

2026



MEL

Fund Year 2026

Renewal Overview

Guidelines About the Webinar



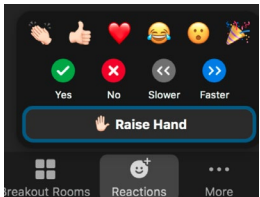
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- To ask a question, click the Q&A button on the bottom of the Zoom Bar.



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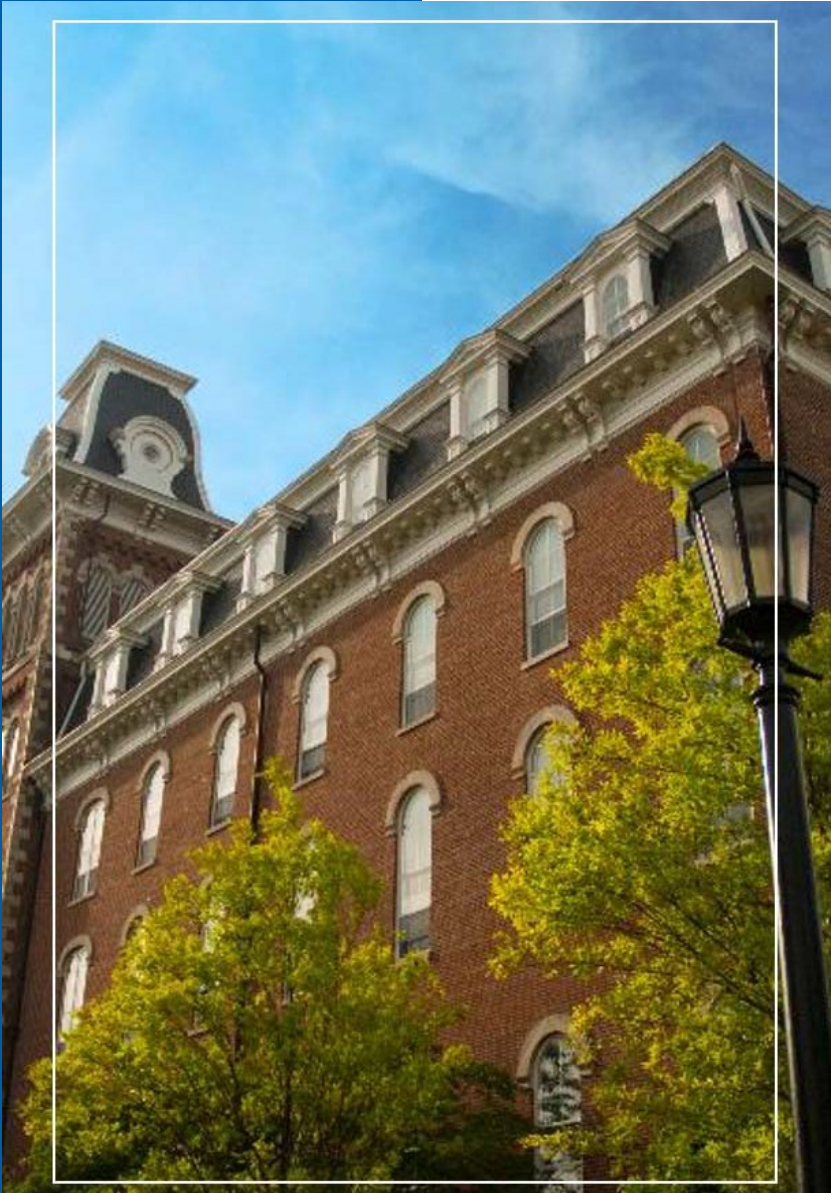
Webinar Speakers



**Edward Cooney, Managing Account Executive
Underwriting Manager**



**Jonathon Tavares, Account Executive
Deputy Underwriting Manager**



Renewal Overview

Over the past half decade, the insurance market has undergone a dramatic evolution – redefining underwriting standards, coverage options, capacity, and contract terms. These changes have been accompanied by notable shifts in both the flow and concentration of capital, reshaping the industry's very foundation.

