



**Results of NASRA Survey on Liability Coverage Held by Public Retirement Systems
Conducted August 12 - 26, 2003**

This survey, conducted at the request of a NASRA member, was distributed to all NASRA member systems. 31 systems responded. The median asset value of responding systems is \$12.1 billion.

Results

Does your system maintain fiduciary liability coverage?

Yes: 13 No: 18

System Code	What company provides your fiduciary liability coverage?	What is your annual premium for fiduciary liability coverage?	How much fiduciary liability coverage do you have?	What is your deductible for fiduciary liability insurance?
4	Chubb	\$69,355	\$5 million	\$100,000
5	State office of risk management	Included in general liability premium.	\$30 million per occurrence	None
8	The Cincinnati Insurance Company	2002- \$85,948 2003- \$102,835	\$10 million	\$100,000
10	National Union – Primary Chubb – Excess	Primary: \$217 706 Excess: \$107 500	Primary: \$15 million Excess: \$10 million	\$250,000
11	State office of risk management	none	\$50 000	none
12	Chubb - Tier 1 AIG - Tier 2 AXIS - Tier 3	\$414,670	\$10 million per loss and agg. per policy year. Tier 2: Excess policy with \$10 million per claim and agg. Tier 3: Excess policy with \$5 million per claim and agg.	\$150,000
14	National Union Fire Insurance Co of Pittsburgh	\$116,000	\$13 million	\$25,000
16	Cincinnati of Ohio	\$19,400	\$5 million	\$25,000
19	Hartford and Chubb	\$210,000 combined	\$25 million combined limit	\$250,000
20	Federal Insurance Company through the Chubb Group	\$45,675	\$5 million	\$100,000
26	National Union Fire Insurance Co of Pittsburgh	\$150,000	\$10 million per occurrence	\$100,000
28	Indian Harbor Insurance Company - for our health benefits programs only.	\$200,000	\$5 million	\$250,000 per claim
31	Cincinnati Ins Co.	\$75,628 for entire exec. risk pgm which includes fiduciary liability, D&O, employment practices liab, crime, and kidnapping	\$5 million	\$50,000

Does your system maintain public officials errors & omissions liability coverage?

Yes: 7 No: 24

<i>System Code</i>	<i>What company provides your public officials E&O liability coverage?</i>	<i>What is your annual premium for public officials E&O liability coverage?</i>	<i>How much E&O liability coverage do you have?</i>	<i>What is your deductible for E&O liability insurance?</i>
4	National Union	\$97,966	\$3 million	\$25,000
5	State office of risk management	Included in general liability premium.	\$30 million	None
6	Self-insured by the state	\$1,700 annually - paid directly to the state treasurer's office	Provides a limitation of \$200,000 for negligent acts within the scope of employees' duties	The state agency's deductible is \$1,000
10	National Union	\$69,993	\$15 million. Our policy is actually a D&O policy.	\$200,000
11	State office of risk management	\$1,495	\$5 million per occurrence	Agency: \$50,000 Supervisor: \$25,000 Board Member: \$1,000 Employee: \$1,000
15	US Fidelity & Guaranty Company	\$280	\$100,000	Zero
16	Cincinnati of Ohio	\$16,000	\$1 million	\$10,000

Does your system maintain general and umbrella liability coverage?

Yes: 16 No: 15

<i>System Code</i>	<i>What company provides your general and umbrella liability coverage?</i>	<i>What is your annual premium for general and umbrella liability coverage?</i>	<i>How much general and umbrella liability coverage do you have?</i>	<i>What is your deductible for general & umbrella liability insurance?</i>
4	Chubb Evanston United National Gulf	\$122,324	\$62 million	\$10,000
5	State office of risk management	\$19,040 for FY 2002-2003	\$50 million per occurrence	Zero
6	There is no umbrella coverage due to cap. General liability is explained under E & O liability questions.			
8	Cincinnati Insurance Company	\$1,300	\$5 million	Zero
9	State office of risk management	\$2,425	\$2.4 million	\$100,000
11	State office of risk management	\$1,513	\$5 million	\$200 per incident
12	Atlantic Mutual	General \$21,003 Umbrella \$14,742	General - \$1 million per occurrence/\$2 million aggregate Umbrella - \$10 million per occurrence/ \$10 million aggregate	Zero
14	Acord	\$6,000	\$1 million	\$10 000
15	St. Paul	\$1,193	\$1 million	\$500
16	Hartford	\$1,950	\$5 million	\$10,000
17	State office of risk management	\$4,000	Up to state statutory limits. \$750K person \$1000K for event. This covers non-fiduciary risks such as a member slipping on the premises.	\$500
19	Hartford	\$96,000	\$2/\$25 million	\$5,000
26	Fidelity and Deposit Company of Maryland	\$1,877	\$1 million	\$50,000
28	Several companies, primarily Royal and Sun Alliance provide liability coverage for our real estate holdings.	Approximately \$6 million	\$300 million	Zero
30	Federal Insurance Company	Package which includes general liability: \$21,528 Umbrella: \$23,223	General Liability: \$2 million Umbrella: \$20 million	\$1,000
31	American Employers' Ins Co	\$18,500	\$1 million general liability \$10 million umbrella liability	\$1 million

Does your system own the building that houses your offices?

Yes: 22 (Systems 4-6, 8-10, 12-21, 23-25, 28, 30, 31)

No: 9 (Systems 1, 2, 3, 7, 11, 22, 26, 27, 29)

Does your system lease space to other tenants?

