



Risk Management  
Fund

**2020 ANNUAL MEMBERSHIP  
MEETING**

# **STATE OF THE FUND**

**MARCH 4, 2020**

**The Worthington Renaissance**

**Fort Worth, Texas**

**GAIN CONTROL OF YOUR RISK MANAGEMENT**



Risk Management  
Fund

## HISTORY OF THE FUND

- Feasibility Study in 1987
- Operations began in 1988
- 32 Initial Members
- \$1.05 Million in Annual Contributions
- Limited Services – Administration, Group Purchase of Excess/Reinsurance

GAIN CONTROL OF YOUR RISK MANAGEMENT



Risk Management  
Fund

## CURRENT STATE OF THE FUND

- 90 + Members
- \$8.0 Million in Annual Contributions
- Full Services - Program Administration, Safety and Loss Control, Finance and Accounting, Underwriting, and Claims Handling

GAIN CONTROL OF YOUR RISK MANAGEMENT



Risk Management  
Fund

## CURRENT STATE OF THE FUND

- Guiding Principles
  - Relationships, Service, Stability
- Purpose Statement
  - TWCARMF supports and enhances our members to allow them to focus on their primary service mission. We do this by offering:
    - Protection;
    - A comprehensive suite of risk management services;
    - Taking risk management off your plate; and
    - Guidance

GAIN CONTROL OF YOUR RISK MANAGEMENT



Risk Management  
Fund

## BOARD OF TRUSTEES

- **Jace Houston**, Fund Chair, San Jacinto River Authority
- **Sonia Lambert**, Fund Vice-Chair, Cameron County ID #2 and Cameron County DD #3
- **Stacey Steinbach**, Fund Secretary, Texas Water Conservation Association
- **Norman Ashton**, Trustee, Tarrant Regional Water District
- **John Grant**, Trustee, Colorado River Municipal Water District
- **Sonny Hinojosa**, Trustee, Hidalgo County Irrigation District #2

GAIN CONTROL OF YOUR RISK MANAGEMENT



Risk Management  
Fund

## BOARD OF TRUSTEES

- **Kathy Turner Jones**, Trustee, Prairielands Groundwater Conservation District
- **Bruce Knott**, Trustee, San Antonio River Authority
- **David Montagne**, Trustee, Sabine River Authority of Texas
- **Rodney Rhoades**, Trustee, North Texas Municipal Water District
- **Alvin Schuerg**, Trustee, Guadalupe Blanco River Authority
- **Lori Traweek**, Trustee, Gulf Coast Authority
- **Ronald Neighbors**, Chair Emeritus

GAIN CONTROL OF YOUR RISK MANAGEMENT



Risk Management  
Fund

## SERVICE PARTNERS

- TWCA – Sponsoring Association
- YORK/SEDGWICK – Program Administration, Safety and Loss Control, Underwriting, Finance, and Claims Management
- JI SPECIAL RISKS INSURANCE AGENCY – Brokerage
- HOLTZMAN PARTNERS LLP – Financial Auditing
- GLICKSMAN CONSULTING – Actuarial
- CONCORD ADVISORY GROUP, LTD – Investments

GAIN CONTROL OF YOUR RISK MANAGEMENT



Risk Management  
Fund

## 2018/2019 ACCOMPLISHMENTS

- Unqualified Opinion – 2018/2019 Financial Audit
- Coverage Enhancements
  - Addition of \$50,000 in defense coverage for “takings” claims effective 2019/2020
- Investments
  - Full implementation of new investment strategy resulted in a significant increase in investment earnings
- Rate Stabilization
  - Use of \$500,000 in surplus to help reduce the impact of rate increases

GAIN CONTROL OF YOUR RISK MANAGEMENT





- Policies and Procedures
  - Rewrite of major policy documents regarding claims handling, litigation management, nominations and elections, advisory committees, and Bylaws
- Communications
  - Completed communication survey to help guide the development of a formal communication strategy
- Strategic Plan
  - Formalized plan being implemented. Initiatives focus on core values of Relationships, Service, and Stability



