



ANNUAL REPORT 2017



FIRM

Accessible



Integrity

FAIR



SOLUTIONS

RELIABLE



Experts



Responsive

FRIENDLY



A BRIGHT FUTURE

ANNUAL REPORT 2017

published July 2018



A LETTER FROM THE PRESIDENT

DEAR OHIO PLAN MEMBERS:

As a Board, we are constantly looking for ways to provide our members with top notch products services and while continuing to expand and improve our current offerings. 2017 was no exception as we added Guaranteed Replacement Cost Coverage for Qualifying Emergency Vehicles. In addition, throughout 2017 we gave back over \$1.35 million to members in the form of the Advantage Credit and Safety Allowance.

We are also proud to share that 2017 saw the largest usage of our Lexipol Subsidy program with over \$40,000 in subsidies paid to our members. We believe the Lexipol product is an excellent asset to all police and fire departments across our great state and are proud to offer this subsidy to our members taking advantage of Lexipol. 2017 saw the addition of 15 new members and our retention was over 98%. As the Ohio Plan Risk Management, Inc. (Ohio Plan) Board President, I want to thank all of you for your continued support for helping to make this such a successful program since our start in 1988. Seeing such strong retention and welcoming new members is critical to our success and something I am proud to see year after year.

In 2017, our assets remained relatively flat from 2016 and our liabilities decreased slightly, driven primarily by a decrease in our accrued liabilities. The biggest change in 2017 was to the reinsurance placements. In late 2016, the Ohio Plan began assuming more property risk which was noticeable in 2017 as the premiums ceded decreased and conversely the unearned premiums increased. This was a measured decision taken by the board after a thorough review and something that we as a board have been looking at for quite some time. All in all, our members' equity increased by nearly \$60,000 in 2017 and our surplus remains at an appropriate level for the Ohio Plan's exposure.

CLAIMS

In the past we had seen smaller cyber-attacks with some of the Plan's members. We have also followed attacks upon public entities in other parts of the country in the form of breaches of personal information held by public entities, "data hostage," and "phishing" email frauds that could lead to theft of member funds from transfer accounts. In 2017, a Plan member did experience a cyber-attack into their dispatch center server. Exposed were social security numbers of former and current employees. The costs, that may reach \$175,000, were notification mailings and credit monitoring for each individual – which is required by law. The cyber solution offered by the Plan protected the member just as it was designed.

For the most part reported claims across most lines of coverage have continued the downward trend in 2017 as with previous years. This was somewhat offset by claim inflation. The OPRM again did not experience severe storms nor other large property losses which were seen in earlier years which tended to drive up both frequency and severity.

Due to its importance, we repeat here as we have in other years' letters: the courts continue to uphold the immunities and defenses afforded Ohio's public entities. Many suits brought against members throughout the year were vigorously defended and subsequently dismissed by the courts based on the immunities and defenses. The Plan was successful again in having public entity members dismissed in most areas of the law including employment, retaliation, law enforcement/excessive force, public records, civil rights, discretionary/decision making, slip and fall claims, land use and recreational user statute.

RISK MANAGEMENT

In 2016, Employee Training was added to the core areas of risk to reinforce the importance of communicating safe work practices. The Risk Managers asked each Plan member to provide specific safety training to staff as required by the state. Training materials were provided to Plan members with an accompanying list of training sessions that our staff could provide at their facilities. 2017 saw a significant increase in requests to conduct these additional training sessions both at members' facilities and association conferences.

Our partnership with Lexipol remains strong. Lexipol's training mechanism was recognized in 2017 by the state as meeting minimum continuing education requirements for law enforcement. Not only did members receive world class support, but they also received important hours toward their annually required training. Participation in the Lexipol subsidy grew for the third consecutive year with no signs of slowing. The Plan remains committed to our partnership with Lexipol and to assisting our Law Enforcement community.

