

## **Sponsoring Association Survey Results**

Survey date: September 7, 2017  
Report date: September 19, 2017  
# Responding pools: 25

### **Are your pool operations integrated with those of the sponsoring association, or does the pool function as a completely separate organization?**

- Integrated (9)
- Separate (9)
- The pool does not have any employees. It contracts all services to the association.
- Payroll and benefits were provided by the association in the past, but has not been so for approximately ten years. The association monitors legislation that may affect the authority. When warranted, we share lobbying expenses that benefit both organizations.
- The pool operates completely separately, but we have two sponsoring organizations.
- Separate organization. The association is a 501 non-profit, while the pool is a political subdivision (interlocal agency), so they must have separate boards.
- The pool is in the process of disengaging from the association. In the past operations were integrated but handled mostly by a separate team. They just completed an RFP and hired an independent contractor.
- Partially integrated; shared staff, association serves as fiscal agent.
- The pool is a public entity through intergovernmental agreement and the association is a private not for profit lobbying organization.

### **Does a representative of the sponsoring association serve on the pool Board of Directors?**

Yes, a voting member of the Board	11
Yes, a non-voting member of the Board	7
No	7

### **What is the basis or formula by which your pool compensates its sponsoring association?**

- Set annual fees based on the written contract between each pool and the association.
- The pool owns the condominium housing the association uses and the association rent is way below market. Additionally the pool shares in the cost of operations, (IT network, Copier, Supplies, etc.) greatly helping the association. The association also gets some work from employees dedicated to the insurance programs, without paying for it.

- An annual sponsorship fee that is a negotiated amount based on a scope of services and value provided by the association. It is not based on a formula.
- Flat fee that is loosely based on direct and indirect cost calculation plus institutional value fee.
- In FY 2016, we went to a flat rate of \$165,000. The previous formula was based on:
  - 2.00 Institutional Fee**
  - 2.10** As an institution fee the pool agrees to compensate the league an amount equivalent to one percent of the pool's annual "core package" premium deposits not to exceed the cap described in paragraph 2.40 below, in consideration for the league's support in helping to organize the pool and for the continued and future use of the league's good name and reputation in helping the pool achieve market penetration in providing risk management services for municipalities, school districts, regional educational attendance areas, and any other permissible purchaser of these services.
  - 2.20** "Core package" premium deposits exclude revenues that may pass through the pool for procuring insurance coverages on behalf of its members for which the pool does not have a self-insured retention, including but not limited to, boiler and machinery, excess, and airport liability insurance.
  - 2.30** The institutional fee shall be based upon actual core package premium deposits received by the pool each fiscal year as reported by the pool's independent auditor. The pool's fiscal year begins July 1 and ends June 30. The institutional fee shall be paid to the league not later than September 15 of each fiscal year.
  - 2.40** The institutional fee shall not exceed \$100,000, adjusted for 3 percent inflation per annum beginning June 30, 2002.
- Small percent of contribution (premium).
- We pay an institutional fee based on membership dues paid to the association by entities that belong to the pool. We also share operating costs based on an annual assessment of the value received by each organization, but there is not a mark-up on those.
- 1.6% of premium.
- No compensation involved.
- Direct compensation for employees dedicated to pool operations and a pro rata share of administrative expenses as established and agreed to each year.
- 1.9% of NEP, not to exceed 4% over the most recent year actual.
- \$50,000 plus 0.1% of year end surplus.
- No formula, we just agreed 6 years ago to a number and we adjust it with a 3% COLA each year.
- The pool provides staff assistance to plan and facilitate association conferences, and pays half the utilities at the association building.
- Relatively unknown. That is one of the reasons they are disengaging.
- Fee based on actual operational costs,
- We have an annual contract with the association under which they agree to assist in marketing our program in exchange for a negotiated annual fee.
- Flat amount.
- No formula. We have a service agreement and the amount is negotiated.
- Annual negotiation.
- 1.5% of revenue.
- We have a base of \$60,000 royalty fee plus CPI-U
- 1.75% of gross premium excluding excess liability and LODA premium.
- Member contributions for coverage.
- 2% of the gross premium – workers' compensation only.

<b>What are your pool's gross annual contributions from members?</b>	<b>What are your pool's gross annual contributions excluding contributions from a health program, if you have one?</b>
\$11,688,935 from all members \$7,374,220 from municipal members.	N/A
\$4,717,390	\$4,717,390
\$36,000,000	\$35,000,000
\$29,259,665	\$29,259,665
\$37,000,000	\$22,000,000
\$20,000,000 Liability and Property Pool \$32,000,000 Workers' Compensation Fund	N/A
\$15,000,000	\$15,000,000
\$100,000,000	\$100,000,000
\$74,000,000	\$74,000,000
\$150,000,000	\$35,000,000
\$27,000,000	\$27,000,000
\$71,140,710	\$71,140,710
\$26,000,000	\$26,000,000
\$19,307,000	\$19,307,000
\$6,000,000	\$6,000,000
\$7,000,000	\$7,000,000
\$35,000,000	\$16,000,000
\$7,000,000	\$7,000,000
\$15,000,000	\$15,000,000
\$10,500,000	\$10,500,000
\$35,000,000	\$35,000,000
\$27,000,000	\$27,000,000
\$2,241,879	\$2,241,879
\$54,000,000	\$54,000,000

