



Risk Management
Fund

2018 ANNUAL MEMBER MEETING

State of the Fund Report March 7, 2018



GAIN CONTROL OF YOUR RISK MANAGEMENT



AGENDA

- What's New?
- Financial Performance
- Claims Performance
- Risk Control Services
- 30th Anniversary Celebration!



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WHAT'S NEW

- Logo
- Investment Strategy
- Revised Interlocal Agreement



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NEW LOGO

- Committee appointed to work on development of new logo
- March 2017 – Board adopts new Fund logo
- October 2017 – New logo rolled out at the TWCA Conference



NEW INVESTMENT STRATEGY

- Nov. 2016 – Board receives legal opinion stating PFIA does not apply to Fund
- Nov. 2016 Planning Session - Board determines to explore alternative investment program in light of legal opinion
- Mar. 2017 - Board approves RFP for investment consultant. Investment Committee formed.



NEW INVESTMENT STRATEGY

- April 2017 – Committee receives 5 proposals; Committee conducts interviews with 3 firms
- May 2017 - Committee recommends and Board selects Concord Advisory Group Ltd. as the investment consultant
- Aug 2017 – Concord presents roadmap for implementing new strategy
- Sept-Oct 2017 – Committee works with Concord on new investment policy statement



NEW INVESTMENT STRATEGY

- Nov 2017 – Board approves new asset allocation
- Jan 2018 – implementation of new investment strategy begins; full implementation completed by end 2018
- Mar 2018 – Board approves final version of new Investment and Cash Management Policy
- Looking Ahead - New investment strategy anticipated to increase investment income to the benefit of Fund members through reduced contributions



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Carvan Adkins

INTERLOCAL AGREEMENT

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Interlocal Agreement History:

- Each members signs an interlocal agreement to join the Fund.
- The interlocal agreement is a contract to obtain self-insurance and related services through the Fund.
- Because Fund is interlocal agreement arrangement, members not required to go out for RFP.
- TWCA Risk Management Fund's Interlocal Agreement originally provided for three separate trusts for the Workers' Compensation, Property, and Liability Programs.



What's changed?

- The three trusts were combined into one self-insurance trust account in 2002. This was done to simplify the accounts and protect the financial strength of the Fund.
- In 2002, the Board adopted an amendment to the interlocal agreement to address the combination of trusts. This amendment was executed by each member.
- Since the amendment was adopted, the practice has been to give members the latest version of the interlocal agreement along with the amendment.



- What's changed?
 - The new interlocal agreement reflects all changes necessary for combining the trusts.
 - There were also changes made to the interlocal agreement to reflect current practices related to the use of surplus to reduce member contributions.
 - All TWCARMF members will need to sign during the 2018-2019 renewal process.








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FINANCIAL PERFORMANCE

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FINANCIAL PERFORMANCE

	JUNE 30 2017	JUNE 30, 2016	Change Over Prior Year
ASSETS	26,748,292	26,335,369	 412,923
LIABILITIES	7,289,591	8,670,974	 (1,381,383)
NET POSITION	19,458,701	17,664,395	 1,794,306
CONTRIBUTIONS	7,320,072	7,135,402	 184,670
NET INCOME	1,794,306	367,799	 1,426,507



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CLAIMS PERFORMANCE

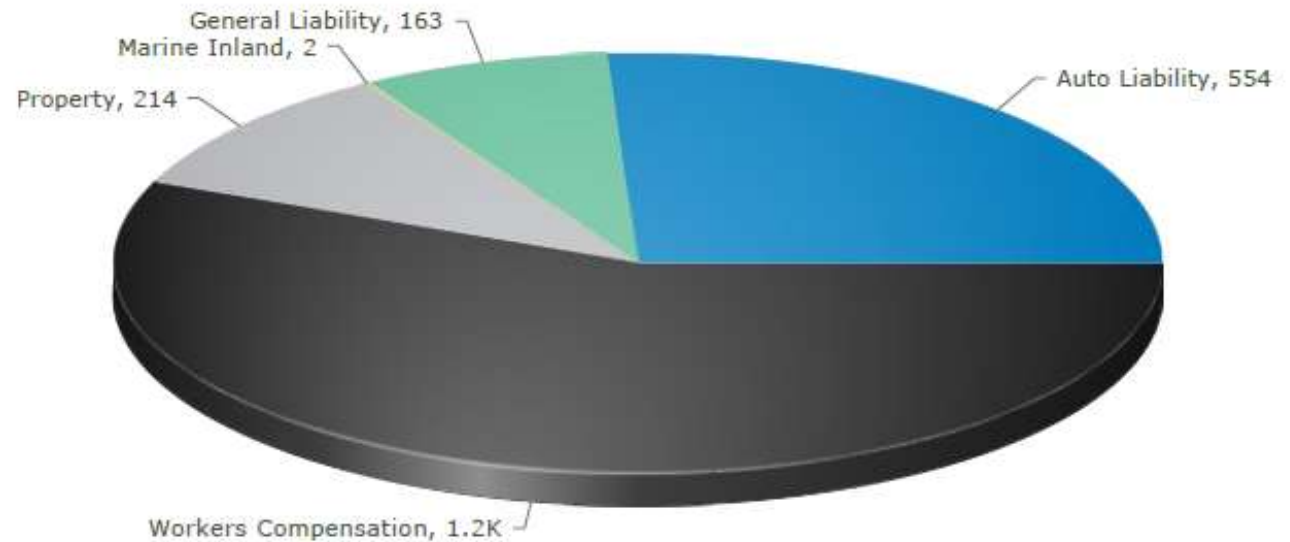
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WHAT KIND OF CLAIMS?

