

The background of the slide is a blue-tinted photograph of a desk. In the foreground, a pair of black-rimmed glasses is positioned horizontally. Behind the glasses, a black pen lies horizontally. In the background, a document with large, bold, black letters is visible, though the text is mostly obscured by the glasses and pen. The overall scene suggests a professional or academic setting.

ILLINOIS TOLLWAY

Risk Management Program

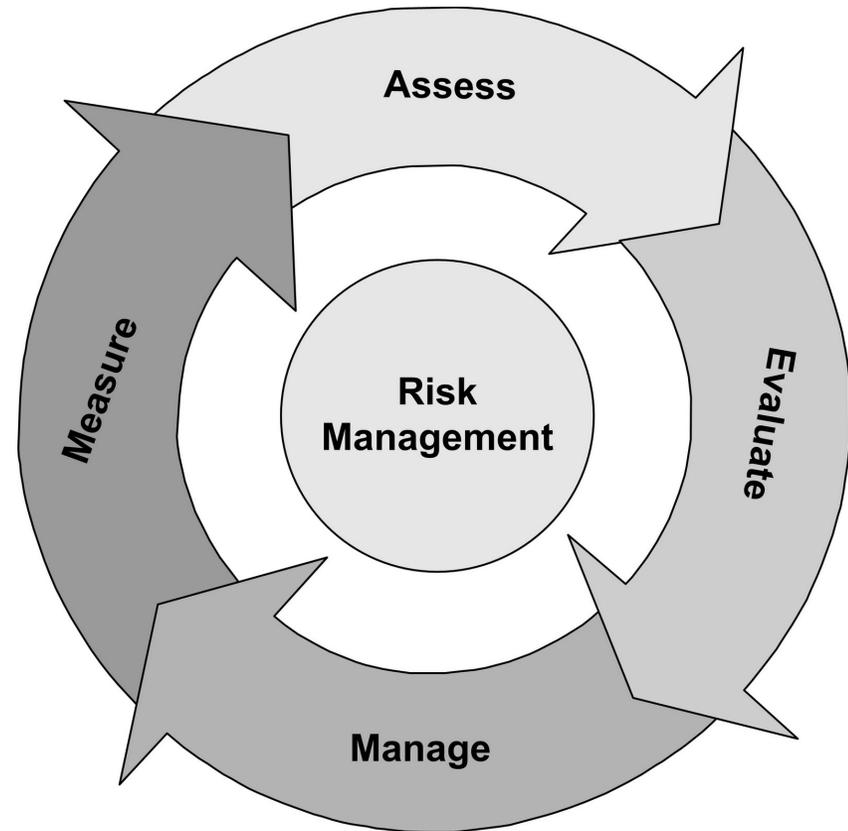
January 2026



RISK MANAGEMENT PHILOSOPHY

The Tollway's Risk Management Program seeks to identify, assess and manage risks within Tollway's risk appetite framework and in accordance with the applicable statutes

- The goal is to reduce the uncertainty associated with the execution of the Tollway's vision to relieve congestion and improve mobility, focus on our customers and strengthen cultural and environmental vitality, all within a fiscally responsible manner



APPLICABLE STATUTES

605 ILCS Act 10 Tollway Highway Act

- Allows the Tollway to be subject to civil action to recover damages for injury to person or property without any form of tort immunity, unlike the state and most public bodies

Trust Indenture Section 715 Maintenance of Insurance

- The Tollway shall at all times maintain, to the extent reasonably obtainable, the following kinds and the following amounts of insurance, such variations shall be reasonably required to conform to applicable standard or customary insurance practice and subject to such exceptions and permissible deductible as are ordinarily required
- Certificates by the Consulting Engineer made pursuant to this section shall be in writing and filed with the Tollway and trustees annually within 30 days of the close of each fiscal year

ILLINOIS TOLLWAY STATISTICS

Property

- 294 miles
- 691 bridges
- 200 total facilities
- 605 vehicles

Customers

- 5.5 million I-PASS accounts
- 4.8 million Pay By Plate accounts
- 2.8 million daily toll transactions

Move Illinois Program (2012-2025)