Risk Management  
Fund

**CURRENT STATE FO THE FUND**

**FINANCIAL PERFORMANCE**

**GAIN CONTROL OF YOUR RISK MANAGEMENT**



# FINANCIAL PERFORMANCE

## 2018/19 ACTUALS COMPARED TO 2017/18 ACTUALS

<p><b>ASSETS</b></p> <p><b>\$30.9M</b></p> <p>↑ Increase of \$440k</p>	<p><b>LIABILITIES</b></p> <p><b>\$11.3M</b></p> <p>↓ Decrease of \$230k</p>	<p><b>NET POSITION</b></p> <p><b>\$19.7M</b></p> <p>↑ \$670k increase</p>
<p><b>CONTRIBUTIONS</b></p> <p><b>\$8.0M</b></p> <p>↑ 3.1% increase</p>	<p><b>CLAIM EXPENSES</b></p> <p><b>\$3.6M</b></p> <p>↓ \$170k decrease</p>	<p><b>NET INCOME</b></p> <p><b>\$670k</b></p> <p>↑ \$1.1 M higher than prior year due to favorable investment returns</p>

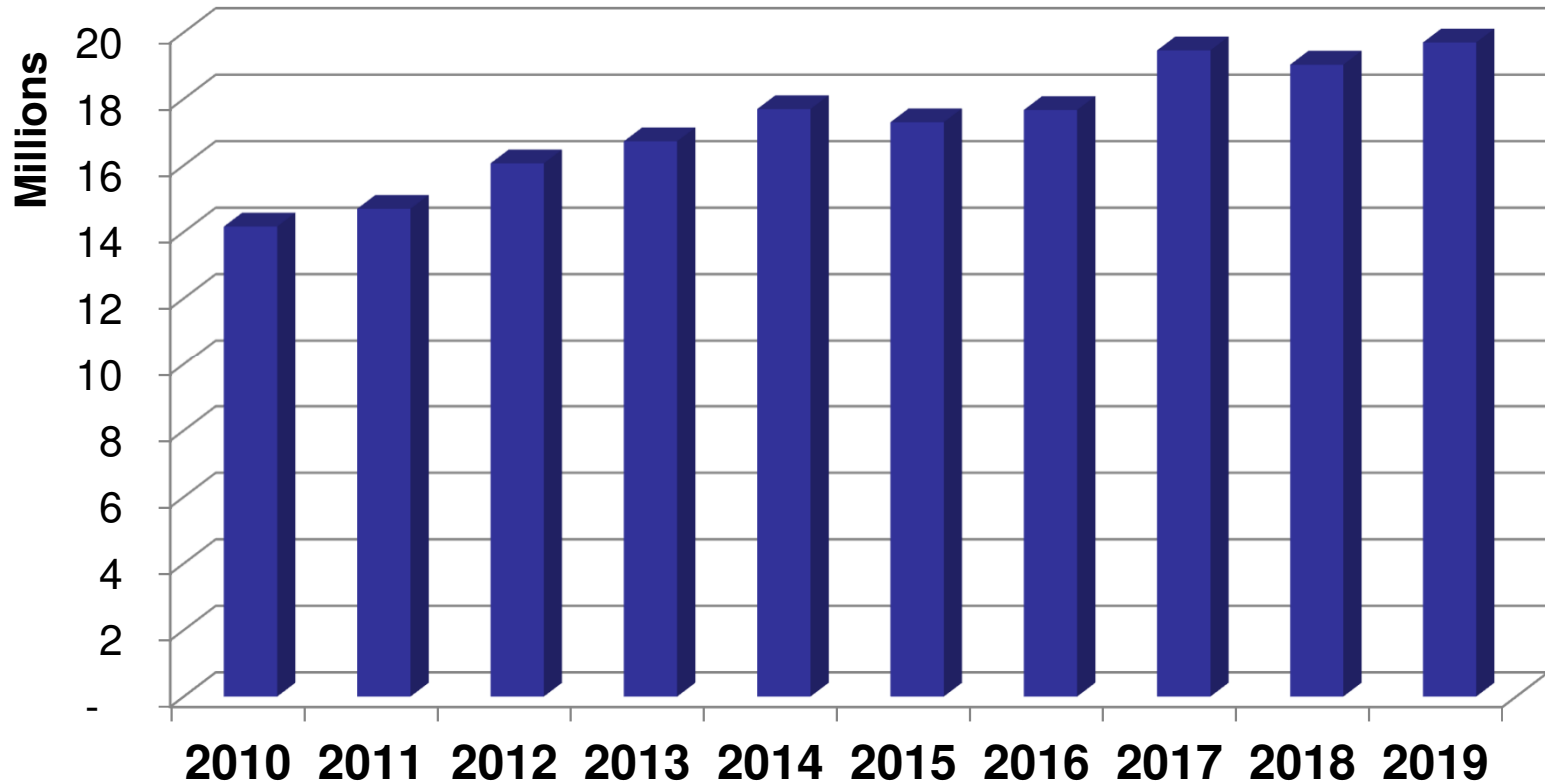
GAIN CONTROL OF YOUR RISK MANAGEMENT



Risk Management  
Fund

# FINANCIAL PERFORMANCE

## *10-YEAR NET POSITION HISTORY*



GAIN CONTROL OF YOUR RISK MANAGEMENT



