Power of Pooling:

Addressing One of Your County's Biggest Budget Items

County Employee Benefit Consortium of Ohio
CEBCO
Health & Wellness

AON

CORSA
PROPERTY & CASUALTY

County Risk Sharing Authority

Dan Dean
CORSA Board Director
Fayette County Commissioner

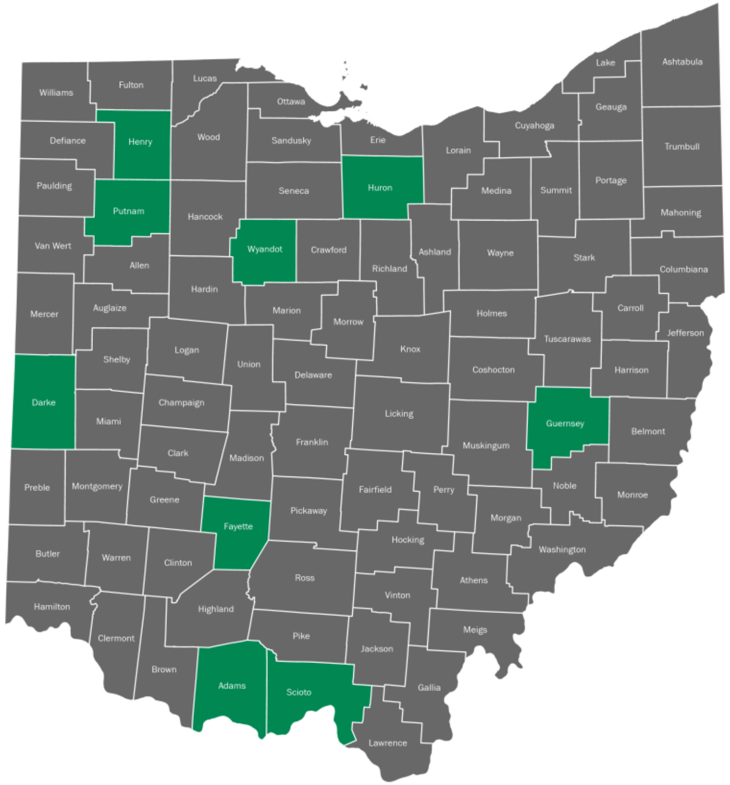
209 E. State St., Columbus, Ohio 43215
www.corsa.org

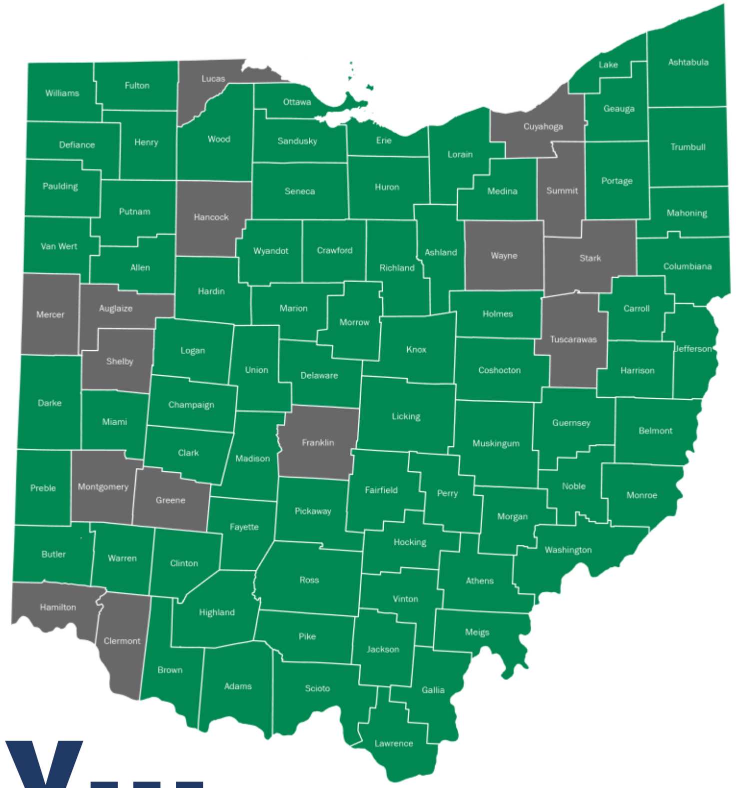
History of Pooling

Pooling started in Ohio

- ✓ 1986 (ORC 2744.08/1)

CORSA started with 9 brave counties in 1987





Today…

We have 73 counties and 50 affiliates

CORSA’s

Mission:

The County Risk Sharing Authority’s (CORSA) mission is to provide members with comprehensive property and liability coverage and high-quality risk management services at a stable and competitive cost.

