

# WEBINAR CHAT LOG (April 1, 2020)

The following is a lightly edited, anonymized record of the chat log from AGRiP's April 1 [Planning for COVID-19's Impact on Public Entity Risk Pools webinar](#).

In this session, 2017 Resident Futurist [Rebecca Ryan](#) posed several questions to pools regarding the impact of COVID-19 on their member entities and operations, inviting participants to share their thoughts in the chat.

You may also access [slides from the webinar](#), the [think tank report](#) that informed the presentation, and our frequently updated [list of COVID-19 claims considerations for pools](#).

## **What do we know right now about COVID-19's impact on pools and their member entities?**

- Sales tax revenue to local public entities will decline
- New working environments now exist
- Staff capabilities available
- Most non-essential member employees are working remotely
- Technology will be more important to our future of doing business
- There will be second and third waves of illness at lower levels
- Staffing issues will emerge
- Rent revenue will drop
- We will have increased absenteeism
- The defined period of distancing – so far
- COVID-19 related testing is covered 100 percent
- Local public entity layoffs are starting
- Telework with family is not easy
- Employee census will likely go down
- Unemployment insurance claims increasing for our members
- In Indiana, property tax collections will be delayed; income tax declines will follow
- Our state has frozen state financial assistance to municipalities
- FOIA and open meetings issues will emerge
- There are constrained local services
- Corrections is seeing staffing issues and inmate fear
- We will be operating under new federal, state and local guidelines
- Public pension plan funding levels will decline, requiring more funding from schools
- WC plans will be stressed
- Some online meetings are getting trolled

- Jail/law enforcement claims will increase
- Everyone is impacted
- We will get lawsuits on various issues related to this
- Larger dollars spent for new sick pay and FMLA
- Public meeting procedural issues
- Presumptive compensability laws include coverage for communicable diseases
- Kids are out of school for the foreseeable future
- Human ingenuity will discover new ways of doing things
- We need to conduct business differently and navigating this is critical
- Commercial carriers may avoid public entity risks – especially with second wave coming
- Trial attorneys are actively looking for opportunities to sue or even bring class actions over COVID-19
- Schools will take a conservative approach to support students and exercise alternative educational approaches (virtual)
- Layoffs are initially exceeding the great recession
- Possible depression
- Renewal is part of crisis
- Running city hall from home has increased cyber exposure, and degrees of separation for crime-related claims have narrowed
- Pools will find new opportunities to collaborate and support to get through this emergency and future pandemics
- The intelligence, passion and knowledge that pools will bring will help us now and in the future
- Communicable diseases are covered by WC for first responders in some states

### **What don't pools know?**

- Will temporary hospitals be covered
- Compensability of WC claims since the virus is community spread
- When business as usual will resume
- Is there ever a return to "normal"
- The ultimate impact to our members and their inability to pay premiums
- Mental health impact to employees
- If business interruption or tax interruption will cover
- With decreased income, will members have issues paying premium contributions
- Long-term mental impact on staff
- How excess insurance will respond regarding coverage
- When elective procedures will inflate medical trend
- How litigation will work out over business interruption coverage issues
- When schools will come back into session
- When will we be able to go into office

- Whether there may be opportunities to attract new members of the kind who heretofore haven't been attracted to pooling
- Will excess insurance cover the claims as one occurrence
- What changes to workflow, process, policy, even life will go back to normal and what will stay the way it is now
- The elasticity of employees' finances and desire to weather the storm
- How will the stock markets react and how long will the recovery be
- Our competitors' appetites for public entity coverage 6, 12 and 24 months from now
- Though we know local governments will find innovative ways to respond and support their communities, we don't know what those all of those innovative services or approaches will be and how that might impact exposure
- How much COVID-19 costs we should add to our group health renewals
- How/when will a vaccine be readily available and who will get it first
- Will courts decide if a virus qualifies as a property cause of loss for business income/interruption claims
- Health care trend impact - COVID claims + delayed elective AND non-elective procedures
- How business as we know it may change due to this
- Significant rate adjustments across the board affecting all pools and members
- Will our pool staff see loss of life
- What will be needed to support our agencies in the future
- How our world will change, trade, investments, working environments, gatherings...
- Long term will this drive down verdict values because people value money more
- Will COVID-19 be seen as an exception to non-compensability under WC when the ordinary diseases of life are not covered
- If this isn't the "big one," how can we get ready for an even worse pandemic