Risk Management  
Fund

## CURRENT STATE OF THE FUND

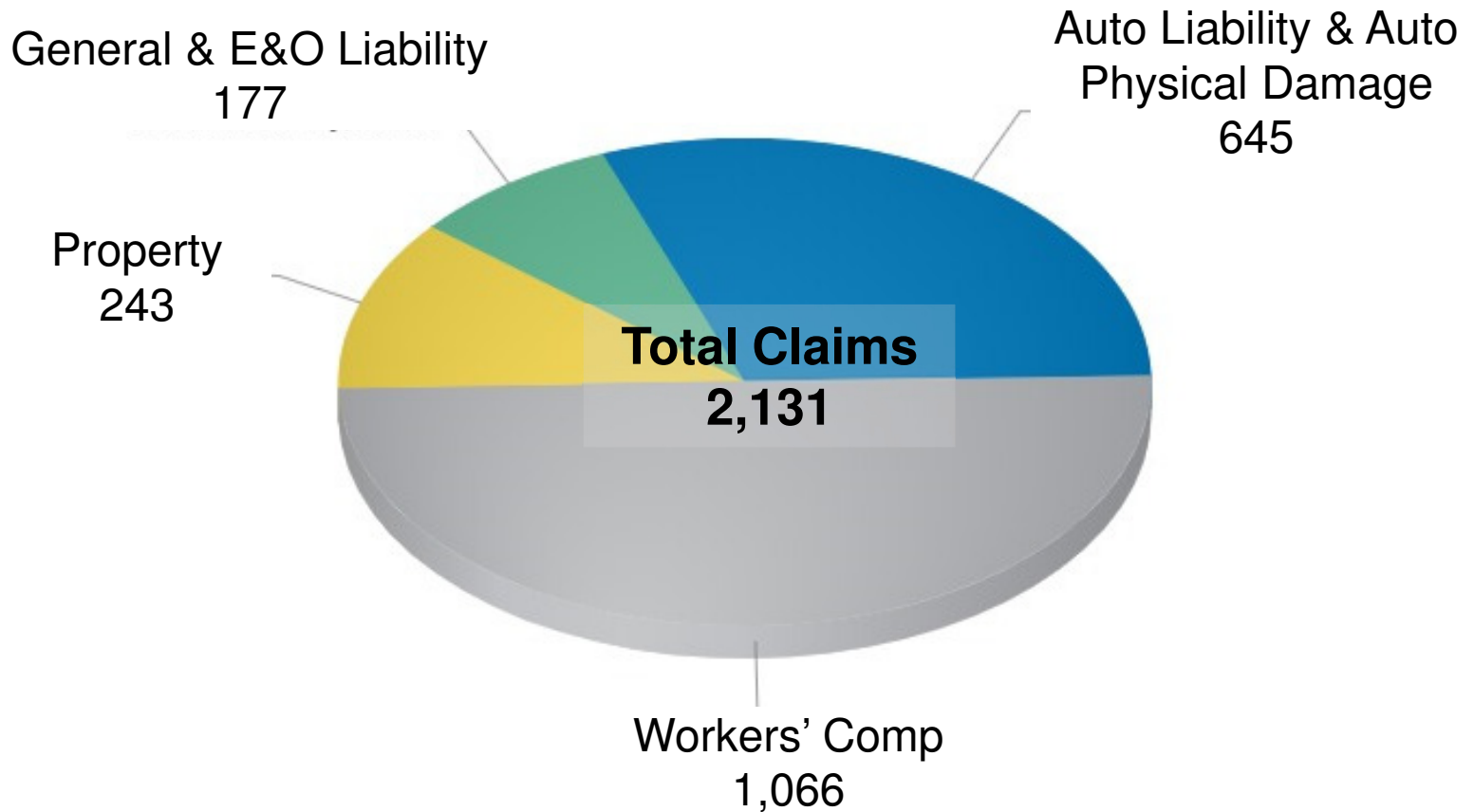
# CLAIMS PERFORMANCE

GAIN CONTROL OF YOUR RISK MANAGEMENT



# TYPES OF CLAIMS

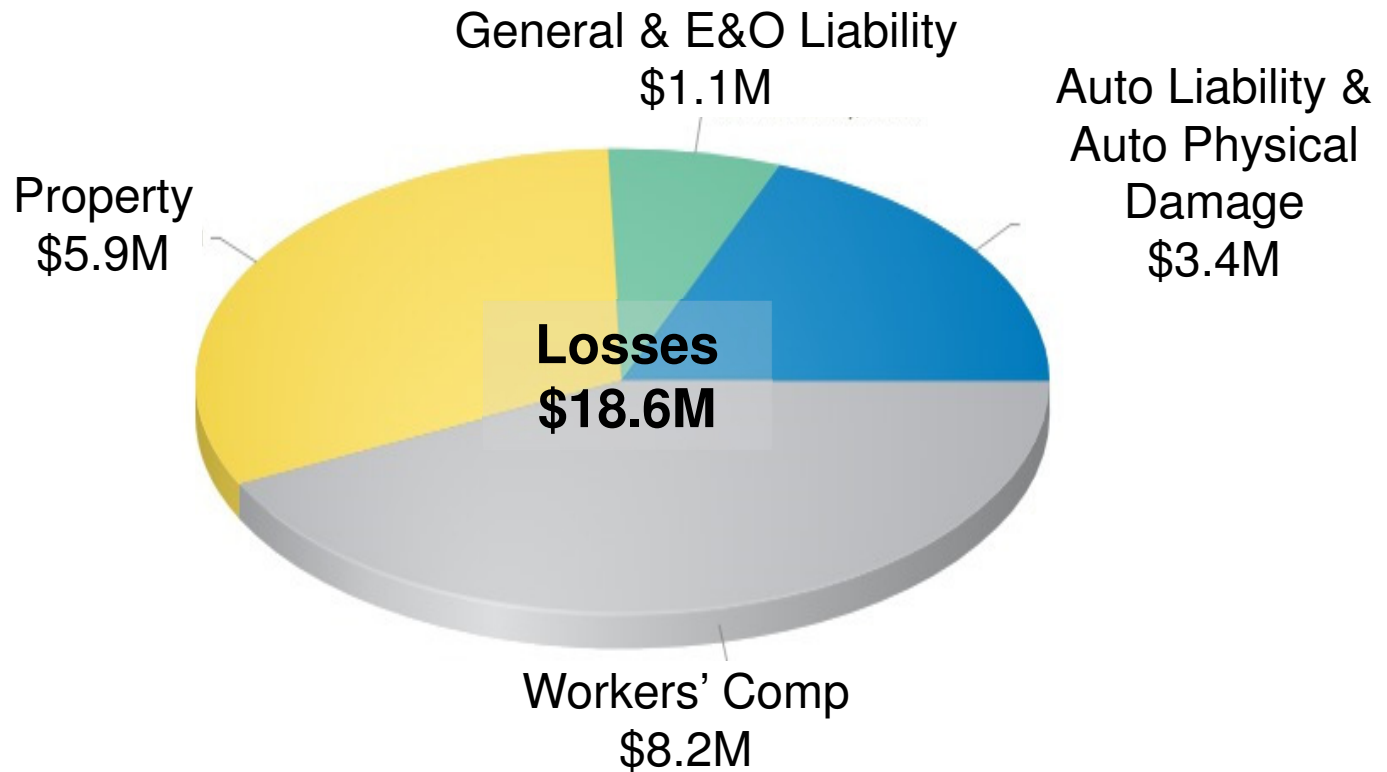
## Last Five Policy Years





# CLAIMS COSTS

## Last Five Policy Years





Risk Management  
Fund

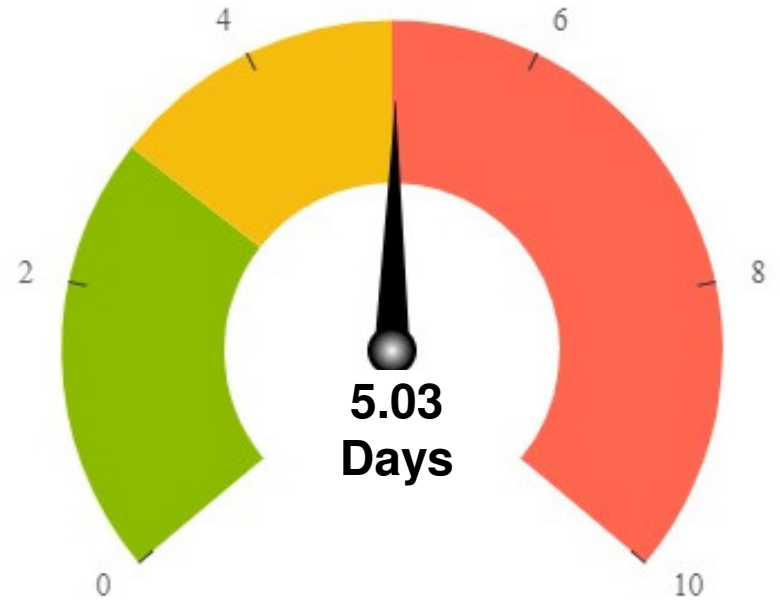
# WORKERS' COMPENSATION REPORTING

## Average Report Lag Gauge

(WC Opened in Last 365 Days)



(WC Opened 3 Years before Last 365 Days)



GAIN CONTROL OF YOUR RISK MANAGEMENT





Risk Management  
Fund

## CURRENT STATE OF THE FUND

# RISK CONTROL SERVICES

GAIN CONTROL OF YOUR RISK MANAGEMENT



Risk Management  
Fund

## RISK CONTROL SERVICES

### LEADERSHIP TRAININGS

- Trained 175 Employees from 33 Districts

### OTHER TRAININGS AND SERVICES

- Risk Management Seminar