Vision:

To be the leader in providing Ohio counties with exceptional value, service and protection of assets.

Why Government Entities Should Share Risk "Pooling"

- ✓Bulk Purchasing Power
- ✓Spreading Risk
- ✓More Advantageous for Underwriting
- ✓Member Owned and Governed
- ✓Broad Coverage
- ✓Stable/Competitive Market

CORSA PROPERTY & CASUALTY

Financial

Pools have sustained excellent financial performance, generated coverage innovations and helped focus public entities on risk management as an operational priority.

- ✓Strong Financial Position
- ✓Shared Accountability
- ✓Tailored Coverage
- ✓Risk Management
- ✓Retention
- ✓Claims Handling

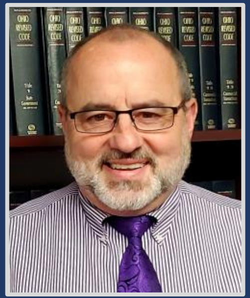
Coverage Provided thru Pooling - Otherwise, Unaffordable Independently

- ✓ Law Enforcement Liability (Jail and Road)
- ✓ Abuse and Molestation
- ✓ Public Officials
- ✓ Fleet

Benefits of Member Owned Pool

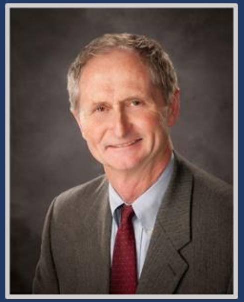
- ✓ Dividends
- ✓ Safety Grants
- ✓ Specialized Training Opportunities
- ✓ Custom Policies and Procedures
- ✓ Free Legal HR/Employment Advice

CORSA Board of Directors



Dave Wilson
Guernsey County

Craig LaHote
Wood County



Gary Merrell
Delaware County

Mark Stahl
Ottawa County

Cory Noonan
Allen County

Dan Dean
Fayette County

Teresa Bemiller
Knox County

Diane Ward
Adams County

Charlie Schilling
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Questions:
Please Contact