SUMMARY

On a special note I would like to wish Jay Weiskircher all the best as he retired from the City of Oakwood and subsequently the Ohio Plan Risk Management Board of Directors at the end of the year. Jay was a board member since 1990 and a former Ohio Plan Risk Management president. Michael Hinnenkamp also left the Ohio Plan Risk Management Board of Directors in October as he prepared for his upcoming his retirement from Springfield Township in 2018. Mike was a board member since 1996 and also a former Ohio Plan Risk Management president. Both Jay and Mike were tremendous assets to the board over their tenure and we wish them nothing but the best as they transition to their next adventures.

2017 was another great year for the Ohio Plan and I am excited about the future. In 2018, we will be celebrating our 30th anniversary. It is quite an honor to have provided our products and services over the last 30 years in the great State of Ohio. The Board and I are thankful to the commitment of our members, for your unwavering support since 1988. We are excited about the direction of the Ohio Plan and look forward to continuing our service to you for many years to come. Your feedback is important and always appreciated and we ask that you reach out to anyone on the Board with questions, comments, suggestions and ideas.

**Thank you for your continued support.
The future looks very bright for the
Ohio Plan.**



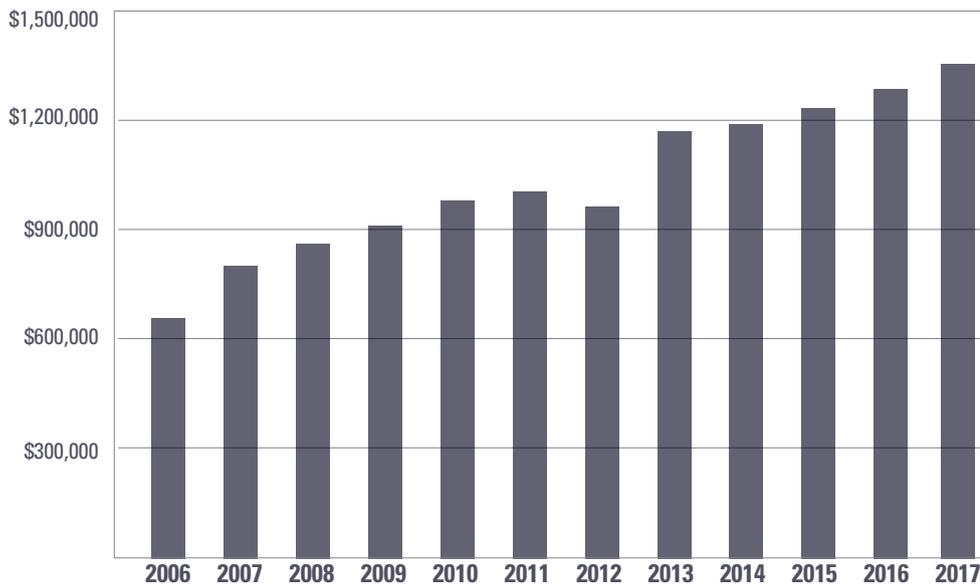
James B. Cugliari

James Cugliari
Board President
Ohio Plan Risk Management, Inc.

ENGAGEMENT SUMMARY

PLAN ADVANTAGE

Premium Contributions (including Safety Allowance)



+15 NEW MEMBERS



MEMBER SATISFACTION



The Ohio Plan is as strong as ever with over **98% MEMBER RETENTION** and members' equity in excess of **\$5.2 MILLION.**

FINANCIAL SUMMARY

NET PREMIUMS WRITTEN INCREASED

\$517,728 ↑

\$5,292,512 IN MEMBERS' EQUITY

A INCREASE OF \$58,306

MEMBER ENGAGEMENT

\$1.35
million

in Ohio *Advantage*
Plan premium
credit

\$9,000

in Safety
Allowance
reimbursements

\$40,000

in Lexipol subsidy
reimbursements

The Ohio Plan *Advantage* program has been in place for **12 years**. Since the inception of this program, we have given back over \$11 million to our members.

MEMBER BENEFITS

RISK MANAGEMENT CHECKLISTS

Member profiles are created by categorizing information about typical loss exposures into eight core areas of risk. Focusing loss prevention efforts into these eight core areas of risk allows Ohio Plan members to concentrate their efforts on real loss control methods.

