of spray from tires, and ice buildup on other's vehicles are reasonable indications that the road is frozen. In addition, CB antennas that have ice buildup will bounce back and forth rapidly, which is another good signal that road conditions are dangerous.

HOT TOPICS FOR COLD WEATHER DRIVING / CONTINUED ON PAGE 4

ABOUT THE COUNTY MUTUAL

The Wisconsin County Mutual Insurance Corporation (County Mutual) provides public entity liability, workers' compensation, and property insurance solely to Wisconsin counties.

ABOUT COMMUNITY INSURANCE CORPORATION

Community Insurance Corporation (CIC) provides liability, workers' compensation, and property insurance to Wisconsin school districts and local units of government.

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THE PROTECTOR

WHAT DO YOU NEED TO KNOW



AUTO PHYSICAL DAMAGE COVERAGE

What is Auto Physical Damage coverage?

Automobile physical damage insurance coverage is a 1st party property coverage. The coverage insures against damage to the insured's/your own vehicle.

What is generally covered?

Predominantly, auto physical damage coverage consists of both collision and comprehensive coverage forms.

The collision coverage form insures against damage to your vehicle arising from accidents, including rollovers and collisions with other objects, or formally defined as the impact with an object and includes upset of the vehicle.

Comprehensive coverage is easy to understand as it includes anything that is not defined as collision. Examples of comprehensive losses include fire, missiles or falling objects, hail, water, or flood; malicious mischief or vandalism, theft or larceny, riot or civil commotion, explosion, or earthquake; contact with bird or animal; windstorm or breakage of glass.

How are our autos valued in a loss?

The County Mutual and Community Insurance Corporation utilize replacement cost new vehicle values for underwriting purposes, regardless of whether the valuation method you insure your vehicles at is replacement cost or actual cash value.

This is very confusing for the insurance novice, and it is best to look at it from two aspects 1) claim scenario and 2) underwriting scenario. In a claim scenario, the valuation method is the value of the vehicle the adjuster considers in a loss (replacement cost or

actual cash value). Think of it as a new vehicle or the depreciated value of a vehicle that you are entitled to through a total loss covered claim. In an underwriting scenario, the replacement cost new values are utilized to determine your premium, not the value of your vehicle in a loss or claim scenario. Underwriting takes the replacement cost new value and applies a different rating factor depending on the valuation method of the vehicle in a claim scenario you select or insure. The rate is higher for replacement cost coverage vs. actual cash value coverage as you are entitled to more in claim or loss scenarios.

You should report the replacement cost new of the vehicle when requested. Replacement cost new is the cost of replacing lost or damaged property with new property of like kind and quality, or its functional equivalent, at current prices (new equipment = cost new). No one expects the insured (yourself) or the agent to update vehicles values annually, so in many cases, 9 out of 10 it is the cost new at the time of acquisition listed for the replacement cost new.

Underwriting uses **Replacement Cost New** values as reported on your Statement of Values (SOV). This differs from the valuation methods used in a loss – either Replacement Cost, or Actual Cash Value.

Replacement cost is the cost of replacing lost or damaged property with new property of like kind and quality, or its functional equivalent, at current prices. **Actual Cash Value (ACV)** is the cost to replace property with new property of like kind and quality less depreciation. Less depreciation is the difference.

Another common question is how you should account for vehicle modifications when calculating the replacement cost new value. For example, specialized equipment is permanently affixed to the vehicle six months after purchase. The value of the specialized equipment should be added to the replacement cost new vehicle value. What about items not permanently affixed to the vehicle, such as medical equipment, radios, tools, etc.? These items are considered contents or business personal property and should be added to the building contents value where the vehicle is stored.

As you can see, auto physical damage insurance coverage can be complex, but when you take all the insurance jargon out, it's not nearly as overwhelming as you may have thought. Overwhelming or not, we are happy to discuss with you to provide clarity behind all your insurance needs and questions. Don't hesitate to reach out. 🙋

This material does not amend, alter, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by WCMIC or CIC, nor is it a representation of coverage that does or does not exist for any particular claim, loss or dispute under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim, loss, or dispute, all applicable policy or bond provisions, and any applicable law.