Member's Claims by Line of Business

Last Five Policy Years

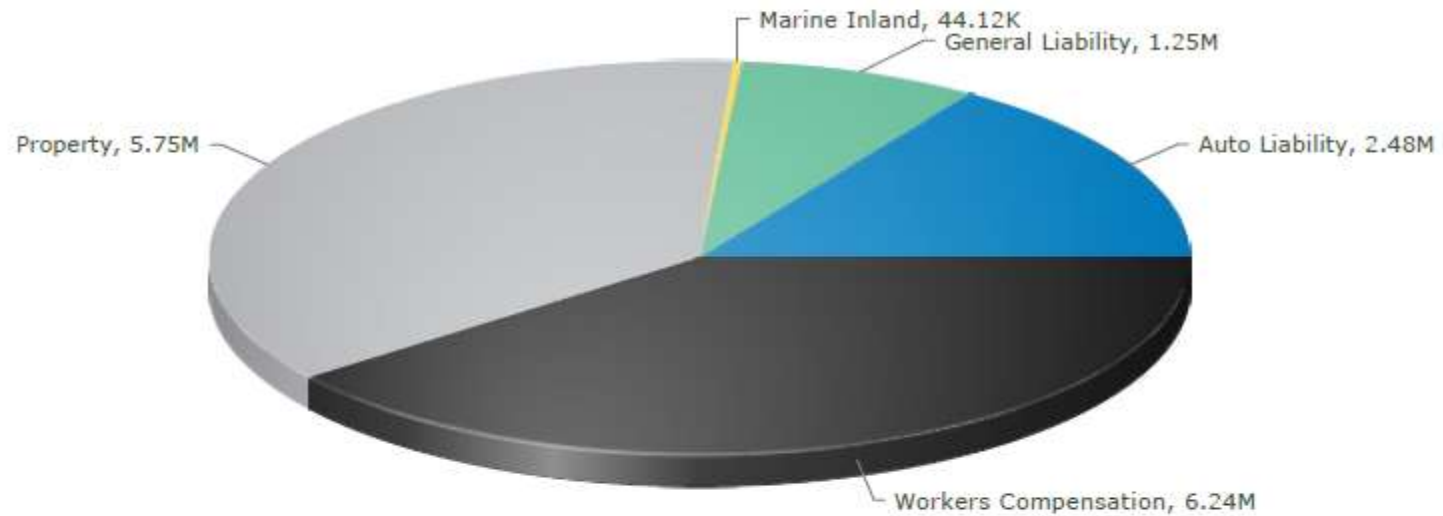




HOW MUCH \$\$\$?

Member's Claims Costs by Line of Business

Last Five Policy Years





WORKERS' COMPENSATION





INJURIES TO NEW EMPLOYEES (WC)