RISK MANAGEMENT CHECKLISTS

Ohio Plan risk managers have compiled a list of commonly required training topics and are prepared to assist in your training plan. Topics include:

- Workplace Harassment
- Workplace Violence
- Fire Safety
- Emergency Response
- Permit-Required Confined Spaces
- Hazard Communication
- Control of Hazardous Energy
- Safe Driving
- General Liability

OHIO PLAN ADVANTAGE

This premium contribution program is available to members based on the entity's risk management performance, long-term membership and loss ratio over five years.

SAFETY ALLOWANCE

An annual credit of up to \$300 is available to members for qualifying expenses. This is available during the three-year vesting period required for the Ohio Plan *Advantage*.

FREE LEGAL ADVICE

Members receive two hours of free legal advice through independent legal counsel for employment-related issues.

LEXIPOL SUBSCRIPTION SUBSIDY PROGRAM

Lexipol is America's leading provider of risk management solutions for public safety organizations. The Ohio Plan has partnered with Lexipol to provide Ohio Plan members a discount on Lexipol's subscription fees. In addition, the Ohio Plan offers a subsidy program to further assist members with the expense of this invaluable service.

Lexipol Subscription Subsidy Program

1st Year Lexipol Subscription Fee	50% Ohio Plan Reimbursement
2nd Year Lexipol Subscription Fee	30% Ohio Plan Reimbursement
3rd Year Lexipol Subscription Fee	20% Ohio Plan Reimbursement

CLAIM MANAGEMENT SERVICE

The Ohio Plan claim philosophy is "Fair, Friendly and Firm."

FAIR: We collaborate with each Ohio Plan member to fully investigate every incident to ensure the utilization of the defenses and immunities granted to Ohio's public entities.

FRIENDLY: We treat each call professionally and with courtesy. The Ohio Plan's claim service is available 24/7.

FIRM: We stand by each member—focusing on long-term solutions rather than paying frivolous claims.

KNOWLEDGEABLE REPRESENTATION

The Ohio Plan utilizes an exclusive agency network made up of independent agencies located throughout Ohio. Ohio Plan sales representatives understand the insurance and risk management needs of public entities and provide expert knowledge and support to Ohio Plan members.

Visit ohioplan.org for a list of Ohio Plan representatives.

BOARD OF DIRECTORS

The Ohio Plan is managed by a board of directors composed of individual representatives from a diverse selection of local governments.

OFFICERS

JAMES CUGLIARI

Board President
Muskingum Watershed Conservancy,
District, Tuscarawas County
Board member since 2000

REX KATTERHEINRICH

Board Vice President
Village of New Knoxville,
Auglaize County
Board member since 2007

REBECCA MCDONOUGH

Board Secretary
Great Parks of Hamilton County,
Hamilton County
Board member since 2015

BOARD MEMBERS

JOHN APPEGATE

City of Union,
Montgomery County
Board member since 1989

CHRIS GILBERT

Springfield Township,
Hamilton County
Board member since 2017

KERRY REED

Newton Falls Public Library,
Trumbull County
Board member since 2015

JOSEPH STEFANOV

City of New Albany,
Franklin County
Board member since 2001

JOHN ZEITLER

Sylvania Township,
Lucas County
Board member since 2016

PROGRAM HIGHLIGHTS

The Ohio Plan Risk Management was formed on **June 1, 1988**, with the resolutions of the Village of Bradner and Perkins Township, the first two members of the Ohio Plan. The Ohio Plan was established to provide affordable, comprehensive and stable coverage to public entities.

The purpose of the Ohio Plan Risk Management is for members to join together to form a risk management program, as authorized by Ohio Revised Code 2744.081, to:

- Establish and administer a risk management program;
- Prevent or lessen the incidence and/or severity of losses occurring from activities of the public entities; and
- Defend and protect members against allegations of negligence or loss.

Ohio Revised Code 2744.081 does not consider the Ohio Plan Risk Management an insurance company. Although the Ohio Plan may purchase reinsurance, it is exempt from the normal insurance industry's statutory and regulatory requirements.

As a member of the Ohio Plan, you'll rest easy knowing your coverage is solid and supported by some of the best known names in the reinsurance industry.