Today, as the market approaches a new equilibrium – one that sits well above historical norms – we're witnessing a surge in account-specific underwriting and a marked increase in available capacity and carrier appetite.

For the MEL, this environment, combined with our exceptional performance and your robust risk management, translates into tangible benefits: **better rates, expanded capacity, and more favorable terms.**

On the following pages, you'll discover how our targeted marketing efforts and strategic program structuring have fortified the MEL's position – resulting in a stronger overall program and a remarkable 1% decrease in excess renewal rates, equating to approximately **\$900,000 in savings.**

Marketplace Overview

What is happening?

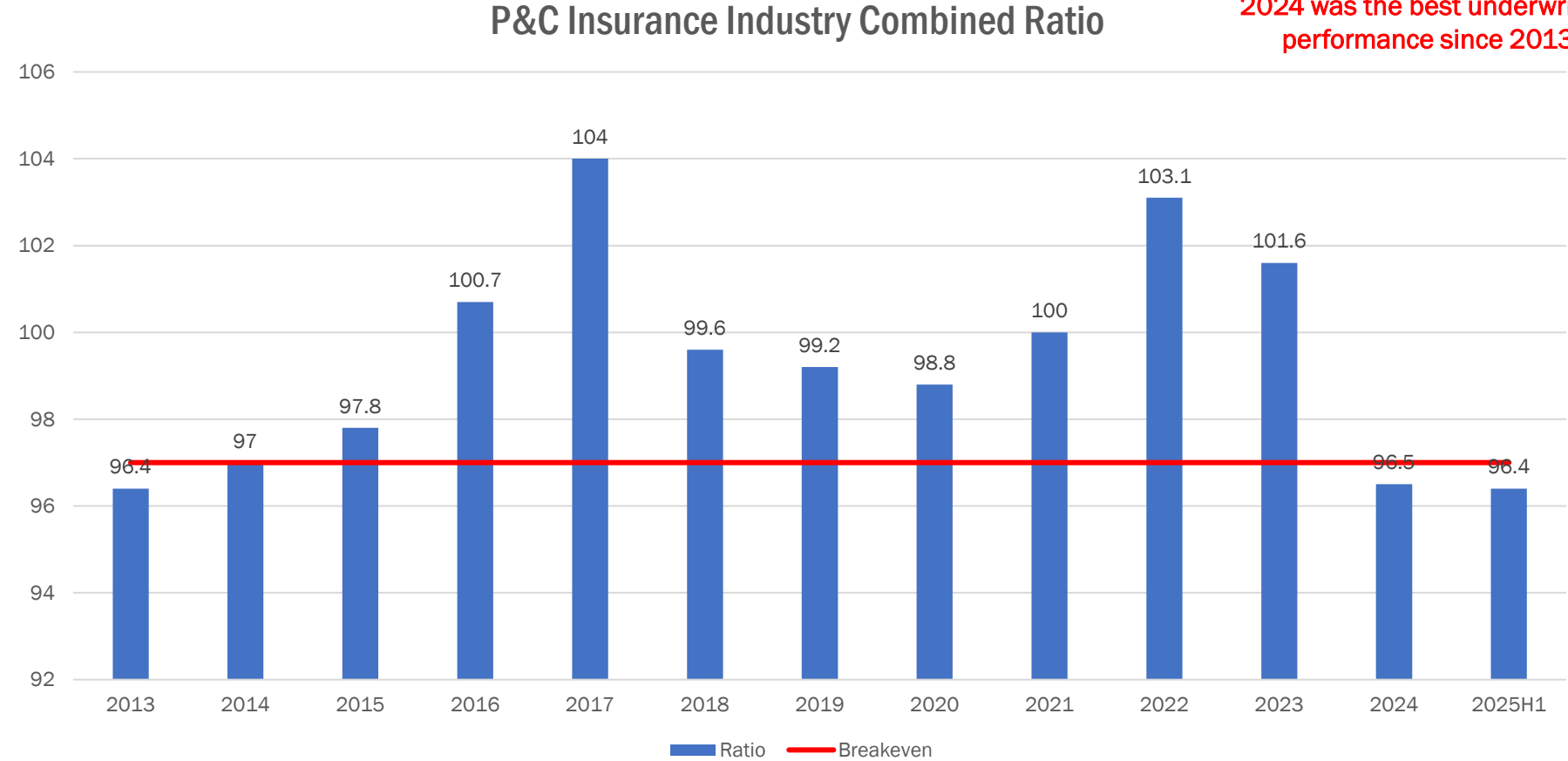


Marketplace Overview



P/C insurer underwriting performance has been highly variable over the past decade, largely due to CATs, Inflation & Torts

2024 was the best underwriting performance since 2013



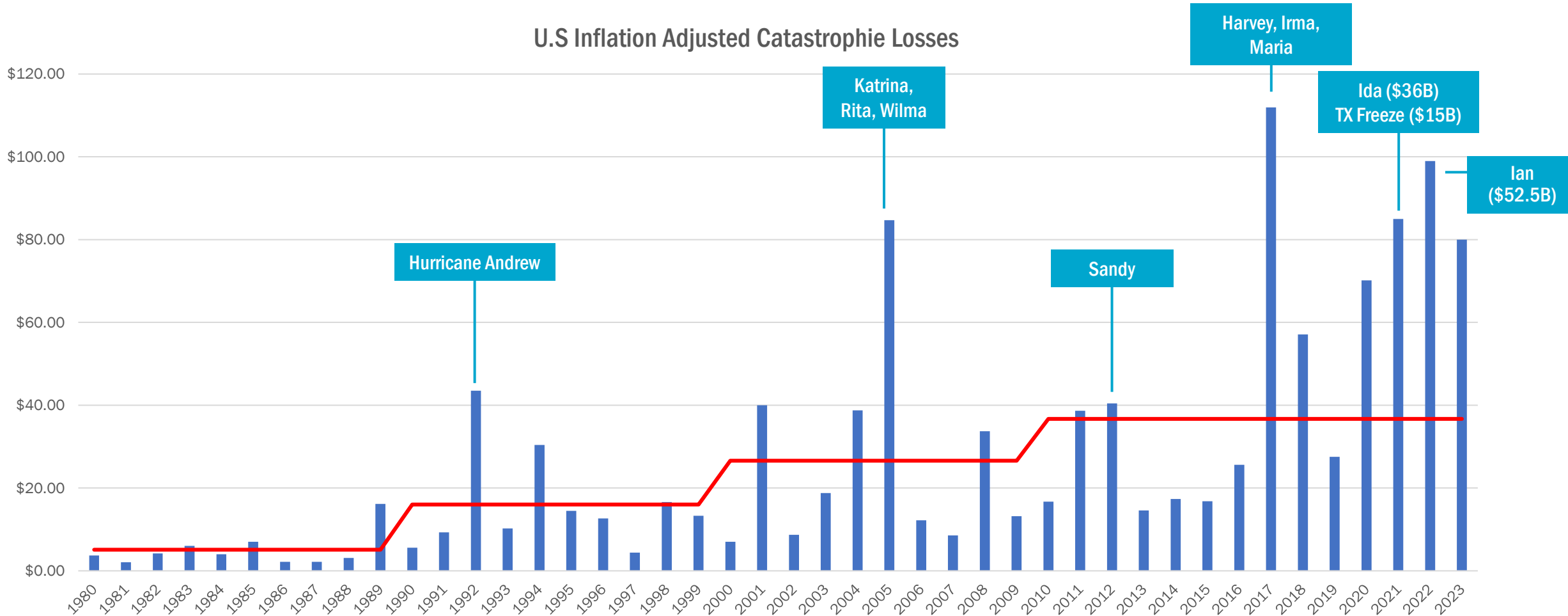
Sources: A.M Best (2016-2023; Swiss Re (2024F, 2025F), Risk & Uncertainty Management Center Univ. of South Carolina

