A little bit of history
Voluntold
- Multi-line pool
- Member-governed
- Administered by TASB
- Serves public schools
Fund has no employees
19-member board of trustees
Board meets four times per year
Thread together disparate committee reports

Draw the connections between membership, financial, and claims outcomes

Don’t over-do-it – “they might not like it”
It’s now part of our annual evaluation process.
What is Stewardship?

“the conducting, supervising, or managing of something; especially, the careful and responsible management of something entrusted to one’s care.”
Does the notion of **stewardship** resonate as an important differentiator for pool boards?
Know Your Audience

Attention Span & Role
Structure of the Report

✓ Organized Around the Fund’s Strategic Goals
✓ Balanced Score Card with KPIs
✓ Financial Overview
✓ Claims Trends
✓ Member Service Enhancements
✓ Next Year and Beyond...
✓ Evaluative Materials (Appendix)
### 2014–15 TASB Risk Management Services Scorecard

#### Continued Financial Strength

<table>
<thead>
<tr>
<th>Goal</th>
<th>Indicator</th>
<th>Target</th>
<th>Current</th>
<th>Status</th>
<th>Source/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members’ Equity Policy</td>
<td>$171.7M to $308.0M</td>
<td>$224.1 M</td>
<td>✔</td>
<td>✔</td>
<td>Annual target range established by Factor-Based Capital Needs Model compared to year-end Members’ Equity Policy.</td>
</tr>
<tr>
<td>Positive Financial Results for Year</td>
<td>Total Revenue &gt; Total Losses &amp; Expenses</td>
<td>($31.2M)</td>
<td>✔</td>
<td>✔</td>
<td>Contributions &amp; investment income cover total losses and expenses.</td>
</tr>
<tr>
<td>Final Results Fell Within or Above Funding Plan Proj.</td>
<td>$229.2 to $255.6M</td>
<td>$224.1 M</td>
<td>✔</td>
<td>✔</td>
<td>Members’ Equity at 8/31/15 fell within Funding Plan projections for best and worst case scenarios.</td>
</tr>
<tr>
<td>Membership Growth or Stays the Same in All Programs</td>
<td>Prop: 544</td>
<td>✔</td>
<td>$641</td>
<td>$648</td>
<td>Number of members in each program as of 8/31/15 (UC is as of 10/31/15).</td>
</tr>
<tr>
<td>Renewal Rate by Program</td>
<td>At least 95% Renewal Rate for All Programs</td>
<td>Prop: 555</td>
<td>✔</td>
<td>✔</td>
<td>Percent of members renewing during 2014–15 by Program as of 9/1/15 (UC is as of 10/1/15).</td>
</tr>
<tr>
<td>TASB Membership in 3+ Programs Increases or Stays the Same</td>
<td>577</td>
<td>✔</td>
<td>591</td>
<td>✔</td>
<td>TASB Members Eligible for Fund Membership. Data as of 9/1/2015.</td>
</tr>
<tr>
<td>Member Service Enhancements Implemented</td>
<td>3 or more</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>Single CUS for common renewal dates events with 2+ members allowed to be transferred among plans to increase efficiency and avoid duplicate work for calls.</td>
</tr>
<tr>
<td>Member Satisfaction with Fund Services</td>
<td>99%</td>
<td>✔</td>
<td>100%</td>
<td>✔</td>
<td>100% of AGS/AGA member survey “I am satisfied with my membership in Fund programs.”</td>
</tr>
<tr>
<td>Number of Innovation Ideas Implemented</td>
<td>3 or more</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>New testing on advisory liability, predictive analytics vendor.</td>
</tr>
<tr>
<td>Percent of Strategic Projects on Major Initiatives List</td>
<td>40%</td>
<td>✔</td>
<td>40%</td>
<td>✔</td>
<td>Percent of Strategic Projects on 2014–15 Major Initiatives List Categorized as “High” category or as “Fruitful” projects.</td>
</tr>
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#### Final Results Fell Within or Above Funding Plan Proj.

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#### Membership Retention and Growth

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<td>✔</td>
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Focused Content

- Fiduciary role
- Timeliness
- Financial results
- Key accomplishments
- Member-focused
Weak Signals

How do we inform our Boards at the right level so they remain advocates for the program and pooling in general?
Readability
Pictures = 1,000 words
Property Program

$34.3 billion

The value of buildings, contents, and land covered by the Fund

Equivalent to

or

24 Dallas Cowboys stadiums

8 World Trade Centers

Hailstorms hit 113 million square feet of properties covered by the Fund in 2014-15

Equivalent to

or

65 University of Texas at Austin campuses

or 50% of the total square footage covered by the Fund
Workers’ Compensation

$13.1 billion

141 thousand Texas school employees covered by the Fund

More than the total worldwide staff of Southwest Airlines and Delta Air Lines, Inc. combined