1985	1988	2001–2004	2005–2007	2008	2009–2011
OPRM Members' Equity	\$1,099	\$4,457,714	\$6,862,902	\$5,184,781	\$7,172,519
<ul style="list-style-type: none"> • Pooling legislation enacted 	<ul style="list-style-type: none"> • June 1—Ohio Plan founded—the Village of Bradner and Perkins Township pass local resolutions creating the Ohio Plan. • Board of Directors established 	<p>Provided:</p> <ul style="list-style-type: none"> • Property Appraisals • Ohio Plan begins retaining risk • Senate Bill 106 passes, strengthening governmental immunity • Ohio Supreme Court effectively overturns Scott-Pontzer decision <p>Added:</p> <ul style="list-style-type: none"> • Terrorism—Property Coverage 	<p>Added:</p> <ul style="list-style-type: none"> • Seminar/Education Reimbursement – with reimbursement of qualified training expenses <p>New Coverages:</p> <ul style="list-style-type: none"> • Auto Lease Gap • Computer Fraud • Funds Transfer Fraud • Terrorism—Liability <p>Added:</p> <ul style="list-style-type: none"> • <i>Advantage</i> Credit Program • Declaratory, Equitable and Injunctive Relief • Employment Compensation 	<ul style="list-style-type: none"> • 20th Anniversary <div style="text-align: center;"> <p>20 YEARS</p> </div>	<p>Changed:</p> <ul style="list-style-type: none"> • Name to Ohio Plan Risk Management, Inc. • Seminar/Education Reimbursement renamed Safety Allowance and added new qualifying expenses eligible for reimbursement <p>Increase:</p> <ul style="list-style-type: none"> • Employee Benefits Liability limits to match GL limits <p>Added:</p> <ul style="list-style-type: none"> • Lexipol Subscription Subsidy Program for Police • Sample Employee Manuals per Entity Type • Free 2 hours of legal advice for employment-related Issues

Governed by Ohio public officials for Ohio’s public entities, the Ohio Plan’s goal is to provide innovative solutions that protect public entities from property and casualty risks.

Pooling Concept

Group Self-Insurance Plans

Definition per the Association of Governmental Risk Pools (AGRiP):

A legal entity composed of public entity members that have joined together to finance an exposure, liability or risk. The financing mechanism may be group purchase or group self-funding, a combination of the two, or other cooperative financing means, for primary and/or excess coverage.

Ohio Plan Benefits

- Smooth out insurance market cycles and save money over the long term
- Ensure consistent coverage
- Collaborate with members of similar interests
- Specialized claim service and legal defense
- Group self-insurance plans that best recognize membership and needs
- Specialized risk management expertise
- Members gain more control over their insurance destiny
- Underwriting profits, investment returns and membership fees remain with the group self-insurance plan as members’ equity
- Build equity that helps to fund additional services that benefit the members

2012	2013	2014	2015	2016	2017
\$6,413,188	\$5,805,909	\$5,887,681	\$5,531,637	\$5,234,206	\$5,292,512
<p>Added:</p> <ul style="list-style-type: none"> • Risk management checklist focused on five core areas of risk • Enhancements to Advantage Credit Program <p>Advantage Credit: \$829,431</p>	<p>Added:</p> <ul style="list-style-type: none"> • Lexipol Subscription Subsidy Program for Fire <p>Advantage Credit: \$1,124,367</p>	<ul style="list-style-type: none"> • Risk management checklist increases focus to eight areas of risk <p>Advantage Credit: \$1,185,996</p>	<p>Added:</p> <ul style="list-style-type: none"> • Cyber Liability Coverage <p>Advantage Credit: \$1,244,180</p>	<p>Enhanced</p> <ul style="list-style-type: none"> • Cyber Liability Limits and Deductible Offerings <p>Advantage Credit: \$1,283,539</p>	<ul style="list-style-type: none"> • Guaranteed Replacement Cost for Qualifying Emergency Vehicles