Marketplace Overview

Property

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U.S Inflation Adjusted Catastrophe Losses



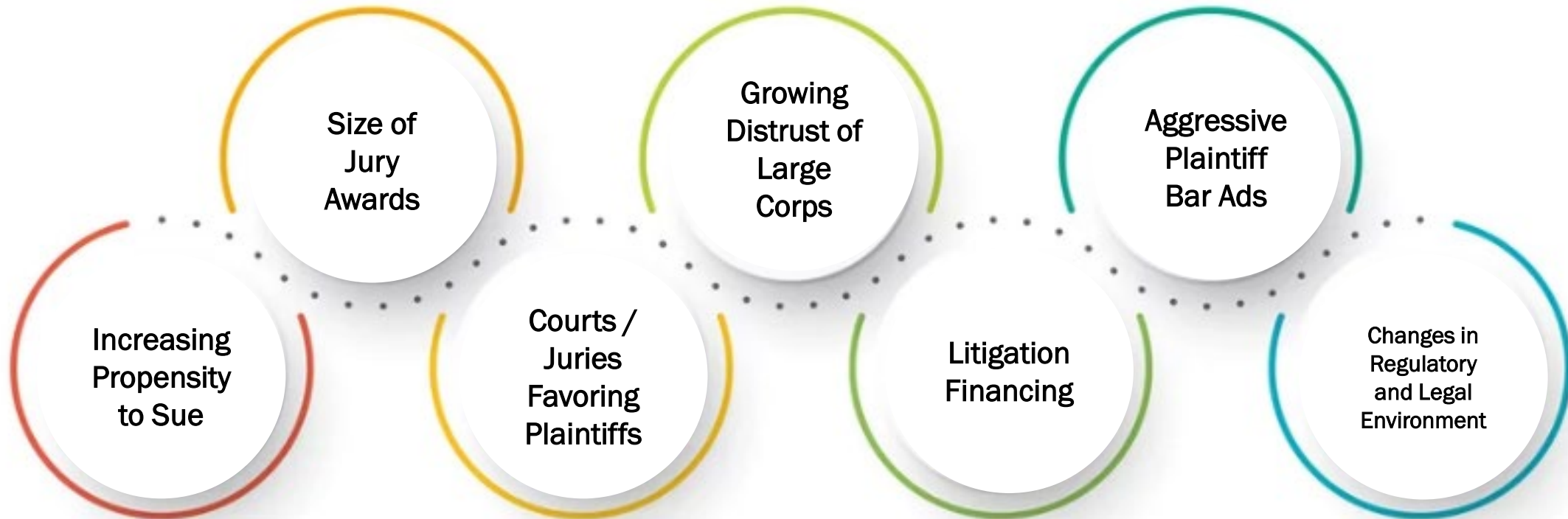
Sources: Property Claims Service, a Verisk Analytics business (1980-2019); 2020-22 figures from Munich Re; 2023 and 2024:H1 figure from Aon. Insurance Information Institute; University of South Carolina, Risk & Uncertainty Management Center.

Average Insured Loss per Year
1980-2021: \$23.8 Billion and 2012-2021: \$44.1 Billion