More than the combined payroll of all NFL, NBA, and MLB players

11,573

Number of injured employees the Fund helped get back on the job in 2014–15

Similar to the combined FTE of Denton ISD and Arlington ISD for 2015–16
CONTINUED
FINANCIAL STRENGTH (continued)

The chart below shows Members’ equity over a two-year period. The dashed lines represent the Members’ equity target range adopted by the Fund Board in 2015. Members’ equity started in 2012-13, driven by strong investment results and reductions in claims reserves, before returning close to 2011-12 levels this year. Despite two challenging years in a row, Members’ equity remained within this year’s re-assessed Members’ equity target range of $177.9 to $183.7 million. These are solid results considering that the Fund had an increased member contributions in each of the previous five years and grew membership in most programs.

Members’ Equity and Target Range

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Members’ Equity</td>
<td>$172.0</td>
<td>$177.9</td>
<td>$171.8</td>
<td>$183.7</td>
<td>$182.0</td>
</tr>
<tr>
<td>Target Range</td>
<td>$177.9</td>
<td>$183.7</td>
<td>$177.9</td>
<td>$183.7</td>
<td>$177.9</td>
</tr>
</tbody>
</table>

Reinsurance Program Changes

The Fund’s reinsurance program is an important pillar of the Fund’s financial strength. In fact, the Fund received nearly $34 million in reinsurance recoveries for property losses during 2015-16 and is anticipating nearly $6 million in additional recoveries in the next few months. These large losses to the reinsurance had a significant impact on the Fund’s financial statement. On March 1, 2016, the aggregate retention increased to $25.5 million from $22 million.

In addition to the change in property reinsurance, the Fund also increased its retention for Workers’ Compensation losses from $1.5 million to $2 million per occurrence. This will help control reinsurance costs for the program in the future and was supported by the Fund’s loss history and expected claim severity.

Loss Drivers

Severe weather has led to historically high property losses over the past two years. The largest two claims in 2015-16, reaching in $371 million in incurred losses. The average cost of a hail claim is $425,554, more than three times the cost of the average property claim. Hail claims accounted for 71 percent of property losses, and 54 percent of total incurred losses to the Fund. For reference, that is a greater percentage of Fund losses attributable to hail claims than was attributable to all property claims in the 2013-14 total year (70 percent).

Workers’ Compensation claims accounted for more than half of all claims filed during the year. The dollars incurred by the Fund. Falls and/or slip remain the top cause of loss for this program, accounting for 45 percent of Workers’ Compensation incurred losses, and nearly 21 percent of total incurred losses.

Claims have been trending up over the past three years, driven by membership growth and severe hail. While 2015-16 losses appear lower than losses in prior years, this is because the claims are not yet fully reported. Claims typically increase over time as claims develop or additional losses are reported after the close of the year. An example, claims attributed to the 2014-15 Fund year increased by $16.4 million after August 31, 2016, with almost 75 percent ($12.7 million) of the increase attributed to property claims. Almost 30 percent ($6.5 million) of the increase in property losses was due to hail claims that were reported after the close of the fiscal year.

**Claims Report**

As of August 31, 2016, the Fund had gross incurred losses of $38.4 million during 2015-16 and $39.4 million in earned contributions. Earned contributions exceeded losses in all programs except property, where there was a debit of $32.4 million due to continuing large hail losses. The number of overall claims reported was up five percent compared to the same time last year, most notably in property, where there were 22 percent more claims reported this year.

<table>
<thead>
<tr>
<th>Program</th>
<th>Number of Claims</th>
<th>Property Claims</th>
<th>Property Incurred Losses</th>
<th>Property Earned Contributions</th>
<th>Claim Per Claimant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>423</td>
<td>640%</td>
<td>$30,076,382</td>
<td>20.7%</td>
<td>$21,315</td>
</tr>
<tr>
<td>Workers’ Compensation</td>
<td>3,776</td>
<td>14.2%</td>
<td>$2,076,382</td>
<td>7.6%</td>
<td>$2,200</td>
</tr>
<tr>
<td>Auto</td>
<td>3,247</td>
<td>14.0%</td>
<td>$18,620,562</td>
<td>7.0%</td>
<td>$2,270</td>
</tr>
<tr>
<td>Unemployment</td>
<td>3,656</td>
<td>22.3%</td>
<td>$1,040,648</td>
<td>7.8%</td>
<td>$3,360</td>
</tr>
<tr>
<td>Public Liability</td>
<td>301</td>
<td>0.4%</td>
<td>$1,280,077</td>
<td>41.5%</td>
<td>$2,200</td>
</tr>
<tr>
<td>Total</td>
<td>7,305</td>
<td>100%</td>
<td>$42,053,211</td>
<td>60%</td>
<td>$2,200</td>
</tr>
</tbody>
</table>