- 929 construction and professional services contracts



ILLINOIS TOLLWAY STATISTICS

Information technology

- 91 toll plazas, 12 maintenance sites and two offices
- 1,500 physical and virtual servers
- More than 1,500 network devices
- 6,800+ user accounts

Employees

- 2026 budgeted headcount: 1,356
- 712 HMO/484 PPO
- Average 127 workers' compensation claims per year



RISKS AND VULNERABILITIES

Liability risks (property and commercial)

- All bridges, buildings and facilities as well as loss of toll revenues due to damage for the Tollway assets
- Injuries to persons and properties
- Contractor liability/claims

Cyber risks

- Data losses caused by cyberattacks, viruses and other threats
- Lawsuits against the agency that result from data breaches or the failure to protect sensitive information



Solutions

- Insurance
- Safety
- Risk transfer guidelines

RISKS AND VULNERABILITIES

Workers' compensation

- Claims/reserves

Employee benefits

- Medical/dental/vision claims
- Self-funded

Solutions

- Safety
- Wellness



ILLINOIS TOLLWAY INSURANCE PROGRAMS

- **Cyber liability**
- **Property insurance**
- **General liability**
- **Contractor insurance-transfer**
- **Rolling Owner-Controlled Insurance Program and I-490 Tollway Project Owner-Controlled Insurance Program**
- **Equipment breakdown**
- **Employee benefits**
- **Public officials and employment practices liability (director's insurance)**
- **Workers' compensation**

CYBER LIABILITY

Cyber liability protects the agency against data losses caused by cyberattacks, viruses and other threats

- It also covers lawsuits against the agency that result from data breaches or the failure to protect sensitive information that belongs to our customers

Threats

- Network security, employee sensitive information, cyber extortion

Note

- Customer information tokenized in 2015

COVERAGE AND CLAIMS FOR OTHERS

Insurance company – Travelers Casualty and Surety Company of America

Policy Period: January 1, 2026-2027

Premium: \$270,895.00

- Policy aggregate limit of liability: \$10,000,000
- Business interruption: \$10,000,000
- Regulatory defense: \$10,000,000
- Cyber extortion: \$10,000,000

CYBER CRIME

Funds transfer fraud

- Coverage for loss of money or securities due to fraudulent transfer instructions to a financial institution

Social engineering fraud

- Coverage for loss of money or securities due to a person impersonating another and fraudulently providing instructions to transfer funds

Telecom fraud

- Coverage for amounts charged by a telephone service provider resulting from an unauthorized person accessing or using an insured's telephone system

BUSINESS LOSS

Business interruption

- Coverage for loss of income and expenses to restore operations as a result of a computer system disruption caused by a virus or computer attack, including the voluntary shutdown of systems to minimize the business impact of the event

Dependent business interruption

- Multiple coverage options for loss of income and expenses to restore operations as a result of an interruption to the computer system of a third party that the insured relies on to run their business; it must be a third party under a written agreement

System failure

- Coverage for loss of income and expenses to restore operations as a result of an accidental, unintentional and unplanned interruption of an insured's computer system

Reputational harm

- Coverage for lost business income that occurs as a result of damage to a business' reputation when an actual or potential cyber event becomes public

PROPERTY INSURANCE

The agency property insurance protection includes blanket insurance coverage (all bridges, buildings and facilities, as well as loss of toll revenues due to damage) for the Tollway assets and separate coverage for the central administration facility, its contents and related EDP equipment as insured through an office building insurance policy

- The agency's engineering consultants annually certify that the insurance proposals received are in accordance with the requirements of the indenture



PROPERTY INSURANCE COVERAGE

Insurance companies – RSUI, Westchester and Chubb

Policy period: April 1, 2025-2026

Premium: \$2,566,970.00

- \$200,000,000 loss limit (subject to \$1,000,000 deductible per loss)
- Earthquake coverage limit is \$100,000,000
- Flood coverage limit is \$50,000,000
- Coverage for Central Administration facility coverage insures to the replacement cost of the building, as well as coverage for the EDP equipment

COMMERCIAL LIABILITY

Section 715 of the Master Trust Indenture requires the Tollway to maintain, to the extent reasonable obtainable, public liability insurance covering injuries to persons and properties. The Tollway's engineering consultants annually certify that the insurance proposals received are in accordance with the requirements of the indenture.