**What is the most recent annual payment made by your pool to its sponsoring association?**

- Multiple payments from multiple pools. We break it down to claims, legal, risk control, administration and underwriting fees. Total is about \$5 million.
- None direct.
- \$275,000
- Liability & Property Pool: \$1.4 million. Workers' Compensation Fund: \$1.4 million.
- \$165,000
- The Institutional Fee was roughly \$1.9 million. Cost sharing payments were another \$3.6 million.
- Approximately \$1mm.
- N/A.
- No royalties or institutional value fees paid.
- \$1,147,583
- \$75,000

- \$167,000 to each. In addition, we pay an additional \$30,000 to each organization for various forms of sponsorships such as sponsoring featured speakers at their conferences.
- The pool does not make payments to the association. Because the pool is a political subdivision, it is restricted by statute from "giving" money to non-profits, unless the non-profit is providing a service under contract.
- Unknown.
- \$4 million.
- \$20,000
- \$400,000
- \$209,000
- \$105,000
- \$350,000
- \$61,500
- \$950,000
- \$58,975 to the league.
- \$583,540

**Please describe any specific benefit your pool derives from its relationship with the sponsoring organization. For example, do you receive a free exhibit booth at association conferences, advertising in association publications, other access to association members, endorsement, active marketing of the pool by sponsoring association, staffing or support services, IT equipment, or any other service the pool finds valuable?**

- All of the above, and in addition office space, personnel services, etc. The pools have no employees - we all work for the association.
- The pool gets the use of the association name. This helps members promote the program in their home jurisdictions.
- All of the above, plus the association brand, which is hard to quantify, but highly valued.
- All of the above, plus legislative advocacy, member training, amicus support, web presence, etc.
- The league promotes us as we promote them, giving us an advantage over the competing pool. We combine our annual membership meeting with the leagues' annual local government conference allowing us access to the following organizations: Managers, Mayors, Clerks, Attorneys and Finance Officers. We also have exclusive rights to the leagues' annual conference and the membership - no competition is allowed. We have a booth, sponsor a Breakfast for all in attendance and provide two (2) training sessions. As well, we speak at the Newly Elected Officials sessions explaining the pool and benefits of membership. Our logo is similar and many of our municipal members see us as one organization. We announce various membership awards during the conference as well, which garners interest from other non-member municipalities.
- Three separate sponsor's, city, county and county fair associations participate. Preferred status at events, marketing assistance in form of endorsements.
- All staff working on pool matters are association employees (or work for a third-party administrator). We receive all of the above benefits and the pool and association are almost completely integrated.
- We are promoted by the association, speak at their meetings and interact with all association members. They do actively market the pool to members.
- Active marketing.
- Exhibit booth at league annual conference. Advertising in league newspaper and marketing book.

- Speaker slot at conferences; preferred convention booth space (but not free); welcome articles for association magazine; association attendees at annual convention must come to our booth to get convention gift (which we purchase).
- We pay for our booths as part of the ancillary payments. Our benefit is we are given a time and place at their conferences to promote the program through a class, and we get significant signage and other promotion from both organizations at their conferences (attended by over 1500 people at each).
- Free exhibit space and advertising in conference materials, no charge for rent for office space (pool pays half the utilities).
- Staffing support, IT and infrastructure, etc. PRIOR to the new contracting arrangement.
- Exhibit booth, advertising, endorsement, IT and staffing.
- We receive advertising in the association monthly newsletter, registrations to the association annual conference, sponsorship at the association annual conference, a link on the association website, electronic versions of their directories of public officials, opportunities to present to newly elected commissioners at the association sponsored orientation, free attendance for pool staff to attend their trainings and recommendation as the preferred pool for association members.
- Advertising space, recognition on printed materials, full support of our program and administrative assistance as needed, cooperation in areas of common interest, information sharing, non-voting attendance at their board and certain meetings, registration on their annual conference for all our staff, booth space at their annual conference, and monthly article space in their monthly publication.
- Sponsoring organization is precluded from endorsing or sponsoring a similar program, no cost for articles to be included in their publications, no similar organization has access to their member communications (website, newspaper, etc.), provided time during their annual conference for us to hold our annual membership meeting (mutual membership), we pay for exhibitor space at their conference, they provide legislative representation for us, our staff counsel assist with amicus briefs, our staff assists with research on policy issues, we provide them free meeting space in our building (several hundred meetings a year) and they have agreed to a non-compete clause in the agreement.
- Shared staff- access to association members, legislative lobbying as needed, shared office building ownership, HR support, shared technology, server, network, etc.
- We still have to pay for everything that they should be providing for under our sponsorship such as; advertising in their newsletter, booth space at their annual conference, board donuts at meetings, etc.
- Sponsoring association staff provides support for value added services.
- Endorsement, free booth at conference. The sponsoring organization does not allow any other insurance companies/carriers to have booths at their conferences and schools, nor do they allow them to purchase advertising in their publications. The pool has a booth at all league conferences and schools and advertises in the league's publications. The pool has an Agreement for Administrative Services with the league through which league provides financial and bookkeeping services, personnel services, and administrative assistant support in Board meeting arrangements and meeting minutes. While the pool Executive Director reports to the pool Board of Directors, all pool staff are employees of the league which has proven to be an excellent situation here because league employees qualify for membership in the state retirement system which is a huge benefit. The pool is on the league's telephone and internet system. Any time we can share services, it saves money and we're continually looking at more service

sharing with the league and the three risk-sharing pools the league sponsors. The pool also is allowed a column in each month's league magazine. The league has always worked to market the pool any and every chance it gets and the loyalty of our members to the league has gone a long ways towards the success of the pool.

- Free booth at annual convention, advertising in publications, marketing efforts, IT equipment and sponsor, printing services, postage, meeting space, legal advice for employments issues.