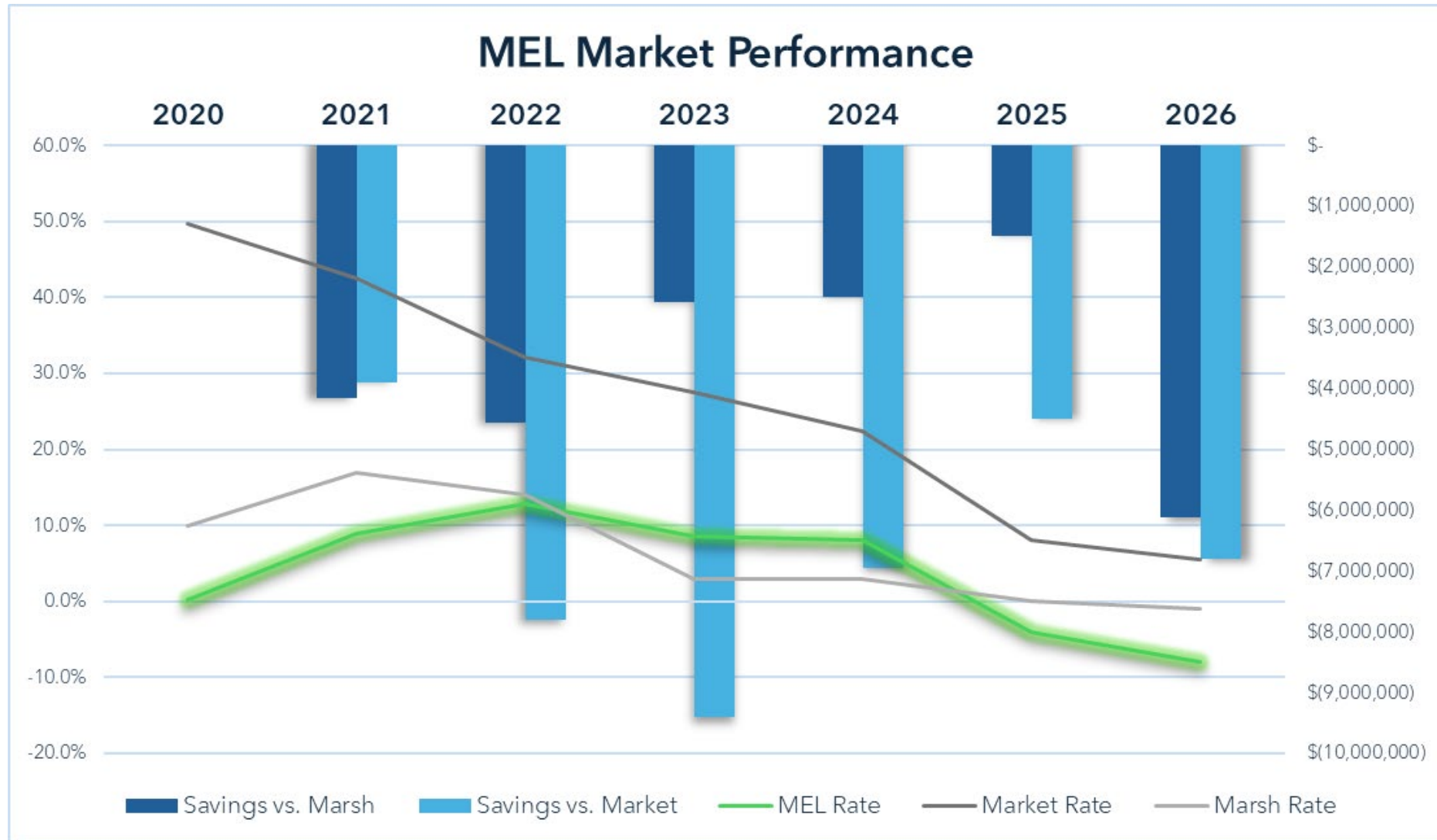
Marketplace Overview

Liability: Social Inflation

Insurance Claim Costs



MEL vs Market



Renewal Review

Detailed Review of Renewal Changes



Coverage Updates

Property

Overview

- Extensive marketing performed, as detailed in Marketing Summary in final Proposal / Confirmation of Insurance
- Oversubscribed for a 3rd year in a row, this time by 55%+. With competition in hand, a key goal this year was to continue strategically structuring the program to further enhance future stability, which primarily includes picking the right insurers and enhancing coverage as follows.
 - NWS deductible: 2.5% with a \$10M cap from 5% with a \$10M cap
 - Flood Non-High Hazard: Increase from \$75M to \$110M
 - Flood High Hazard: Increase from \$50M to \$75M
 - Flood Ocean City Music Pier, 811 Boardwalk, Ocean City, NJ 08226: Include in coverage at \$5M limit
 - Errors or Omissions: Increase from \$10M to \$50M
 - Miscellaneous Unnamed Locations: Increase from \$10M to \$50M
 - Newly Acquired Property: Increase from \$25M to \$50M
 - New Construction and Additions: Increase from \$25M to \$50M
 - Time Element
 - Extra Expense: Increase from \$10M to \$25M
 - Ingress & Egress: Increase from 30 days / \$5M / 1 mile to 90 days / \$25M / 5 miles
 - Electronic Data & Media: Increase from \$5M to \$25M
 - Professional Fees: Increase from \$1.25M to \$5M
 - Transit: Increase from \$1M to \$5M
 - Qualifying Periods: Reduce from 48 Hours to 24 Hours
- Terrorism remains placed separately with Hiscox
- We will be entering year three of our relationship with Chubb on the Equipment Breakdown coverage who continues to provide strong services.