COMMERCIAL LIABILITY COVERAGE

Insurance company – Lexington Insurance Company – first layer (\$5,000,000)

Policy period: June 1, 2025-2026

Premium: \$5,439,962.00

Excess layers total \$145,000,000 in aggregate

COMMERCIAL LIABILITY EXCESS LAYER COVERAGE

1st layer- \$5,000,000

- Lexington Insurance Co.

2nd layer - \$5,000,000 xs \$5,000,000

- Gemini Insurance Company.

3rd layer - \$5,000,000 xs \$10,000,000

- Palomar Excess

4th layer - \$5,000,000 xs \$15,000,000

- Accredited Specialty

5th layer - \$10,000,000 xs \$20,000,000

- Allied World Assurance

6th layer -\$5,000,000 xs \$30,000,000

- Homesite Ins. Co

7th layer- \$10,000,000 xs \$35,000,000

- Endurance American

8th layer - \$5,000,000 xs \$45,000,000

- Upland

9th layer - \$10,000,000 xs \$50,000,000

- Aspen

10th layer - \$15,000,000 xs \$60,000,000

- Westchester

11th layer - \$70,000,000 xs \$75,000,000 Quota Share

- Great American Insurance Co. -\$10,000,000
- Axis Surplus Insurance Co. - \$7,500,000
- RSUI Indemnity Co. - \$10,000,000
- Berkley National Insurance Co. -\$15,000,000
- Arch Insurance Co. - \$7,500,000
- Starstone Specialty \$5,000,000
- Vantage Risk \$5,000,000
- SiriusPoint Specialty - \$5,000,000

RISK TRANSFER – CONTRACTOR INSURANCE

Required contractor coverages include

- Commercial general liability
- Automobile liability
- Workers' compensation and employer liability
- Excess/umbrella liability
- Contractor's pollution liability
- Builder risk
- Railroad protective (as required by contract)
- Professional liability

CONTRACTOR INSURANCE

Commercial general liability

- \$1 million each occurrence for BI/PI/PD
- \$2 million general aggregate
- \$2 million products/completed operations aggregate
- General aggregate must be on a per-project basis
- Products-completed operations for minimum two years following acceptance of work

Automobile liability

- \$1 million combined single limit

Workers' compensation and employer liability

- Workers' compensation - statutory benefits
- Employer liability
 - \$1 million each accident
 - \$1 million disease each employee
 - \$1 million disease policy limit

ROLLING OWNER-CONTROLLED INSURANCE PROGRAM

Removing barriers to prime contracting opportunities for small businesses



The ROCIP provides general liability insurance coverage on small business contracts, removing a barrier for participation on prime opportunities



This allows the Tollway to level the playing field for small and diverse businesses and allows more contractors to pursue prime opportunities

ROLLING OWNER-CONTROLLED INSURANCE PROGRAM

Removing barriers to prime contracting opportunities for small businesses



Through the program, eligible enrolled contractors, subcontractors and vendors are provided liability coverage



ROCIP aligns with current Tollway small business programs while being flexible enough to be used for emerging and future programs

OWNER-CONTROLLED INSURANCE PROGRAM

I-490 Tollway Project

OCIP required for a specific part of the I-490 Tollway construction project that requires access to the Canadian Pacific Railroad's right-of-way.

\$100 million in general liability Excess limits

Canadian Pacific Railroad named as Insured

Term of program is 10/4/2021 through 12/31/2026

Premium: \$15,287,366.79

Other insurance required:

Railroad protective – Canadian Pacific Railroad

Railroad protective – Union Pacific Railroad

Contractor's pollution – Canadian Pacific Railroad

EQUIPMENT BREAKDOWN

Equipment breakdown insurers the Tollway's assets against damage due to electrical injury including artificially generated current, mechanical breakdown, explosion of steam vessels and piping

Coverage also includes business income loss

- Insurance company: Federal Insurance Company
- Policy period: August 1, 2025-2026
- Premium: \$26,112.00