**Let's think about the future of pools through December 2020. What things external or internal could lead to growing desperation by year's end?**

- Returning premium that ultimately we need to deal with claims that are not yet known
- Second Great Depression, stock market collapse
- Reinsurers get even more skittish than they already are
- Retroactive legislation impacts current funds
- Onslaught of claims could drain reserves
- Total collapse of medical personnel and facility abilities
- Multiple waves with no vaccine
- Solvency issues
- Creating an unrealistic expectation of what we as pools can do
- Not having staff capacity to deal with mounting member needs
- Pools with weak surplus ratios
- Members can't pay contributions

- Investment challenges
- Member relations issues with respect to coverage related to COVID-19 denials
- Total breakdown of local services
- A reduction in force across various key pillars in our communities
- Assuming our current service models will address the new normal
- Unfunded coverage mandates drain our net equity
- Overall negative response and mindset to member issues
- Retroactive legislative changes impacting claim compensability – exposures we did not charge premium for – pushing financial risk to the pool
- Stay home order continues

### **What happens in the zone of conventional expectations?**

- Tunnel vision to focus on COVID-19
- Pool offers stability and reliability
- Pools will be relied on to fill service/expertise gaps of our members
- Hard market that makes pooling even more important
- Out of the box thinking
- Opportunity to think about new ways to serve our members
- More collaboration between pools to find common solutions
- Prolonged hard costs well beyond life expectancy
- Public entities will always need insurance
- Community pools together to adapt and ensure best possible outcome
- Rate increases higher than usual due to claims
- Short-term turmoil followed by adaptation
- Ability to educate on what we can/can't do and why
- Member appreciation for our efforts
- Inspiring people to see the big picture; provide a calming influence
- Increased contributions or decreased coverage
- Non-conventional approach to handling insurance/pool issues
- Confirming the 1-in-100 year event actuarial predictions
- Ability to use equity to smooth rate increases and financial woes for members, if needed and able
- Community pulls together – empathy
- Greater need to interact with members
- We will need to take a conservative approach in administrative spending while still operating with good value
- Some things will have to wait
- Alternative risk products and solutions are going to be better positioned than the standard market; standard market doesn't do well with uncertainty
- We are the HR support for the majority of our members, and this will increase as staff

layoffs ensue

- More labor-management disputes over dividing up the shrinking pie, pressure on spending
- More remote learning and working
- Increased acceptance of telemedicine
- The opportunity to show the value we provide to our members and prospective members

## **What could happen in the zone of high aspirations?**

- Pool membership grows because more entities seek the shelter of a large risk pool
- We have learned what we "can do without" and will manage business more streamline and efficiently
- Allow us to focus on what really matters to members and staff
- Outside stakeholders (legislators, regulators, citizens, etc.) will better understand how public entity pools undergird and provide stability for communities nationwide
- Community appreciation for locally run government
- Maintain stability and sustainability of coverages
- Realistic expectations of what can be done through technology
- Pool membership grows because hard market
- Claims decline with response; financial ability to adapt
- Members learn to use the technology available to them to manage their risks
- The challenge will foster employee development around leadership and organizational succession
- Efficiencies from adaptation become permanent new ways of doing business
- Collaboration between pools
- Opportunity to educate legislators
- More efficient and effective overall processes
- Simplicity reigns
- New structure to organizations – more telecommuting
- Ability to use technology to the full
- Many of the ways we are doing business now can carry forward and prove to be breakthroughs in efficiency
- The true value of pooling grows exponentially
- Infrastructure improvements: running fiber to rural areas
- Telecommuting is more mainstream
- Pools discover new ways to support members (e.g., mental health, coverages, cyber)
- Better tech all around
- Solidify teamwork and reinforcing the belief in working together to achieve a higher purpose
- What gets measured gets improved