



INTELLIGENCE

ASSOCIATION OF GOVERNMENTAL RISK POOLS

Focus on the Value Your Members Receive

Anyone working on behalf of a pool knows the impact of a member-first mentality.

You see and live this impact every day. But it's a challenge to identify, measure and communicate what makes a pool so profoundly different from a commercial business.

By viewing impact through the lens of value that is **derived by your members** — rather than as provided by your pool — you can significantly boost your pool's member messaging and operational efficacy.

*By Peter Hunt and
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for AGRiP's 2023 Residency*

"All of us who work in
risk pools, we know
that we aren't like a
commercial business.
We are focused on our
members and delivering
them good value. There
are examples in every
pool where we go above
and beyond to help our
members."

– Lisa Williams,
Chief Financial Officer, CivicRisk Mutual





Develop several scenarios that represent your pool's members. Scenarios help keep you connected to the member perspective.

Member Messaging

Many risk pools have member materials that express their mission statement and what is important to them. These often include ideas like fiscal responsibility, innovation and collaboration.

While these are important elements of pool operations, they speak to the values of the pool itself and not the value received by pool members. Sure, your member entities appreciate that your pool is innovative. But how does your innovation translate into something members directly need, want and value?

Start From the Shoes of Your Members

The [League of Minnesota Cities Insurance Trust](#) (LMCIT) recently revamped their member messaging. They considered three questions:

1. What does the pool do?
2. How is the pool different from a commercial carrier?
3. What value does the pool bring to its members?

As part of this work, LMCIT developed several realistic scenarios of a member interacting with the pool (for example, a city asking to clarify coverage language, getting council approval of an LMCIT renewal, and comparing prices against commercial carriers).

Using these scenarios, LMCIT identified core values every member expects it to deliver, including:

- Help minimize the losses they experience.
- Provide the lowest long-term cost of coverage.
- Avoid sudden shock increases as much as possible.
- Respond to members' needs always.
- Always pay covered claims.
- Be trustworthy in its decisions and actions.

Although LMCIT continues to provide information related to the first two of its three starting questions (what the pool does and how it's different from commercial carriers), the focus of LMCIT messaging today is the value members derive.

Your mission statement is important, but may speak to the values of the pool itself and not the value received by pool members.

Accentuate Your Differences

Subtle changes to messaging that accentuate the differences between your pool and typical insurance will improve how you connect with existing and possible new members.

An example of how to accentuate differences comes from [Futurity Investment Group](#), a mutual business issuing education bonds. Futurity has an effective narrative that highlights how it is different from other financial institutions:

- Having lower fees and giving capital distributions back to members and their education beneficiaries, rather than paying dividends to shareholders interested in the greatest return.
- Providing high-quality, onshore, personalized member care instead of using a generalized call center to respond to member needs.
- Giving direct financial assistance to members experiencing financial hardship or personal difficulty, in a way no private company does.
- Directing five percent of annual member fees to the Futurity Education Foundation (FEF), which supports philanthropy that breaks down barriers to quality education for disadvantaged and marginalized sectors of the community.
- Funding and managing the National Excellence in Teaching Awards (NEiTA) program which recognizes and celebrates the best teachers in Australia and New Zealand.

Futurity's messaging probably sounds pretty familiar to every public entity pool. Think of the various ways your pool could end the sentence "Something we do that a traditional insurer does not is..."

Use (and Repeat) Simple Language

As long-term public entity staff and officials turn over, they may be replaced by individuals who aren't familiar with pooling and don't feel the same sense of loyalty to the pool.

That's why it's important to use simple language about the values your members derive from the pool, repeat the values in a variety of messaging outlets, and stay consistent over time so your (changing) members become familiar with your value framing.

When the TASB Risk Management Fund redesigned its website, it focused messaging to speak clearly and directly to what its members derive from doing business with the pool. A [Why the Fund webpage](#) concisely explains what members can expect: budget certainty, relationships over transactions, comprehensive coverage, and school expertise.

Not only is this language simple and direct, but it's also repeated throughout the pool's website and member communications.



Use this sentence starter to brainstorm differences that make your pool stand out: "Something we do that a traditional insurer does not is..."



Repeat and reiterate simple value language. Don't assume your members have a history with your pool or inherently understand the value they receive from it.

Operational Efficacy

On the surface, pool operations look a lot like those in an insurance company. There are claims to process, policies to underwrite and renewals to send out. But working with a shared understanding of what value members derive from the pool can boost those tasks and functions to new performance heights.

In other words, concentrating on what your members value most can help your pool make better decisions about programs and services, and boost its overall outcomes.



Your pool makes decisions based on what value it provides to members instead of what is most profitable. Be sure you can link every operational practice to the value your members derive from the pool.

Link Operational Decisions to Business Purpose

Most corporations today try to communicate that they have a greater purpose than just to maximize shareholder value — but in the end, their operations are often misaligned with their messaging.