- Safety Surveys and Site Consultations
- Risk Management Consultations
- Contract and Insurance Consultations
- Coordination of Property Appraisals and FM Global Assessments
- Communications
  - Risk Advisor, Bulletins and Special Reports

GAIN CONTROL OF YOUR RISK MANAGEMENT



Risk Management  
Fund

## RISK CONTROL SERVICES

### UPCOMING TRAININGS AND SEMINARS

- MARCH 12, 2020 – CONROE, TX (Leadership Development)
- APRIL 16, 2020 – CONROE, TX (Leadership Development)
- APRIL 23, 2020 – BIG SPRING, TX (Leadership Development)
- MAY 28, 2020 – LUBBOCK, TX (Safety Seminar)
- OCTOBER 21, 2020 – SAN ANTONIO, TX (Risk Management)

Watch your email and check the website [www.twcarmf.org](http://www.twcarmf.org) for registration information and additional training dates!

GAIN CONTROL OF YOUR RISK MANAGEMENT



Risk Management  
Fund

## LOOKING FORWARD

- Evaluate the Fund's Programs and Operations to Align with its Guiding Principles and Purpose
- Focus on the Strategic Plan Initiatives
- Member Visits
- Apply for AGRiP Standards Recognition
- Increase Safety and Leadership Trainings
- Evaluate New Coverages

GAIN CONTROL OF YOUR RISK MANAGEMENT



Risk Management  
Fund

**CONTACT US**

## **FOR MORE INFORMATION CONTACT:**

- Micheon Balmer, Director of Pool Management  
[micheon.balmer@sedgwick.com](mailto:micheon.balmer@sedgwick.com)  
512-427-2312
- Greg Womack, Program Executive  
[greg.womack@sedgwick.com](mailto:greg.womack@sedgwick.com)  
512-427-2309

Additional information available on the Fund's website at  
[www.twcarmf.org](http://www.twcarmf.org).

**GAIN CONTROL OF YOUR RISK MANAGEMENT**



Risk Management  
Fund

**QUESTIONS OR COMMENTS?**

**GAIN CONTROL OF YOUR RISK MANAGEMENT**