



Member Powered Reinsurance

# Who We Are

In 1986, six state league-sponsored risk pools designed a member-owned captive reinsurance organization to meet turbulent marketplace challenges.

NLC Mutual Insurance Company (NLC Mutual) was founded to provide a stable reinsurance answer for public entities with the assistance of the National League of Cities (NLC).

Today, NLC Mutual is a dynamic pool of pools - a collaborative community comprised of 28 state league-sponsored risk pools. Through Board representation every member can influence the direction of the organization to ensure our common mission.

We understand the unique needs of public entity risk pools. Our staff has strong underwriting and actuarial expertise, and this knowledge allows us to price for the risk we assume, rather than a cyclical hard or soft market pricing. We support reinsurance coverage for liability, property, and workers' compensation as well as additional specialty coverages and services.

*"A financially vibrant organization that stays on the forefront of issues affecting municipal pools across the country."*

*Scott A. Hancock, NLC Mutual Board Chair*

"Our members power the work we do. Staff is committed to providing sustainable insurance solutions for public entities, amidst an ever-changing landscape of priorities. We take pride in our solid financial performance and our promise to share profits with members."

Jill Eaton, NLC Mutual President & CEO

**Member powered.** All members have a voice to guide our organization. With every member represented on the governing Board, pools join a collaborative community with a common mission.

**Reinsurance and financial strength.** Long-term sustainable rates smooth market peaks and valleys, while our customizable reinsurance offerings have you covered. Unlike the commercial marketplace, we share profits through dividends and healthy investment income generated from capital contributions.

**Robust expertise and insights.** Public entity business is what we do. Specialized actuarial, contract, and claim review services are augmented by our exclusive data initiative to support pools and their decision-making activities.

# Products & Services

NLC Mutual is committed to providing responsive and outstanding services to member pools in the following areas:

**Reinsurance Coverages.** Our in-house underwriting services provide sustainable, long-term pricing that won't drastically fluctuate with the whims of the market. That means we price coverages right from the beginning.

Coverages are customizable for pools' unique risk. Lines include:

- Liability (General, Auto, Law Enforcement, Public Officials)
- Property
- Workers' Compensation and Employer's Liability

**Mutual Insights** offers participating members access to powerful and sophisticated data analytics and visualizations. This program—built on the Domo business intelligence platform—provides timely and trusted information for management's quick decision making through visualizations. Pool staff can build analyses and interact with data instantly and without technical assistance.

**Consulting Services** help create operational efficiencies through a holistic, data-driven approach. We share trends, best practices, market data, and offer educational opportunities. And we work alongside your staff to optimize operations in these areas:

- Actuarial
- Claims
- Data Analytics
- Underwriting

**Claims Management** is carried out in partnership with Northshore, our third-party claims administrator. Members have access to Northshore's expertise for consulting on complex claims and settlement strategy.

The **Workers' Compensation Managed Care Audit Program** is designed to help pools gain greater control of work comp medical costs. We partner with DonnCo to offer a money management approach to cost containment through restructuring existing managed care programs or competitive bidding. Members may be eligible for a partial contribution to support implementation.

"Our dedicated staff creates programs and services based on state league pools' specific needs. Member feedback and data analytics guide our path to provide these optimal solutions."

Erin Rian, NLC Mutual Chief Operating Officer

# Reinsurance Coverages

## **We believe pools are stronger together.**

Through built-in profit-sharing and risk-sharing mechanisms, we equitably share risk and premium with our members.

NLC Mutual is designed to be your pooling solution on all coverage lines. Like our members, our coverage offerings are best mobilized in the lower layers, where both risk and premium are concentrated.

Our offerings are customizable and flexible. We work to create the right solutions for our members by constantly evaluating coverage options to meet evolving issues and situations.

## **Rates that Makes Sense**

Our sustainable, long-term pricing won't drastically fluctuate with the whims of the market.

During the soft part of the market cycle, commercial reinsurers may significantly underprice business, only to greatly increase rates during the short years of a hard market cycle.

Unlike commercial reinsurers, our reinsurance rate calculations are based on experience, which ensure member pools are not priced out of needed coverage.

"Our underwriting philosophy is to price coverages right from the beginning. Unlike in private reinsurance, our underwriters evaluate options to changing market and pool needs to make sure you're suitably covered."

Mike Kruse, NLC Mutual VP of Underwriting

## **Typical Coverages**

### **Liability**

- General Liability, Auto Liability, Law Enforcement Liability, Public Officials Liability
- Limits up to \$11M

### **Property**

- CAT risk & AOP
- Limits up to \$5M
- Higher limits coming soon!

### **Workers' Compensation and Employer's Liability**

- Limits up to \$5M

# Consulting Services

At NLC Mutual, we believe in a holistic, data-driven approach to member services and work alongside your staff to optimize operations.

We are invested in continuing education in public entity risk—both yours and ours—staying on top of trends, utilizing data analytic tools, and sharing best practices.