THE PROTECTOR

LESSONS
LEARNED:DATA EVIDENCE FOR LOSS CONTROL
EFFORTS & SAFE DRIVING CAMPAIGNS

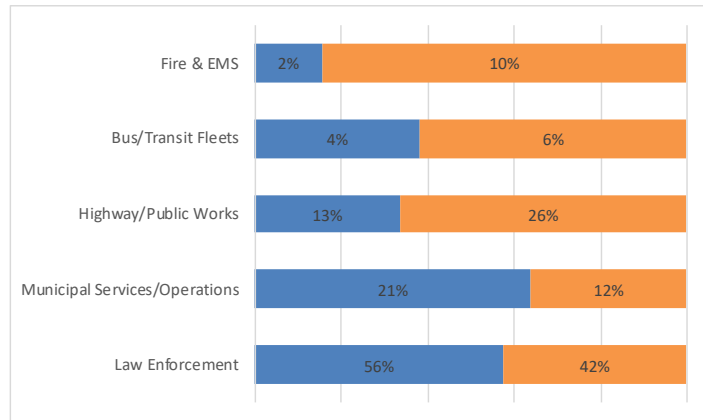
Process improvement guru W. Edwards Deming said "Without data, you're just another person with an opinion." No opinions here, we've analyzed County Mutual and Community Insurance Corporation Auto Physical Damage (APD) loss data from 2016 - 2021. The data provides a wealth of insights that support the need for focus on member-driven loss control efforts. This article will focus on the leading insights, and what you can do to mitigate your risk of loss within your fleet management/driving programs.

Operational Areas

We're certain that you have an idea of what operational areas within your organization experience the majority of auto losses, but what does the data show?

Top 5 Operational Areas - Frequency & Severity

Operational Area (Top 5)	# of Claims	Total Net Loss (\$)
Law Enforcement	701	2,807,597
Municipal Services/Operations	264	826,614
Highway/Public Works	163	1,772,448
Bus/Transit Fleets	45	392,650
Fire & EMS	23	680,357



*The above table shows the respective share of each Operational Area's claims to the County Mutual & Community Insurance Corporation loss history.

Insights

The data shows that Law Enforcement operations drive APD loss experience for both frequency and severity. While less frequent, both Highway/Public Works and Fire & EMS are more severe - mostly due to the higher cost of vehicles and related equipment.

Seasonal Operation

Looking at the dates of loss for APD claims can lend insights into when to focus your loss control efforts.

Season	# of Claims	Total Net Loss (\$)
Winter (Dec/Jan/Feb)	310	1,582,515
Spring (Mar/Apr/May)	274	1,613,561
Summer (Jun/Jul/Aug)	327	1,524,189
Fall (Sep/Oct/Nov)	334	2,046,904

Insights

The data shows stability across frequency and severity for all seasons - except Fall. A key driver of claim frequency for Fall is Animal Hits - the majority being deer - accounting for over half (56%) of the season's claims.

Watch Out For Bambi

The County Mutual and Community Insurance Corporation track nearly 35 specific causes of auto physical damage losses broken between comprehensive and collision coverage. Far and away the driver of frequency and severity related to loss descriptions is animal hits - principally deer (though we note two bear hits, a raccoon, and even a cow). We break down animal hits even further to look at the driving scenario in which they were hit - emergency or non-emergency.

Loss Description	# of Claims	Total Net Loss (\$)
Comp - Animal Hit - Non-Emer	486 (40)	1,712,005
Comp - Animal Hit - Emer	42 (4)	264,914
	(%) of Total	(%) of Total

Insights

- Be aware and take care:** Know your route and where deer normally enter the roadway - pay attention to deer crossing signs. Understand that deer are most active at dawn and dusk.
- Where there's one - there's two:** Deer mostly travel in pairs or herds, so when you see one, slow and wait - there's probably more to follow.
- Slow and brake, but don't swerve:** Swerving to avoid hitting a deer is particularly dangerous because you can leave the roadway, or move into oncoming traffic.
- Practice the basics of safe driving:** Remain attentive, both

LESSONS LEARNED/ CONTINUED ON PAGE 4

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HOT TOPICS FOR COLD WEATHER DRIVING CONTINUED

React Properly When Things Go Wrong

Whether it is your fault or not, things can—and will—go wrong when driving in dangerous winter conditions. The key is to respond quickly and smartly when they happen.