Coverage Updates

Liability

Liability continues to be the most complex and demanding line of coverage for public entities, yet we have consistently secured top-tier partners for our program, strengthening our position year after year.

Overview - \$5m x \$5m (SIR)

- Safety National provided a strong renewal at a 3% rate increase
- Safety Grant funds increased from \$75K to \$100K
- Dam exclusion added as a clarification; coverage does not reach Safety's layer anyway

Overview - \$10m x \$10m

- 50% Munich
 - Safety Grant funds of \$20K provided - NEW
- 50% Great American

Overview - \$10m x \$20m

- Chubb indicated a 100% increase through scaling back capacity from \$10M to \$5M with a SAM exclusion
- Chubb was replaced with a quota share as follows
 - 50% Palomar
 - 25% Great American
 - 25% Obsidian

Coverage Updates

Workers' Compensation

Overview

- Marketing performed, as detailed in Marketing Summary in final Proposal / Confirmation of Insurance
- Safety National provided a 3% rate renewal and remains the most competitive in the market
- Additional options were provided to increase the fund retention, but not enough premium credit was given to take a higher attachment

Coverage Updates

Public Officials & Employment Practices

Overview – Primary \$2m

- We have negotiated a 4% rate increase, along with a \$10 increase in defense attorney fees for a second year in a row, as follows:
 - Partner: \$170 to \$180
 - Associate: \$150 to \$160
 - Paralegal: \$85 to \$95
- Deductible changes for certain members
- Abandoned/Vacant Property
 - \$150K defense only sublimit

Overview – \$8m x \$2m

- Our incumbent markets provided great combined options with the Casualty and Excess POL / EPL:
 - 50% Munich
 - 50% Great American

Coverage Updates

Cyber (Cyber JIF)

Overview – Primary \$3m / \$6m

- AXA XL continues to be an excellent partner for the Cyber JIF and was able to deliver an 8% rate decrease for the renewal with the following enhancements.
 - Retention decrease from \$350K to \$200K
- Increased Cyber Crime limits from \$250k to \$500k.

Framework Updates

- While all members are covered by cyber insurance, the per claim deductible as of January 1, 2026 is \$50,000 plus 20% coinsurance of the next \$150,000 (up to \$80,000 out of pocket). Members become eligible for deductible reduction worth up to \$80,000 by complying with the security controls outlined in this framework.
- Deductible Reductions Groups
 - Basic Security: Deductible reduced to \$35,000 (up to \$45,000 in savings)
 - Intermediate Security: Deductible reduced to \$20,000 (up to \$60,000 in savings)
 - Advanced Security: Deductible reduced to \$0 (up to \$80,000 in savings)