FINANCIALS

Assets	2017	2016
Cash & short-term investments	\$1,400,778	\$1,812,734
Bonds at market value	7,007,354	6,816,521
Equities at Market Value	2,851,242	2,388,036
Certificates of Deposit	1,746,300	1,757,780
Premiums receivable	1,297,597	1,517,057
Other receivables	550,349	473,584
Total Assets	\$14,853,620	\$14,765,712

Liabilities & Member's Equity	2017	2016
Loss & loss adjustment expense reserves	\$6,862,755	\$6,515,604
Unearned premiums & membership fees	1,889,614	1,491,709
Other liabilities	808,739	1,524,194
Total liabilities	\$9,561,108	\$9,531,506

Members' equity	5,292,512	5,234,206
Total liabilities & members' equity	\$14,853,620	\$14,765,712

Cash provided (used) by:	2017	2016
Operating activities	\$(160,386)	\$859,662
Investing activities	\$(153,079)	(144,146)
Net (decrease) increase in cash	(313,465)	715,516
Cash—beginning of year	1,417,432	701,916
Cash—end of year	\$1,103,967	\$1,417,432

Revenues	2017	2016
Premiums written	\$17,593,992	\$17,634,321
Reinsurance premiums ceded	\$(10,797,426)	\$(11,355,483)
Net premiums written	6,796,566	6,278,838
Change in unearned premiums	(397,906)	12,377
Net premiums earned	6,398,660	6,291,215
Membership Fees Earned	240,564	241,190
Net investment income	552,549	345,459
Other Income	-	3,332

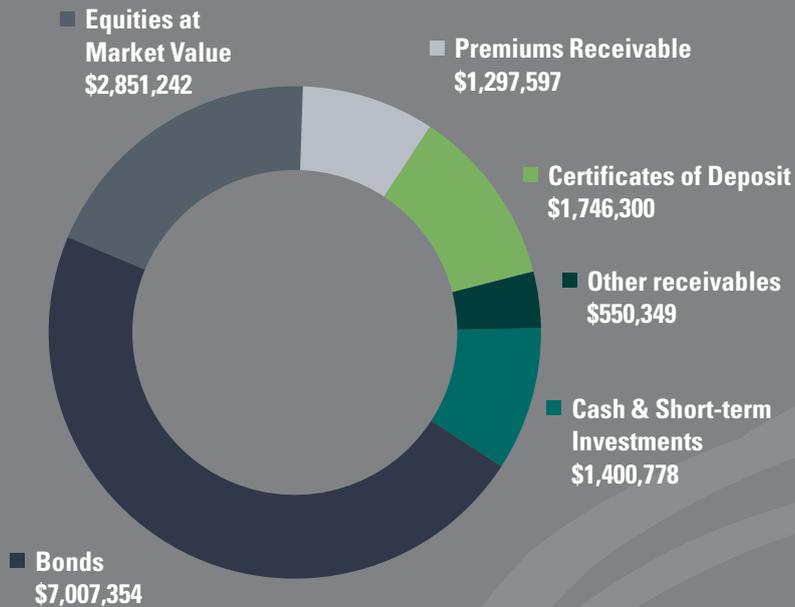
Total revenues	7,191,773	6,881,195
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Expenses	2017	2016
Loss and loss adjustment expenses	\$2,527,677	\$2,670,645
Management fees	2,285,589	2,313,383
Commission expense	1,756,704	1,789,671
Professional fees	138,112	62,086
Other	425,385	342,839
Total expenses	\$7,133,467	\$7,178,626
Excess of revenues over expenses	58,306	(297,431)