Pools can demonstrate a clear link between their purpose and operations in ways commercial insurers generally cannot. For example:

- Members benefit from having direct representation on the pool's governing body and a say in how pool resources are used.
- Members benefit because the pool has standards and incentives for its team to help members with difficult claims.
- Members benefit when the pool sets contributions at a level that provides budget certainty and modest increases from one year to the next.

Like all pools, [CivicRisk Mutual](#) understands their members expect more than just coverage in exchange for contributions. Members look to the pool as a partner in risk management, with pool resources operating almost like an extension of member municipalities.

To operationalize this member value, the pool has made significant investments in serving different regional areas and conducting direct member visits to offer onsite consultation and support. In addition to seeing all of its members in 2022-23, the pool added a position to organize regional training, develop best practice guides, and promote knowledge sharing between its members.

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Andrew Haigh, CEO of [Newcastle Building Society](#) shares how the member-owned financial institution’s purpose helps them better serve local communities. “We have developed a model where we partner with local authorities, local libraries and community centers and we massively reduce the cost of providing a branch, and we put it in a place where people go. That’s enabled us to go back into towns where the last bank has abandoned the town, and that’s where as a mutual we can make a difference for our customers.”



Improve Performance Management

Identifying and communicating member value created by the pool is a good first step. But at the end of the day, a pool has to be prepared to prove how well it delivers on the value it promises.

Several years ago, CivicRisk Mutual didn’t regularly report key performance indicators (KPIs) beyond standard financial metrics. With a focus on values derived by its members, the pool experimented with a number of new measures to capture the unique value it creates.

The measures for each value are tracked in a dashboard, allowing the pool to monitor its performance against promised value.

Many pools have key performance indicators that are measured and tracked over time, but those indicators may not be from the perspective of value derived by members. Aligning your key performance indicators with member-derived values helps your pool stay focused on what matters most.

Review your pool’s key performance indicators to ensure they align with the values your members derive (not the values of the pool itself). If needed, revise or update your performance measures.

CivicRisk Mutual

VALUE FOR MEMBERS	KPI EXAMPLES
Members save money because we don’t pay commissions.	Percent of member contributions that convert into surplus
Members receive solutions tailored to their needs.	Amount of money the pool’s captive saves their members
Members are able to better manage risk because of the strong and collaborative relationship we have with them.	Percent of member requests addressed within two days
Members benefit from our leadership in the risk management community.	Holding a position on the Australia/New Zealand Standards Risk Committee
Members have a say in how we operate and a transparent view into our activities.	Attendance at the pool’s annual members assembly and training seminar



Examine your pool's strategic plan alongside the value you create for members. Look for ways those member values can inform your strategic planning work.

Enhance Strategic Planning

Considering member values alongside an existing strategic plan or as a foundation for upcoming strategic planning work can help your pool even further boost its efficacy. This is how you make sure the pool's strategy is focused on what members expect to receive.

