

# PUBLIC ENTITY POOLING

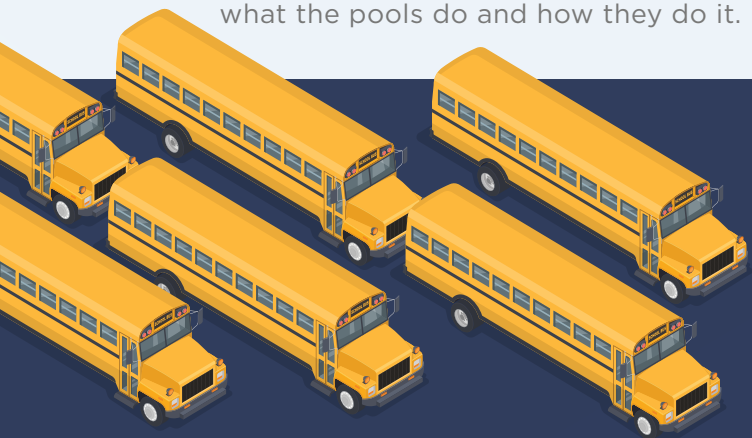
## A 40-YEAR SUCCESS STORY



Imagine you work in an industry that needs insurance, but good insurance isn't available. For example, what if there's no willing insurer? Or maybe there's an insurer but the premiums are sky-high. Or maybe the premiums are affordable, but the coverage is meager and the service is terrible. What would you do then? If you knew what you were doing, you might say to others in the industry, "Let's start our own insurance program."

You know who's actually done that? Public entities: cities, counties, school districts, fire departments, you name it. They've been managing their own insurance programs since the 1970s under the banner of public entity pooling.

**The Trust, the Alliance, and SCIP** are all public entity pools. Unlike commercial insurers, the Trust and its sister pools are member-created, member-owned, and member-focused. This means that members don't just finance them, they have a powerful voice in determining what the pools do and how they do it.



Pools cover common exposures in the areas of property, liability, workers' compensation, and employee benefits. Some typical examples include:

- Damage to state government buildings or to a school district bus fleet
- Employee allegations of wrongful termination by, say, a city council or a publicly elected governing board
- Workers' compensation insurance for first responders
- Health insurance and related programs for a community college system

## POOLS ARE:

MEMBER-OWNED

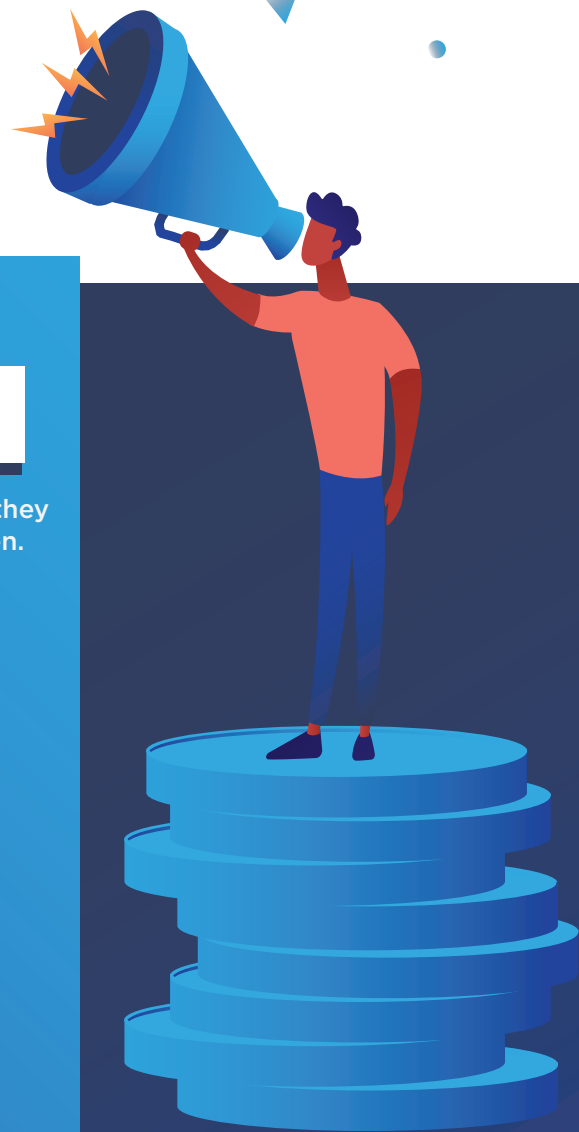
MEMBER-GOVERNED

MEMBER-FOCUSED

So if members are facing a less typical risk that they want covered, they can often make that happen.  
(Try that with a commercial insurance company.)

### Examples of non-traditional risks covered by the Trust in recent years include:

- ✓ Damage caused by active assailant events
- ✓ Cyberattacks
- ✓ Pandemic liability
  - Testing
  - Treatment
  - Liability



## POOL BENEFITS

Though they're up-to-the-minute in terms of their coverage options, pools aren't a new phenomenon. Between them, for example, the Trust and the Alliance have been serving Arizona school districts for nearly 60 years. These and other pools have been thriving for so long because they provide certain benefits that commercial insurance can't or won't:



1.

They save money because they're non-profit entities that don't have to pay shareholders and are exempt from taxes. This has helped the Trust and Alliance accumulate member-owned surpluses that protect against catastrophic losses, help keep rates low, and fund special risk reduction programs.

They invest in loss prevention and member education rather than just paying claims. The Trust and Alliance, for example, offer annual member trainings, a nurse triage program, transportation safety training, cyber risk audits, and many other special programs and events.



3.

Finally, they focus on innovation and the management of evolving risks. At the Trust and Alliance, these have included things such as for-profit activities, toxic mold management, bullying, sexual harassment, and, of course, COVID-19.

Looking to the future, pools face some challenges, just as any large industry or business does. But we believe that pools in general, and the Trust and its sister pools in particular, will not only meet those challenges, they'll master them. Pooling is too good an idea, with too strong a track record, to take any steps backward. The source of that unrelenting progress is a simple truth: Pooling is not just better insurance, not just better risk management, it's better government.