**Actuarial** staff help members better handle the complexities of existing and emerging risks through:

- **Claim cost projections** for emerging exposures, such as modeling COVID-19 and PTSD work comp presumption claims.
- **Strategic risk management** on reviewing pricing methodology, approach to enterprise risk management, and carried reserve level.
- **Risk financing and captive solutions** by modeling and quantifying unique exposures to optimize retention, pooling, and commercial purchase of risk.

The **Data Analytics** team works one-on-one with your staff to manage, examine, and organize your pool's data to work for you and provide critical business insights. Our *Mutual Insights* program augments this service offering customizable visuals for internal use or client-facing reports.

**Underwriting** staff lend our national perspective on public entity risk to address your pool's specific needs. Understanding this niche field enables us to share trends and best practices from other pools with yours. The team works closely with your staff to:

- Analyze coverage language and review policies
- Provide sample coverage language
- Assess possible claims scenarios throughout the policy-drafting process

The **Claims** team offers public entity expertise to help you in sticky claims situations, provides insights into claim trends, assesses legislative or jurisdictional changes impacting claims, and highlights how policy language responds to each of these. We also support claims-handling best practices and identify opportunities for operational efficiencies, including:

- **Claims strategy** on complex claims scenarios and settlement strategy
- **Pool-level audits** to support understanding of claims handling at the primary level
- **Reinsurance-level audits** to understand processes and impact (actual or potential) of pool reporting, reserving, and resolution

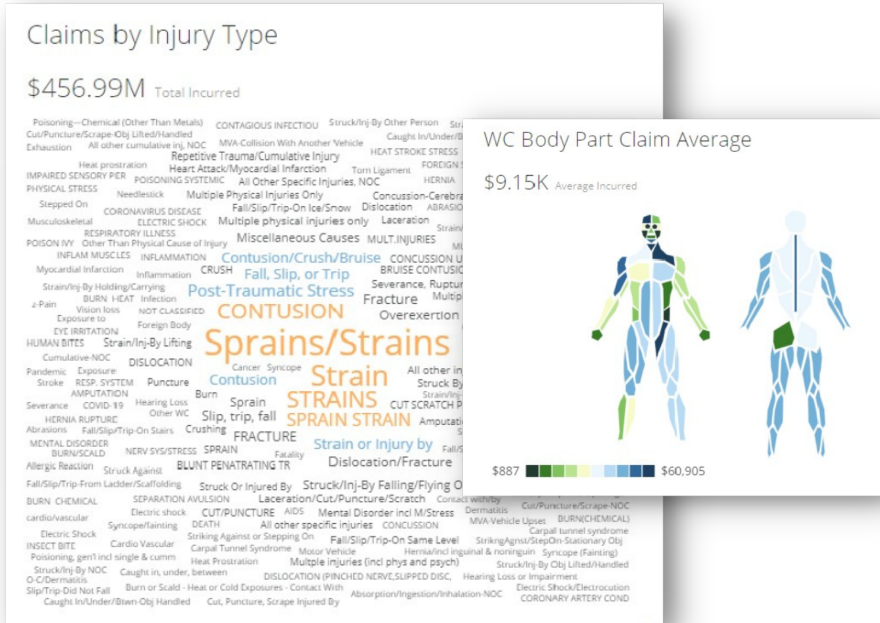
*"Mutual staff helped us model the potential impact of a COVID-19 workers' comp presumption—saving us time and money. This is one of many reasons why we are proud to be part of the family."*

*Joe Damiata, VLCT Risk Management Services Director*

# Mutual Insights

Mutual Insights is an exclusive benefit for NLC Mutual members. Pools take advantage of optimized data aggregation and powerful visualizations receiving stronger insights into claim trends.

This program transforms aggregate data for comparison with peers across the country within the Domo business intelligence platform. Through this sophisticated data analytics software and drawing on strength in numbers, Mutual Insights creates benchmarks for all participating pools.



Sample Domo Cards

## Strength in Numbers

More data means better insights. NLC Mutual applies aggregate and normalized data from participating members directly to underwriting and actuarial services. By leveraging the real actual claim data, we can scale beyond industry benchmarks that may not be directly applicable to members.

With Mutual Insights, pool staff can access timely and trusted information for quick decision making, build analyses, and interact with data instantly all without technical assistance.

Participating members can:

- **Address key business questions** in daily operations, quickly spot trends or anomalies in underwriting and claims management, and develop strategies.
- **Compare data** with other program participants to understand impacts in other states, develop internal metrics, or implement strategies accordingly.
- **Access personalized assistance** and training to gather claims, transaction, policy, premium, and other relevant data in Domo.

“This data initiative is exceptionally valuable to Alaska’s membership. It helps us successfully tell our story to members, our board, and other reinsurers. We illustrate a wide array of data points in easy-to-understand and engaging graphics utilizing Domo with the support of NLC Mutual staff.”