WC Claims by Length of Service

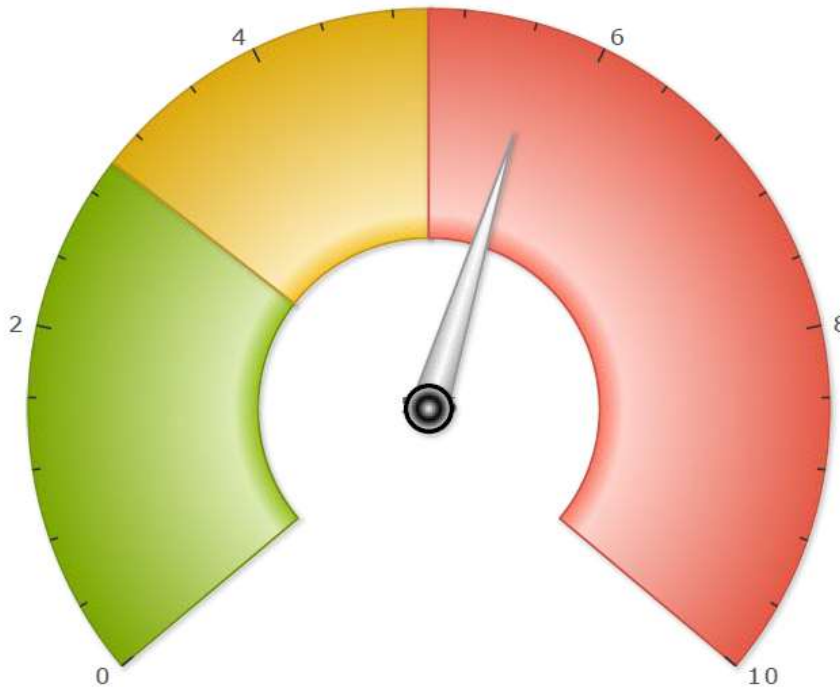




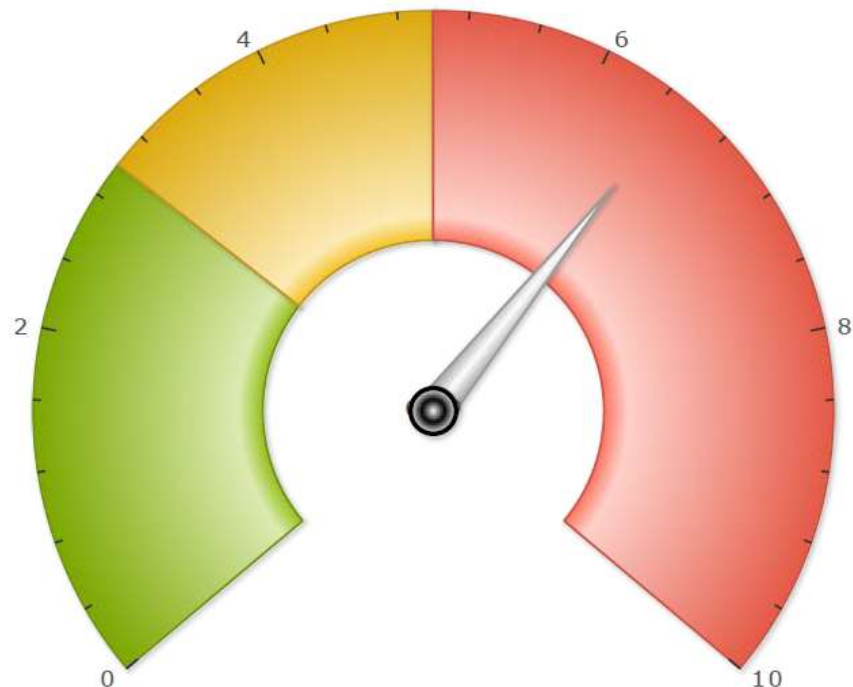
WORK. COMP. REPORTING

Average Report Lag Gauge

(WC Claims Opened in Last 365 Days)