EMPLOYEE BENEFITS

Current vendor is Aetna

Two programs, self-insured with stop loss coverage

One PPO program and one HMO program

Current contract expires March 1, 2026



EMPLOYEE BENEFITS

Basic term-life insurance and AD&D provided at no cost to employees

Dental insurance provided at no additional cost to employees

Optional coverages available include supplemental life insurance, AD&D coverage and voluntary vision

PUBLIC OFFICIALS AND EMPLOYMENT PRACTICES LIABILITY

General Liability Policy provides coverage at full limits for the Board of Directors, as well as all employees acting in their official capacity

As required by Section 7 of the Toll Highway Act, the Tollway procures and maintains a Public Employees Schedule Bond in favor of the People of the State of Illinois, approved by the Governor and Attorney General in the following amounts

- Board chair - \$100,000
- Directors - \$25,000
- Board secretary - \$25,000

WORKERS' COMPENSATION

The Tollway instituted a self-insured Workers' Compensation Program in May 1988

- Annually an independent third-party actuary prepares a fund reserve amount, which is reviewed and recommended by the Consulting Engineer
- Corvel, a third-party administrator, is used to adjust the claims

Claim counts: average 127 claims per year

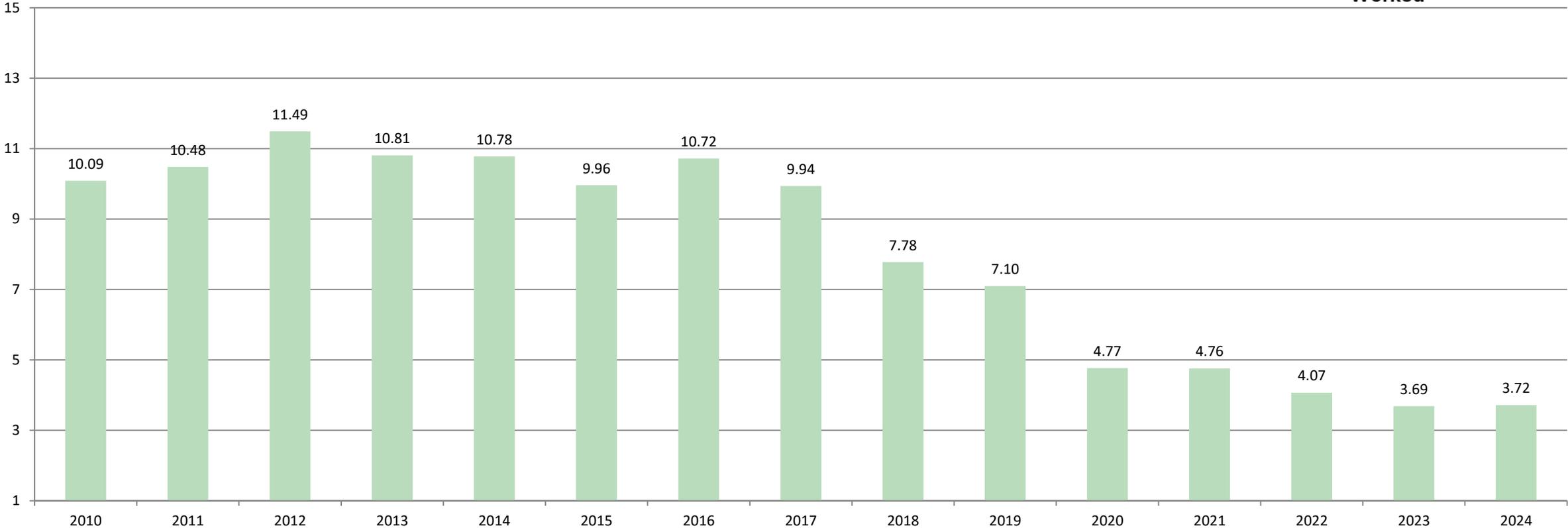
Funding for 2025-26: \$5,358,880



SAFETY

Number of Recordable Injuries + Illnesses

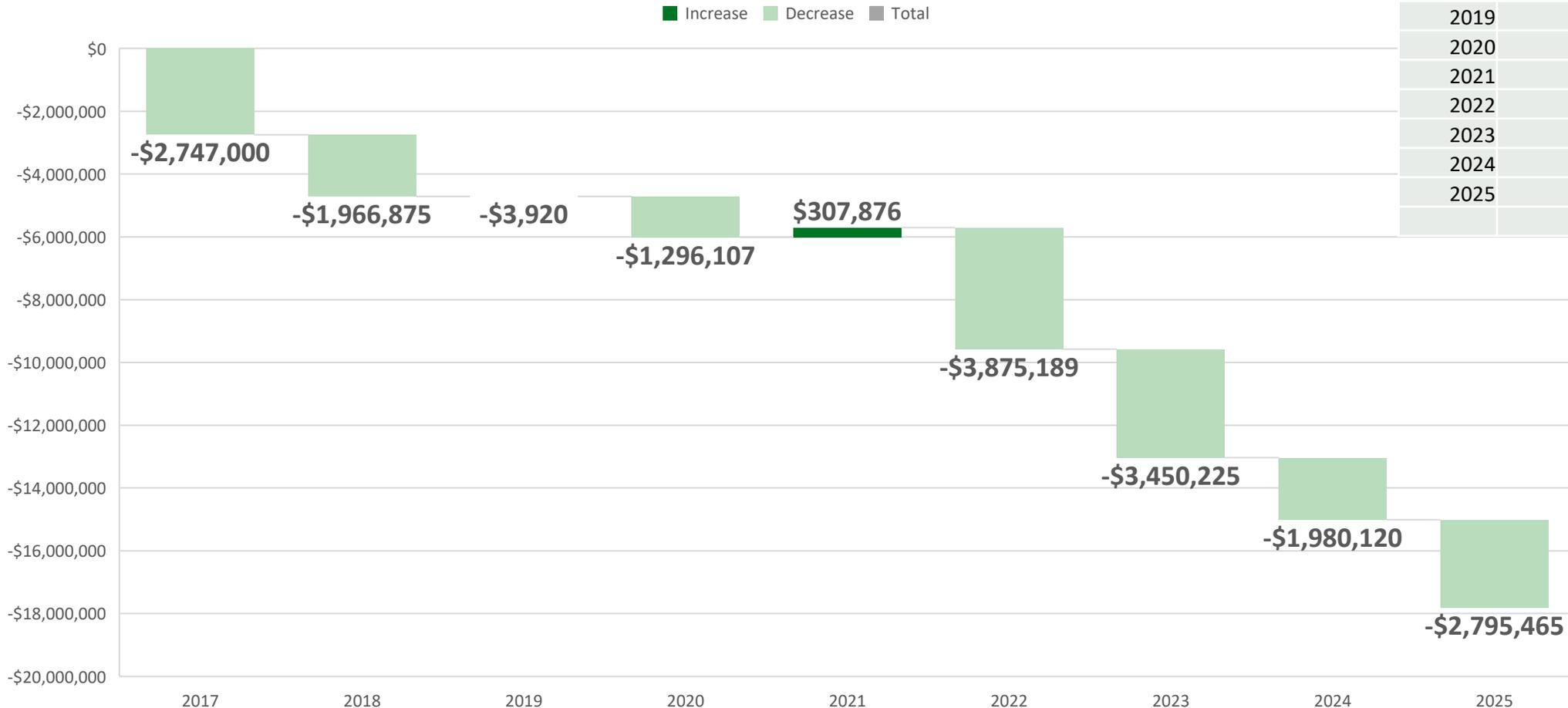
200,000 Manhours Worked



WORKERS' COMPENSATION RESERVES

Compensation Reserves

Decrease in Overall Workers' Compensation Reserves



Year	Net adjustment
2017	-\$2,747,000
2018	-\$1,966,875
2019	-\$3,920
2020	-\$1,296,107
2021	\$307,876
2022	-\$3,875,189
2023	-\$3,450,225
2024	-\$1,980,120
2025	-\$2,795,465
	-\$17,807,025



TRANSITIONAL DUTY PROGRAM

The Illinois Tollway's Transitional Duty Program earned the IBTTA 2025 Excellence Award in Administration and Finance





THANK YOU