Brennan Hickok, AMLJIA Deputy Director

# Elevate Your Membership

Joining NLC Mutual is the next step for RISC members in search of reinsurance solutions. NLC Mutual provides a host of programs and services designed for pools that complement RISC offerings.

## COMPREHENSIVE BENEFITS

|                               | RISC | Mutual + RISC |
|-------------------------------|------|---------------|
| Conferences & Webinars        | ■    | ■             |
| Member Engagement             | ■    | ■             |
| Initiatives & Partnerships    | ■    | ■             |
| Research & Reports            | ■    | ■             |
| Mentor Program                | ■    | ■             |
| eNews                         | ■    | ■             |
| Reinsurance Coverages         |      | ■             |
| Cyber Specialty Coverage      |      | ■             |
| Consulting Services           |      | ■             |
| WC Managed Care Audit Program |      | ■             |
| Scholarship Awards            |      | ■             |
| Mutual Insights               |      | ■             |

NLC-RISC is your trusted resource for information sharing, expertise, and thought leadership for member pools through:

**Conferences and Webinars** offer staff and trustees robust opportunities for education and networking.

**Member Engagement** opportunities create a space to network, share insights, ideas, and best practices around common issues in a non-competitive environment. These include Functional Area Meetings and Online Communities.

**Initiatives** based on member needs/interests by leveraging our strength and collective purchasing power. Members can access resources, education, and hands-on development. Some initiatives are offered through **partnerships** with other organizations.

**Research and Reports** feature timely, relevant, and emerging topics including annual financial benchmarking and staff compensation. Past research focused on cancer and PTSD presumptions, drones, cyber security, and pandemic impacts.

The **Mentor Program** fosters leadership and networking opportunities by pairing staff from the same functional area to engage in a professional development experience over a year.

The **eNews** is a monthly newsletter that highlights programs and resources, member spotlights, relevant industry news, and announcements from NLC-RISC and NLC Mutual.

# Celebrating Membership

NLC Mutual is a pool just like its members. Together, we create a strategic advantage by spreading the inherent risk from government operations providing predictability and protection.

Participating pools steer the company at the board level as equal voting members. So, when we say *our strength is your strength*, we really mean it.

## Pool of pools

A small group of municipal league-sponsored risk pools came together in 1986 to create a captive company that supported their very specific risk management needs. Since its inception, NLC Mutual was designed to be a *pool of pools* meeting all public entity risk requirements.

In 1986, commercial insurance displayed little interest in funding public entity risk programs and in some cases abandoned certain coverage lines. Today, as commercial reinsurance pulls away from some risk areas we seize the opportunity to provide the right coverage to meet member needs.

## Navigating unpredictability

NLC Mutual allows members to take control over their pool's destiny and create independence from unpredictable market swings and insurance hard or soft cycles.

Our profit-sharing mechanisms help pools through uncertain times. We share profits with our members through allocating surplus and paying dividends whenever our company is both profitable and has met our targeted level of financial strength.

## Our future, united

An intrinsic benefit of membership in NLC Mutual is our full commitment to and expertise in public entity risk. Through **OneNLC**—comprised of the National League of Cities, NLC-RISC, and NLC Mutual—additional offerings and resources are shared among members.

The OneNLC partnership works collaboratively to advocate for cities across America and enhances our position to empower and raise the voices of cities, towns, and villages.

With the power of our united membership, the future is bright.

## OneNLC Highlights

1924



National League of Cities  
founded

1982



NLC Risk Information Sharing  
Consortium (NLC-RISC) founded

1986



NLC Mutual Insurance Company  
founded

Today



OneNLC continues to  
deliver for members



## The Power of our Membership



Alaska Municipal League Joint Insurance Association, Inc.  
Arizona Municipal Risk Retention Pool  
Arkansas Municipal League  
Association of Washington Cities Risk Management Service Agency  
Citycounty Insurance Services  
Colorado Intergovernmental Risk Sharing Agency  
Connecticut Interlocal Risk Management Agency  
Florida Municipal Insurance Trust  
Georgia Municipal Association  
Illinois Municipal League Risk Management Association  
Iowa Municipalities Workers' Compensation Association  
Kentucky League of Cities  
League Association of Risk Management  
League of Minnesota Cities Insurance Trust

League of Wisconsin Municipalities Mutual Insurance  
Local Government Insurance Trust  
Massachusetts Interlocal Insurance Association, Inc.  
Michigan Municipal League  
New Mexico Self Insurers' Fund  
North Carolina League of Municipalities  
PennPRIME Insurance Trust  
Rhode Island Interlocal Risk Management Trust  
South Carolina Municipal Insurance Trust  
South Dakota Municipal League Workers' Compensation Fund  
South Dakota Public Assurance Alliance  
Texas Municipal League Intergovernmental Risk Pool  
Utah Local Governments Trust  
Vermont League of Cities and Towns