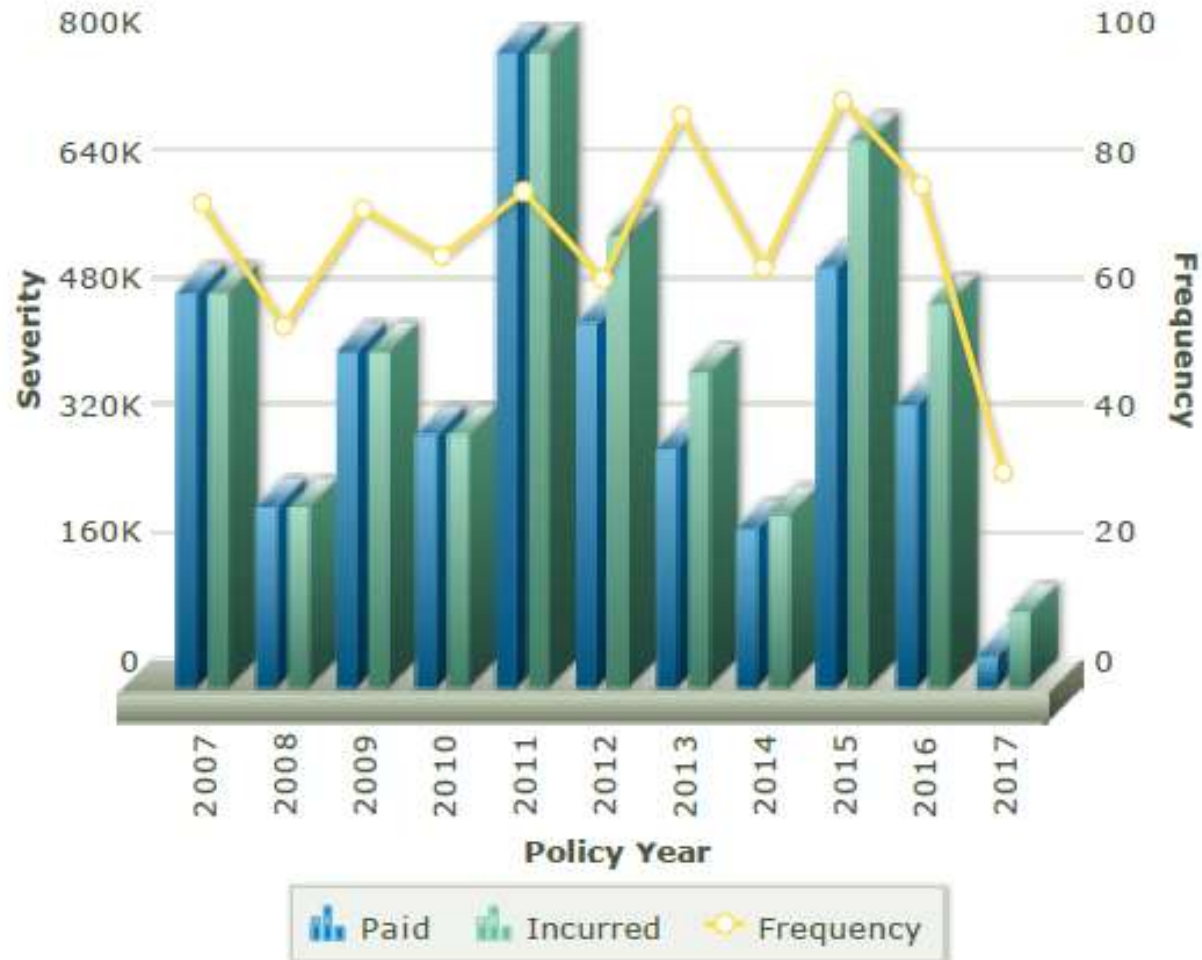


(WC Claims Opened in Previous 3 Years)