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Insurance Pooling

Tony Roberts
Senior Vice President
Health Solutions

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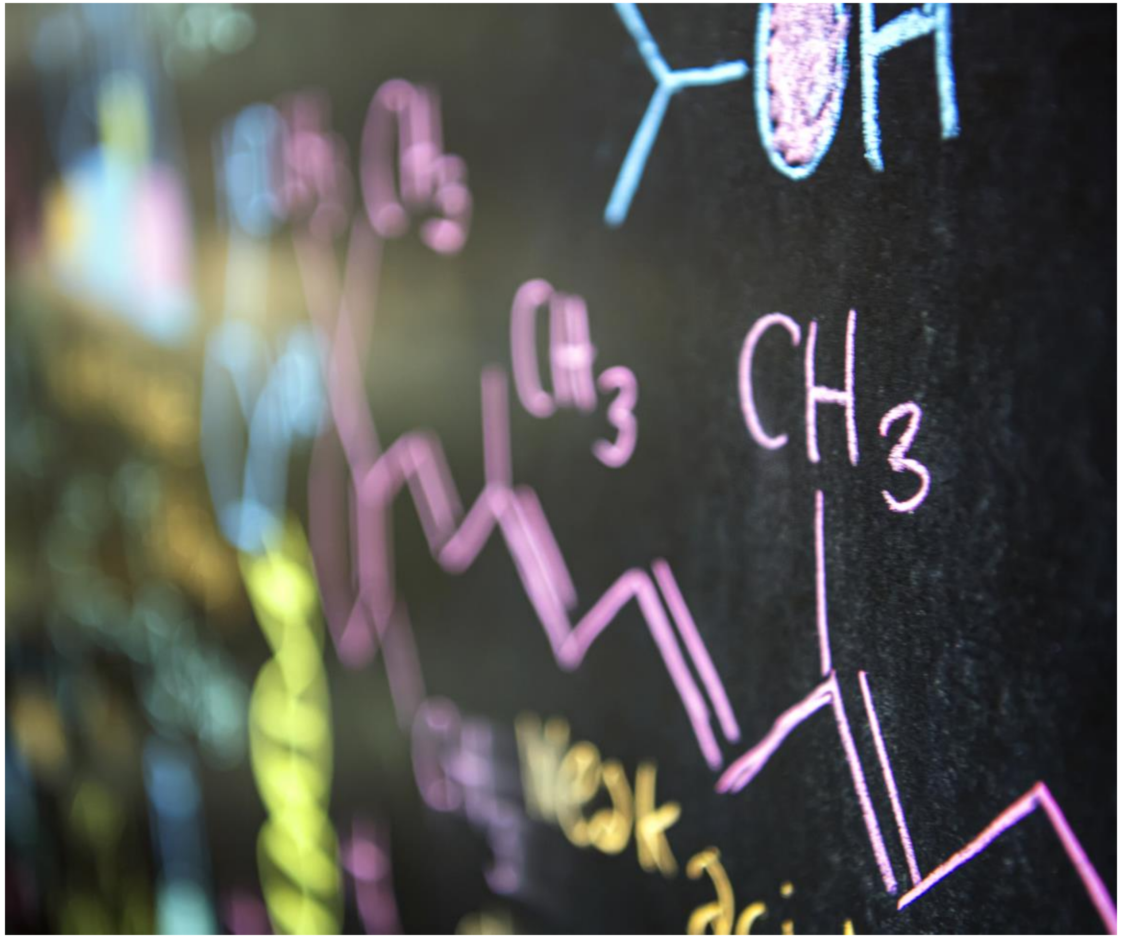
CCAO Winter Conference

Pooling Defined

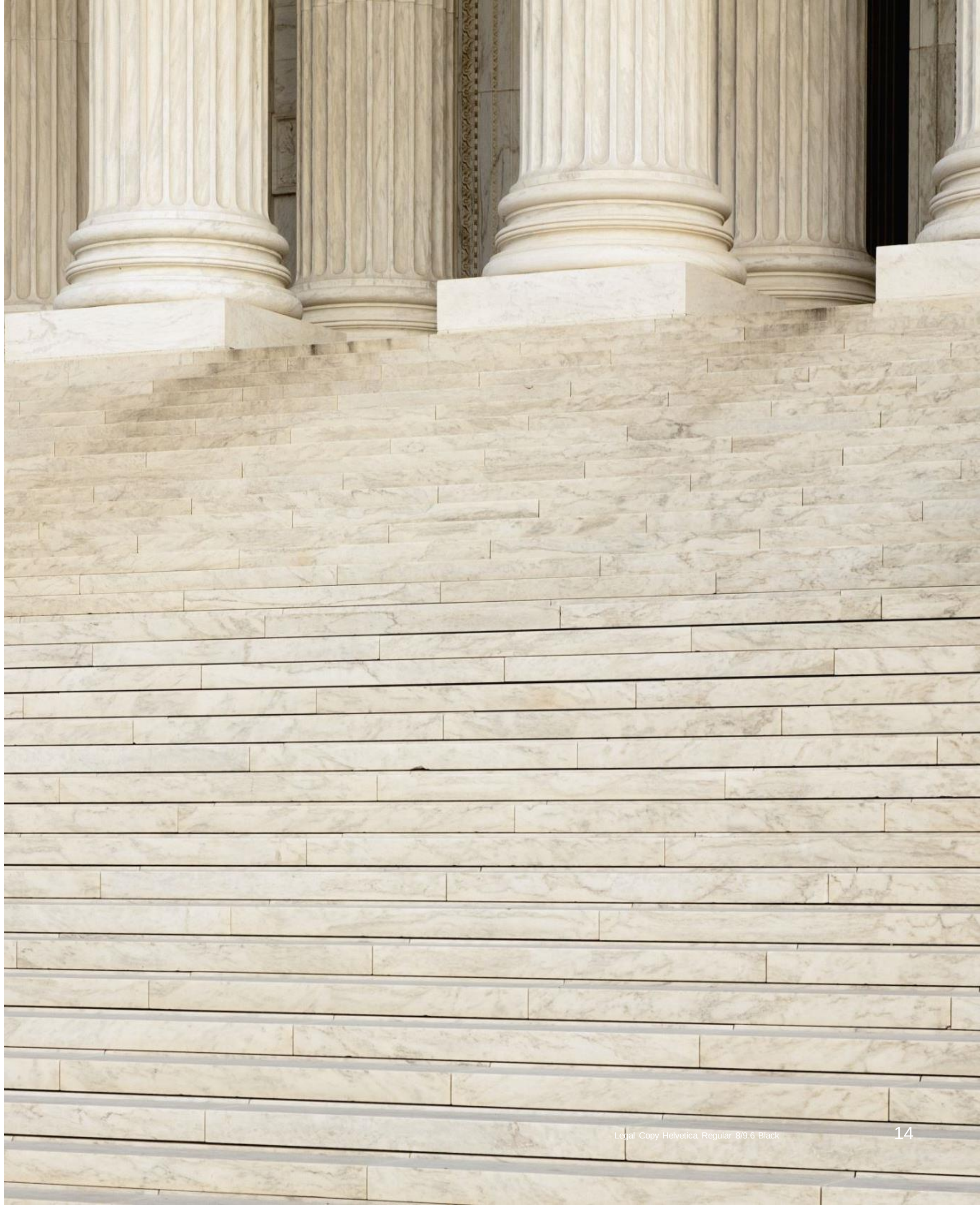
Insurance pooling refers to the practice of combining the risks of multiple individuals or entities into a single pool. This pooling of risks allows participants to share the financial burden of potential losses, making insurance coverage more accessible and affordable for everyone involved