Overview – \$2m / \$4m Excess \$3m / \$6m

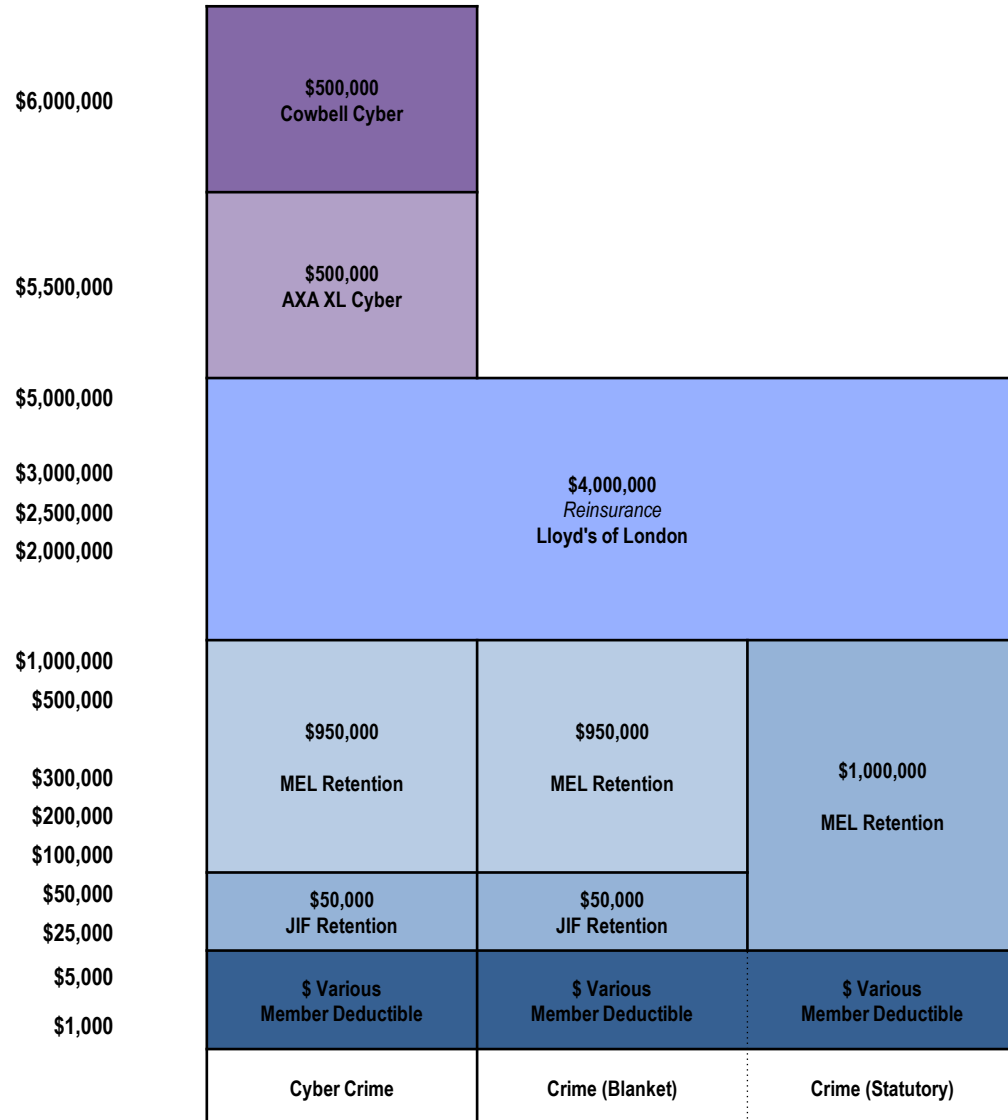
- Cowbell will be continuing its relationship with the MEL, with an overall price discount.
- Increased Cyber Crime limits from \$250k to \$500k.
- Cyber Crime of \$1M provided between primary & excess

Coverage Updates

Excess Crime

Overview – \$1m x \$1m

- The MEL elected to increase excess crime coverage from \$1M/\$5M x \$1M to \$4M/\$9M x \$1M, reinsured by Lloyd's of London.
- Applies to both the statutory and the blanket, including the cyber crime coverages.
- Copay added where members are non-compliant with JCMi Banking Best Practices
 - Computer Fraud, Funds Transfer Fraud or Social Engineering: An additional copay will apply of 20% of the next \$500,000 of loss if the member has not implemented the JCMi Banking Best Practices and has not fully used such practices during the actions which led to the claim or loss



Coverage Updates

Non-Owned Aircraft

- No changes



Contacts



THANK YOU

Questions? Comments?

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