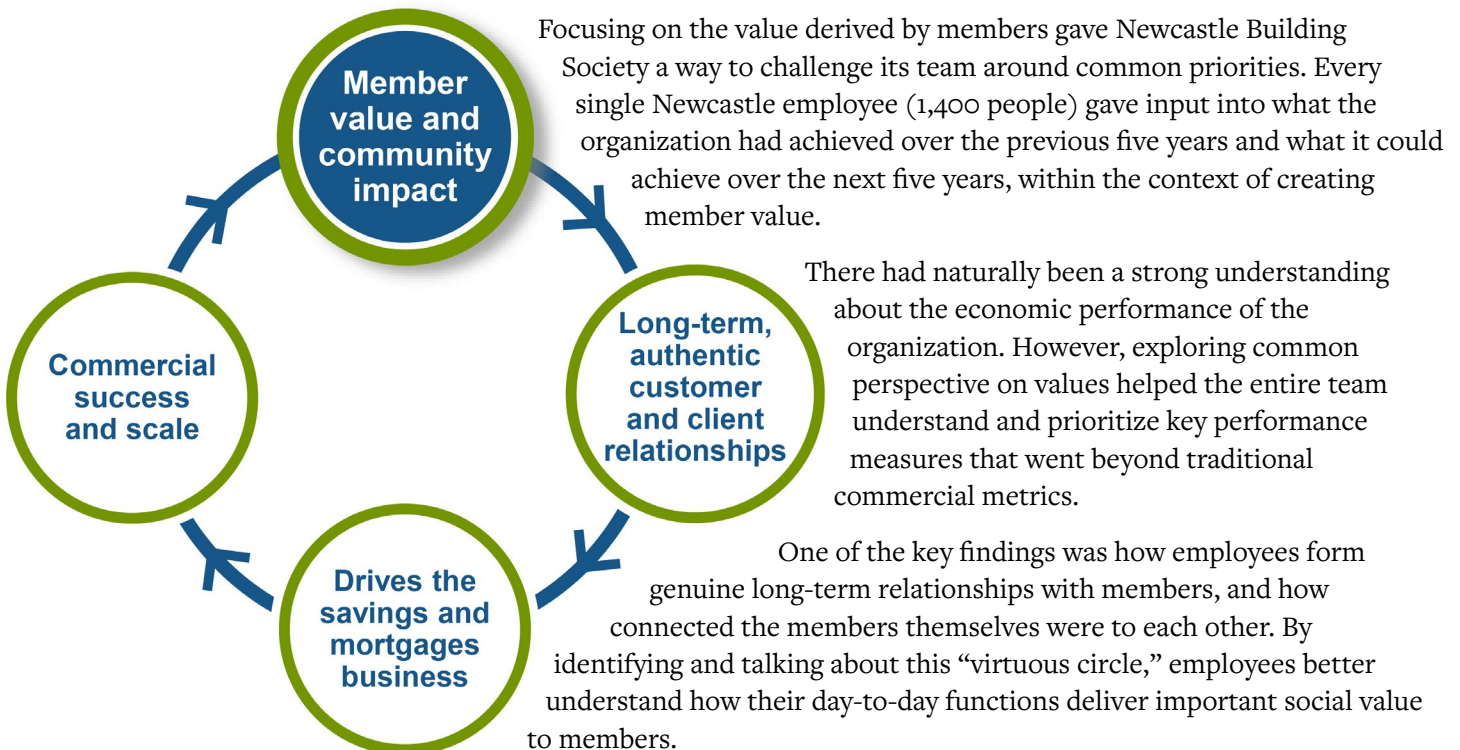
For [Geraldton Fishermen's Co-operative](#), changing market conditions meant the interests of two different types of co-op members had to be reassessed. As part of its strategic planning process, the co-op brought together representatives from both types of members to understand their challenges and perspectives.

As a result of these inputs, the co-op developed a strategy to help members find new and diversified markets for their product. It also restructured membership so all members shared in market fluctuations and related impacts.

Considering member values alongside strategic planning work can help your pool explore untapped areas of value and clearly focus on member needs. Ultimately, this helps your pool operate effectively long into the future, despite changing or challenging conditions.

Align Priorities

Having a shared mission and priorities across your pool is essential to executing well on its vision. With changes in pool personnel as well as public entity officials serving on the governing body, this need for alignment is even more acute.



Newcastle Building Society
Virtuous Circle of Long-Term
Relationships with Customers

Strengthen Your Team

In today's environment of staffing changes and hybrid work, your team may have shifted from feeling close-knit to loose and detached. In addition, you may have newly-hired staff with a lot to learn about how your pool operates and what it prioritizes.

When your team works together to understand how each department or function creates value for the pool's members, they learn important business model realities and bond over a shared goal. This is an opportunity for longer-tenured staff to share their insights and experience, helping facilitate knowledge transfer to newer employees.

[Unimutual](#) CEO Geoff Henderson says

“To get the team in the room to discuss where we create value, to align our thinking to our purpose, was a really good opportunity to build understanding and challenge each other.”



Move Forward With a Member-First Approach

Thinking about your pool's impact from the members' perspective can help strengthen its value proposition, refine member communications, improve performance management, make sound operational and strategic decisions, and strengthen its team.

Pools put their members first, going above and beyond to support them every day. Using this natural approach and mindset to identify your pool's values from the shoes of your members ensures a focus on what matters most and drives your pool's continued success.

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-Geoff Henderson, CEO, Unimutual

About Measures That Matter

AGRiP's 2023 Residency, [Measures That Matter](#), provides pools with a proprietary, research-backed framework to better understand, measure and successfully communicate their value.

Many pools have already used Measures That Matter and found it to be a powerful hub for pool messaging and performance management. If you haven't yet introduced Measures That Matter at your pool, we have guidance and samples to help you implement this concept and drive improved results for your pool.

About the Authors

AGRiP partnered with Mutuo to deliver the Measures That Matter Residency.



PETER HUNT founded Mutuo in 2001 as the first cross mutual sector body to promote cooperative and mutual business to opinion formers and decision makers. Peter is co-founder of Supporters Direct, the football supporters' initiative, which went on to establish over 100 supporters' trusts at professional football clubs. He led the Parliamentary teams which piloted six private members bills through the UK Parliament, working with all parties to update co-operative and mutual law.



DEVEREAUX MORKUNAS manages programs and services for the Association of Governmental Risk Pools, including the AGRiP Residency, Advisory Standards for Recognition and Financial Benchmarking Initiative. Devereaux has spent the last 16 years supporting public entities in a variety of roles, and has 10 years of experience in risk pool operations and risk management.