- Joint Powers Authorities
- Trusts
- Mutuals
- Risk Retention Groups
- Self-Insurance Authorities
- Assigned Risk Pools



Types of Government Entities

- Cities
- Counties
- K-12 Schools
- Higher Education
- Transit
- Public Utilities
- Airports & Port Authorities
- Special Districts



Pooling-Centric States

- California
- Washington
- Wisconsin
- New Jersey
- Florida
- Missouri

- Texas
- Illinois
- Michigan
- Ohio
- Pennsylvania
- North Carolina

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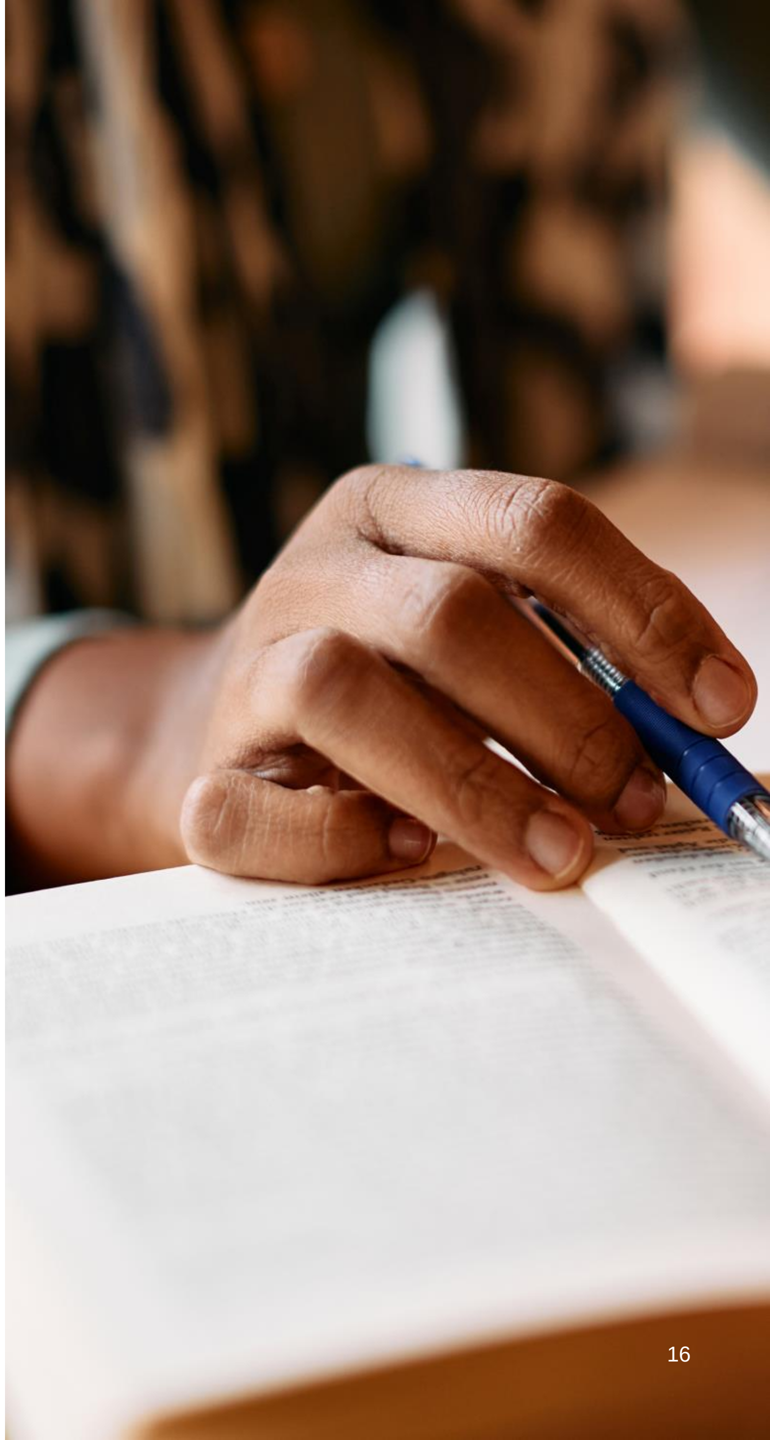
Pools vs Individual Entities