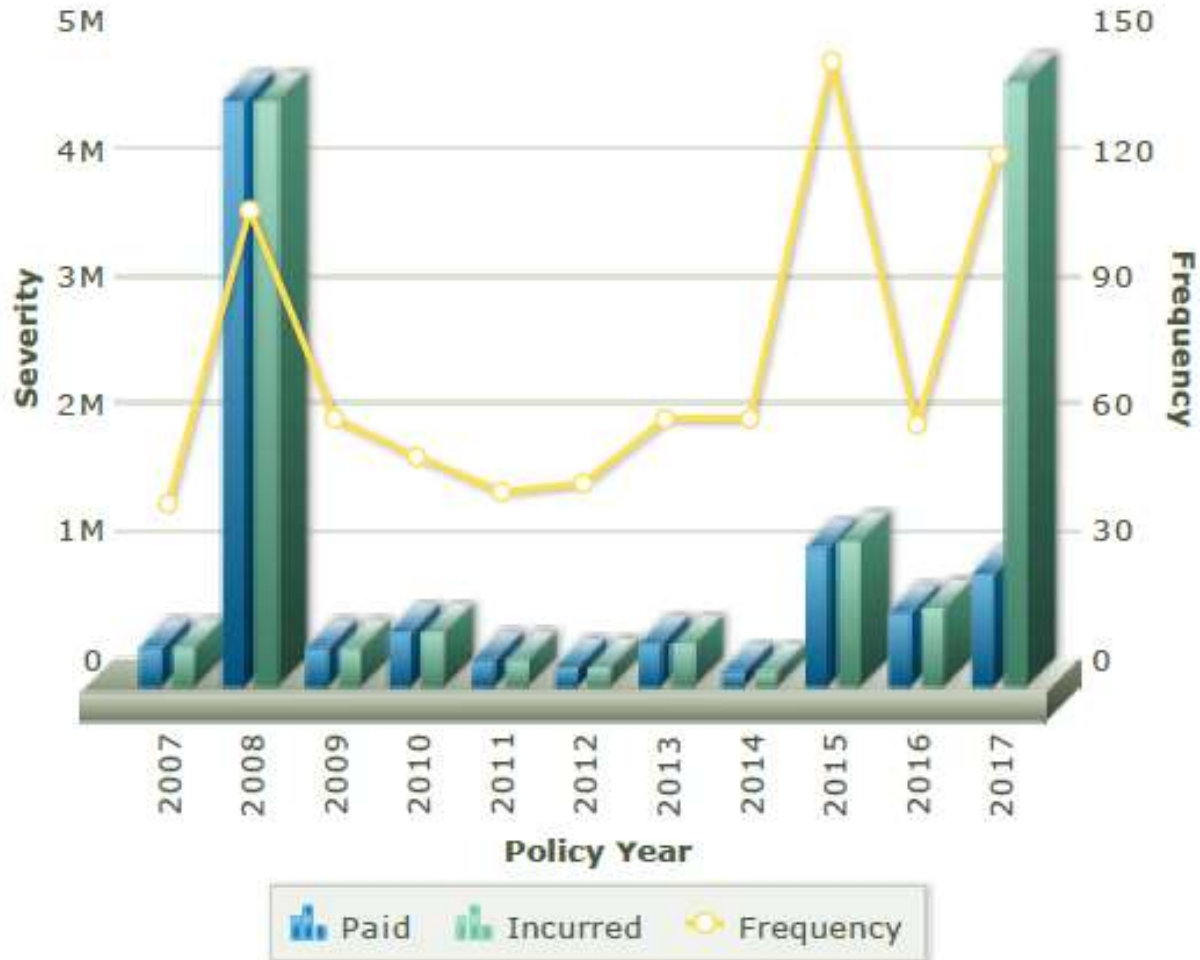
3rd PARTY LIABILITY CLAIMS



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1st PARTY PROPERTY CLAIMS





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RISK CONTROL SERVICES

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RISK CONTROL SERVICES

- Safety Surveys and Consultations
- Comprehensive Risk Management Consultations
- Safety Training
- Leadership Training
- Communications
 - Risk Advisor
 - Bulletins and Special Reports



2018 SAFETY SEMINARS

- **Claims Analysis:** An in depth look at the Fund's claims over the last five years. In addition to discussing statistics and trends, we will identify the most common accident types and their impact on the Fund.
- **Falls:** Will discuss fall hazard identification and how to reduce your risk.
- **Emergency Preparedness:** An opportunity to discuss elements of occupant emergency plans, the dos and don'ts of emergency drills and emergency action plans. This is a great opportunity for you to share your lessons learned from actual emergency situations.
- **Public Railroad Safety:** Look, Listen, Live! A discussion on the importance of safety at railroad crossings.
- **Arc Flash:** Understand the hazards of arc flash and how to reduce or eliminate the hazard.
- **Flammable Liquid Storage and Handling:** A look at proper storage and handling of flammable liquids to reduce your risk of a catastrophic event.



2018 SAFETY SEMINARS

- **Dates and Locations:**

- May 16, 2018: High Plains UWCD, 2930 Avenue Q, Lubbock, TX
- June 27, 2018: Galveston County CDD, 1605 Whitaker Dr., Friendswood, TX
- August 15, 2018: North Texas MWD, 505 E. Brown Street, Wylie, TX
- October 3, 2018: San Jacinto River Authority, 1577 Dam Site Road, Conroe, TX
- November 7, 2018: Echo Hotel, 1903 South Closner Blvd., Edinburg, TX

- **Registration Information:** Contact Kathy Hulse; 512-427-2420; Kathy.hulse@yorkrsg.com



TWCARMF BOARD MEETINGS

- May 17, 2018 – Austin (Renaissance Hotel)
- August 16, 2018 – Austin (Archer Hotel)
- November 2-3, 2018 – Grapevine (Gaylord Texan Resort & Convention Center)

- The Fund Board invites anyone to attend their meetings

- www.twcarmf.org



- The Fund celebrates its 30th anniversary on July 1, 2018.
- TWCARMF will hold a reception in celebration of its anniversary during the TWCA Mid-Year Conference at La Torretta.
- Please be sure to register and attend the conference and the Fund's reception to help us celebrate!



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2018 ANNUAL MEMBER MEETING

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QUESTIONS OR COMMENTS?

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