If it gets cold enough, the brake lining could freeze to the drum if you set your brakes when they are still wet. To fix this, you will have to break them loose by either backing up so they will break free on their own or hitting them with a hammer to loosen them.

If you find yourself skidding, keep steering and counter-steering until you regain control, but do not over-steer. If possible, avoid braking during this process, even if there is an ongoing emergency. There is likely not enough room to stop without a collision, and you could easily make matters worse by slamming on the brakes. Avoid skidding altogether by not breaking, turning, steering, or accelerating too quickly.

Bottom Line

The bottom line in winter driving is to think ahead about safety, be prepared, and know your limitations. You have heard it a thousand times, but always increase your following distance in bad conditions and take extra caution when traveling on ramps, bridges, and overpasses. You have control over your vehicles, but the driver next to you may not. Your best bet is to stay as far away from other vehicles as possible. If something does go wrong, increase your chances of surviving the incident by not panicking and remembering everything you have learned about safe driving. Use common sense—if you feel uncomfortable or unsafe driving in the given conditions, do not drive. It's better to be safe than sorry; that is, better you are delivered safely than not delivered at all, so use your best judgment. 🇺🇸

LESSONS LEARNED CONTINUED

hands on the steering wheel, use your horn, and most importantly – wear a seatbelt.

- Deer whistles – they might look cool, but they're not the answer:** Studies have found no evidence that deer whistles deter deer from entering the roadway. By nature, animals and especially deer are unpredictable when making quick decisions.

Data provides us with a wealth of insight into our loss experience, but it's just characters and numbers until we use it to inform our decision-making. If you would like to take an in-depth look at your APD losses, strategize on a safe driving campaign, or engage us to access on online or onsite training offerings, please do not hesitate to contact us. 🇺🇸

PROPERTY SCHOOL



STREAM ALL PROPERTY SCHOOL WEBINARS

kelmann
RESTORATION

THE M-WORD AN INDUSTRY UPDATE WEBINAR ON INDOOR MOLD ISSUES

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Environmental Microclimate Consulting, Inc.

COVID-19 & INDOOR AIR QUALITY (IAQ) STEPS TO CONSIDER FOR IMPROVED IAQ DURING A PANDEMIC

WISCONSIN WINTER CAN BE EXPENSIVE: OBSERVATIONS OF AN EXPERT METEOROLOGIST ON HOW TO AVOID COSTLY MISTAKES

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PROPERTY SCHOOL

SENSING TROUBLE! HOW SENSOR TECHNOLOGY CAN HELP DETECT DAMAGE-CAUSING ISSUES IN YOUR FACILITIES

WEDNESDAY, MARCH 2, 2022
2:00 P.M. – 3:00 P.M.



It's not uncommon for schools and public buildings to experience periods of time when no one is there. Even when they are occupied, cold temperatures, power outages, and leaking plumbing can cause major damage to the premises, forcing shutdowns and repairs at inopportune times; unless there is a solution that allows them to detect issues early and avoid significant damage.

Sensor technology works to detect risks such as frozen pipes, water intrusion, refrigeration, and power failures early on – before they become an issue.

During this webinar you will learn:

- » The benefits of a sensor solution
- » How sensor solutions work
- » Real-world save examples
- » How to protect your business

WEBINAR DETAILS

Date: Wednesday, March 2, 2022
Time: 2:00 PM to 3:00 PM
Cost: NO COST

REGISTER NOW

ABOUT HARTFORD STEAM BOILER

HSB, part of Munich Re, is a multi-line specialty insurer and provider of inspection, risk management, and IoT technology services. HSB blends its engineering expertise, technology, and data to craft inventive insurance and service solutions for existing and emerging risks posed by technological change. Throughout its 150-year history, HSB's mission has been to help clients prevent the loss, advance sustainable use of energy, and build deeper relationships that benefit business, public institutions, and consumers. HSB holds A.M. Best Company's highest financial rating, A++ (Superior).

The Property School is an ongoing program to support Facilities/Building Management personnel and provide education aimed at preventing and mitigating losses. Topics such as programmed maintenance, emerging building techniques/materials, inspection tools and procedures, and guidelines for repair and general maintenance. The Property School is administered in association with our strategic partners.