- Governance – more like corporations than public entities
- Pool clients understand insurance and risk management
- Procurement process is generally less cumbersome
- Invested in long term relationships
- Not typically commodity buyers
- Deal size
- Level of service



Top Risk Concerns Facing Public Sector and Pooling Organizations

Cyber-Attacks and Data Breaches 01	Damage to Reputation 02	Workforce Shortages 03	Inflation and Economic Concerns 04
Political Risk 05	Regulatory and Legislative Changes 06	Failure to Innovate or Meet Customer Needs 07	Emerging Risks – A.I. 08

+ Pools….

- Market Conditions
- Premium Costs
- Social Inflation Nuclear Verdicts
- Nat Cat Exposures
- Cyber Security Controls
- Competition

Coverage Offered

Risk

Health

CEBCO – Basic Elements for Success

1) The association has been in existence long enough to establish itself as a viable entity. Five years is a reasonable time-period.
2) Was not formed solely to purchase group benefits.
3) Member groups have strong loyalty to the association. Evidence of this is that the association provides a meaningful level of member services, such as central purchasing, advertising, financial assistance, lobbying and/or publications that keep member firms up-to-date on the activities of the association.
4) An executive director and office staff who are willing to commit time and resources to the program.
5) An interest in a uniform plan of benefits, although some options to meet the needs of its members is generally acceptable.
6) Enough employees in the plan to be experience rated or self-insured.
7) The association members are all located in one city, or at least one geographic region.
8) Member groups have realistic expectations about what group purchasing can achieve.

Why Consortium Plans Fail

1) Lack of enough of the basic elements.
2) Operates as a Purchasing Group instead of a Consortium.
3) Failure to keep current and evolve as conditions change.
4) Informal or poorly designed underwriting rules, lack of structure.
    1) Risk magnets.
5) Lack of discipline—failure to stick to the fundamentals.
6) Poor financial management, such as failure to hold adequate reserves.
7) Lack of checks and balances.
8) Offer too many plan design options, or allow members to design their own, or allow too many exceptions to standard plan designs, or customizes a “deal” with each member organization.
9) “Buy the business” or “investment pricing” to attract new groups into the program.
10) Excessive focus to sell to more groups can lead to compromises on rating and underwriting principals.
11) A commodity offering:
    1) Compete on price for the same benefit package.
    2) Nothing unique; no differentiators.
12) Offering terms and conditions outside what the regular market offers, such as:
    1) Multi-year rate guarantees.
    2) Renewal rate caps.

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Thank You