(Of the 22 who answered affirmatively to the previous question):

Yes: 12 (Systems 4, 6, 9, 10, 16-19, 21, 23, 25, 30)

No: 6 (Systems 5, 8, 12, 13, 14, 31)

Others posted the following comments:

- We own another building that is leased to another agency - we are currently in a temporary location while our facilities are being expanded and renovated - we do not anticipate leasing any of the space in our facility to other tenants (15)
- The buildings the systems occupy and lease are part of our investment portfolio and are leased to the retirement systems and other agencies through a separate entity. (20)
- The building the retirement system office is located in is an investment in the real estate portfolio. (24)
- We have leased space in our headquarters building to other tenants in the past, but does not do so currently. (28)

Is your retirement system's liability limited by sovereign immunity statutes?

Yes: 19 (Systems 1-4, 7, 9-11, 16-18, 20-22, 23-25, 28, 29)

No: 7 (Systems 5, 8, 12, 19, 26, 27, 30)

Others posted the following comments:

- Section 21-207 of the State Personnel and Pension Article of the Annotated Code of Maryland provides State indemnification of fiduciaries defined as a member of the Board of Trustees, a member of the Investment Committee or an employee "who exercises any discretionary authority or control over (i) the management or administration of the several systems; or the management or disposition of the assets of the several systems." The protection does not extend to acts of gross negligence or willful misconduct. (6)
- No, but debatable. (this response is included the "No's" counted above) (8)
- State law indemnifies and reimburses for legal expenses individual employees if they follow certain procedures. (13)
- That defense has been used in the past but because of recent legislation increasing the autonomy of the plan, the future use of sovereign immunity is questionable. (14)
- We are covered both by "Tort Claims" up to \$500 000.00 - state sovereign immunity is in full force and effect above these amounts. (15)
- Yes, but employees are bonded and subject to liability restrictions of State tort and contract law (this response is included in the "Yes's counted above). (22)
- It is not clear in the law. (31)

Responding System Data

System Code	System Name	Assets (billions)	Admin Expenses	Staff Size	Membership
1	Wyoming Retirement System	\$4.5	\$990,000	18	56,500 total Actives: 263,500 Annuitants 116,600 Inactives
2	Wisconsin Retirement System	\$55.3	\$19.5 million	188	116,800
3	TN Consolidated Retirement System	\$23.7	\$5.0 million	75	Active – 203,600 Retired – 83,000
4	Texas County & District	\$8.92	\$8.85 million	80	155,500 total
5	Louisiana Teachers	\$10.2	\$10.6 million	165	Actives 86, 613 Retirees 50,738
6	State Retirement and Pension System of MD	\$26.7	\$21.4 million	168	Actives 190,123 Retired 87,367 Inactives 44,355
7	State of Michigan Retirement Systems	\$45.0	\$14 million	130	550,000 total
8	Public School Retirement System of Missouri	\$21.5	\$7.5 million	92	145,000 actives 47,500 annuitants
9	Public Employees Retirement Association	\$12.0	\$10.6 million	89	160,000 actives 59,000 benefit recipients
10	PA State Employees	\$20.9	\$21 million	192	215,000 total
11	Oklahoma PERS	\$4.5	\$3.2 million	48	Actives 44,292 Annuitants 21,452 Inactives 5 392
12	Ohio PERS	\$48.0	\$74.8 million	545	Actives 402,041 Annuitants 139,665
13	New York State and Local Retirement System	\$97.0	\$67 million	700	Actives 637,896 Annuitants 306604
14	New Hampshire Retirement	\$4.1	\$6.8 million	55	56,000 active 18,000 retirees
15	Mississippi PERS	\$14.4	\$9.3 million	144	Actives 158,351 Annuitants 62,328 Inactives 106,243
16	Missouri Local Government ERS	\$2.4	\$1.9 million	13	40,700 total
17	Minnesota Teachers Retirement Association	\$15.0	\$10 million	90	71,000 actives 35,000 annuitants 27,000 inactive
18	Minnesota SRS	\$8.3	\$4.8 million	51	52,000 actives 22,000 annuitants 12,000 inactive
19	Los Angeles County ERA	\$26.0	\$37.5 million	302	140, 000 total
20	Kentucky Retirement Systems	\$12.1	\$13.4 million	224	251,573 total
21	Kansas PERS	\$8.9	\$6.5 million	85	153,942 actives 57,538 annuitants 33,415 inactive
22	Indiana State Teachers' Retirement Fund	\$5.7	\$6.78	55	75,383 Actives 34,754 annuitants 34,162 Inactive
23	Missouri Highway and Transport. Employees' and Highway Patrol Retirement System	\$1.24	\$2.0 million	10	16,000 total
24	ERS of Hawaii	\$7.7	\$7 million	67	62,292 actives 31,389 annuitants 4,150 inactive
25	ERS of Texas	\$19.7	\$29.3 million	305	150,000 actives 51,000 annuitants 49,000 inactive 11,374 actives 1,740 annuitants (the plans are responsible only for participants who retire after June 30, 1997)
26	District of Columbia Retirement Board	\$1.8	\$2.0 million	13	6,100 total
27	Delaware PERS	\$4.8	\$5.2 million	55	38,500 active 18,800 retired
28	California PERS	\$135			
29	Arkansas State Highway ERS	\$900 million	\$440,000	5	6,100 total
30	Illinois Municipal Retirement Fund	\$13.9	\$18.7 million	186	Actives: 176,776 Annuitants: 73,360 Inactives 92,352
31	Missouri SERS	\$5.0			