*Claims data as of 08/31/16 except UC (as of 06/30/16)*
# 2015–16 Fund Claim Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Claims</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Claims</strong></td>
<td>17,200 claims, up five percent; $87.4M incurred losses, up 10 percent</td>
</tr>
<tr>
<td><strong>Property</strong></td>
<td>439 claims, up 22 percent; $52.2M incurred losses, up 22 percent</td>
</tr>
<tr>
<td><strong>Workers’ Compensation</strong></td>
<td>9,778 claims, down nine percent; $20.7M incurred losses, down two percent</td>
</tr>
<tr>
<td><strong>Auto</strong></td>
<td>2,467 claims, up six percent; $6.9M incurred losses, down 0.3 percent</td>
</tr>
<tr>
<td><strong>Unemployment Compensation</strong></td>
<td>3,935 claims, up 67 percent; $6.4M benefits paid, down four percent</td>
</tr>
<tr>
<td><strong>Liability</strong></td>
<td>581 claims, up six percent; $1.3M incurred losses, down 32 percent</td>
</tr>
</tbody>
</table>

**Mobile applications for auto liability claims**

When a member damages someone else’s vehicle in an accident, the vehicle owner can download a mobile application and upload photos of the damage. Estimates can be generated from the photos to speed up the claim process.

**On-demand live video**

The Fund is entering into an agreement with Drop-In, which provides an on-demand live video platform. A third-party “droperator” visits a property or accident site and live streams video, giving RMS staff a quick view of the member’s loss. This will assist with claims investigation and could have underwriting application as well.

**Experimenting with drones**

A drone operator can fly over campuses and buildings, capturing photographs or video of property damage. Claims adjusters can use this information to get a sense of the damage, and even set preliminary reserves instead of waiting on an in-person inspection.
THANK YOU, FUND MEMBERS

In order to be responsive to our members’ needs, we need to know our members’ needs. Before we began development of the new myTASB, we solicited feedback from members on their priorities, how they engaged with the Fund and TASB online, and the pain points they experienced. We would like to thank the following Fund members for taking time out of their day to help us build a strong platform to better serve all members.

Sarah Winkler, Alief ISD
Craig Radtke, Boerne ISD
Jana Garner, Bonham ISD
David Stasny, Bryan ISD
Arleen Parada, Clint ISD
Thomas Darden, Cooper ISD
Jason Morris, Deer Park ISD
Dr. Jamie Wilson, Denton ISD
Dr. Jodi Duron, Elgin ISD
Dr. Gilbert Trevino, Floydada ISD
Bridget Chustz-Morrison, Fort Bend ISD
Tina Constable, Hays CISD
Dianelis Almendares, Hutto ISD

Teresa Flores, Ingleside ISD
Darla Humes, Leander ISD
Michelle Davis, Leander ISD
Tamira Griffin, McKinney ISD
Griselda Hinojos, Marfa ISD
Gary Bingham, Mesquite ISD
Robert Seward, Mesquite ISD
Rosanne Stockhorst, New Braunfels ISD
Pam Remmers, Northeim ISD
Dr. Robert Roach, Olney ISD
Richard Hein, Sanford-Fritch ISD
Kim Parmer, Waller ISD

Austin ISD has implemented a school bus safety program. The district mounted cameras on their school buses to capture the license plates of drivers that fail to stop for buses that are loading or unloading students. The cameras allow for enforcement of these violations without the intervention of bus drivers or police officers. Following a recent loss by the district, RMS claims adjusters were able to obtain footage from the cameras to aid in the investigation of the claim. AISD is only one of the Fund’s innovative members. Each year the Fund recognizes nearly a dozen members who think outside the box at the Innovation Awards ceremony. In 2016, 11 members were recognized for their creative programs in risk management.
Georgina Tims aggressively pursued collections on past due accounts. During the year, the Fund only had one member with a contribution invoice over 90 days past due out of over 3,000 invoices sent. Georgina increased efficiency in our collection efforts and strengthened cash flow management by increasing member participation in draft payments by 16.6 percent.

Beginning in early 2015, Risk Management Services staff began planning to update the Fund’s Strategic Plan. Throughout the year, staff and Fund trustees participated in discussions organized around the Fund’s four strategic goals, giving staff an opportunity to learn more about members’ needs and priorities. The illuminating feedback helped guide the update of the Fund’s Strategic Plan.
How the work gets done
It takes a team...
Solid Project Manager
What Else?

- Detailed project timeline
- Early work on lay-out/concept
- Listening throughout the year
- Executive sponsorship
- Feedback from the Board
What's Next?
Questions?