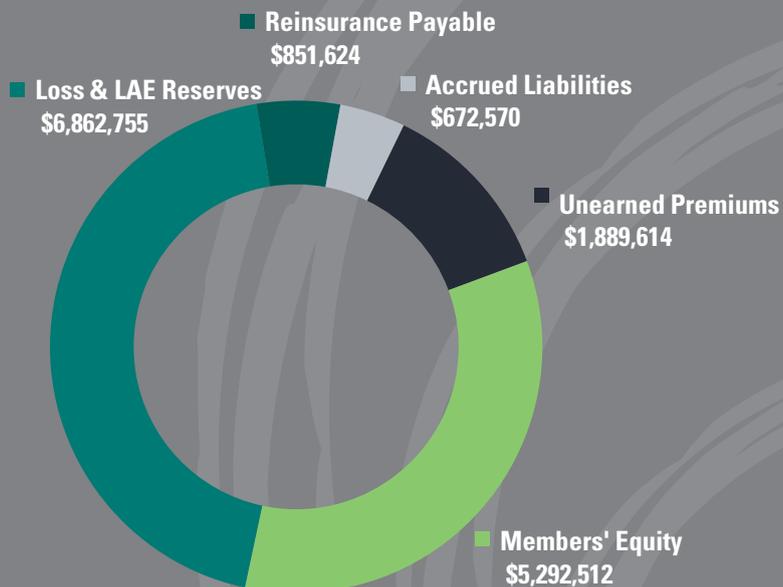
Members' Equity	2017	2016
Beginning of year	5,234,206	5,531,637
End of year	\$5,292,512	\$5,234,206

Condensed financial information. Complete audited financial statements can be found at www.ohioplan.com

PLAN ASSETS



LIABILITIES & MEMBERS' EQUITY



XENIA TOWNSHIP

“Xenia Township has partnered with the Ohio Plan for well over a decade. Every two or three years we do our due diligence to assure ourselves we are getting the best value at a competitive price. Each of these cycles have given the Trustees great confidence in their decision to stay with the Ohio Plan. We can find no better rates or coverages. This past year we went to an insurance-sponsored seminar by a competitor. It was satisfying to hear that everything they said was important and we should look for what we are currently experiencing with the Ohio Plan.”

Alan Stock | Township Administrator

SERVICE PROVIDERS

Legal counsel, actuarial and auditing services are provided independently under separate outside contracts through various program partners.

Program Administrator:

HYLANT ADMINISTRATIVE SERVICES, LLC

Michael Ugljesa
Toledo, OH
(800) 288-6821
hylant.com

Program Legal Counsel:

THE ABRAMS LAW FIRM, LLC

Laura Abrams
Batavia, OH
(513) 732-0868
lauraabramslaw.com

Program Financial Advisor:

D.B. ROOT & COMPANY

Paul Abendroth
Toledo, OH
(419) 724-1905
dbroot.com

Reinsurance Intermediary:

TREAN REINSURANCE SERVICES, LLC

Sean Ryan
Wayzata, MN
(952) 974-2200
treatre.com

Auditor:

CROWE

Ken Wills
Columbus, OH
(614) 469-0001
crowe.com

Actuarial Consultant:

IRMS ACTUARIAL SERVICES

Mark Cain
Brookfield, WI
(262) 754-1600
ihainsurancesolutions.com

8 AREAS OF RISK

1

EMPLOYEE TRAINING

2

BACKGROUND CHECKS

3

INSPECTIONS

4

PUBLIC RECORDS

5

CITIZEN COMPLAINT PROCESS

6

CYBER

7

CONTRACTS

8

EMPLOYEE HANDBOOKS

ISU LOVE INSURANCE AGENCY

“OPRM over the years has introduced a number of innovations of coverage for Ohio public entities and stays in the limelight as a leader in innovation. Some of the benefits offered by OPRM, that are not offered by others, are its highly regarded Ohio-based risk management and claims department servicing members and willingness to listen to membership.”

Patrick M. Hickey

VILLAGE OF EVENDALE

“The Village of Evendale feels superbly protected and well accommodated having the services and resources of the Ohio Plan. Karie Novesl is meticulous with our coverage and dedicates time to seeing that all of our needs are met. She is most personable, always responsive and very supportive. Renae VanBrackel is incredibly organized, which makes our job that much easier. The knowledge and expertise Mike Stueve possesses transitions to excellent claim results. He is dedicated to a positive outcome and does so with a witty attitude. The Ohio Plan, and their proficient employees, allows our Village to have confidence that we are fully sheltered and a step ahead.”

Theresa Reeder | Payroll Clerk



The Ohio Plan Risk Management utilizes an exclusive agency network. For a complete list of Ohio Plan representatives and more information on each agency, please visit ohioplan.org.