Planning for COVID-19’s Impact on Pools
Applying Foresight to COVID-19
THE FORESIGHT PROCESS

STEP 1

Frame the domain
What do you want to explore?
By when?

STEP 2

Scan for forces and trends
Whom will you invite to help you scan?
What will your scan include?

STEP 3A

Forecast scenarios
What are the plausible futures for your domain?

STEP 3B

Identify crossover issues
What issues are common among scenarios?

STEP 4

Envision the future
What does success look like for your domain?

STEP 5

Backcast
What milestones must you complete to achieve your preferred future?

STEP 6

Implement
What must you start now, to secure your domain's future?
WHAT ARE SCENARIOS?

- “Stories” about what could happen in the future
- Tools that allow us to imagine and rehearse the future
WHY ARE SCENARIOS USEFUL?

• Test current strategies against possible futures
• Formulate new or updated strategies
• Enable wise action to help shape the future you want
• Prevent “poor me” thinking, “Poor me, there’s nothing I can do...”
SENSE-MAKING QUESTIONS

• What do we know?
• What don’t we know?
• What plausible futures are there for us?

• What can we do to improve our future zone?
• What “trip wires” would push us from one zone to another?
What do we know?
<table>
<thead>
<tr>
<th>What we know</th>
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</thead>
<tbody>
<tr>
<td>Our current members and renewal dates</td>
</tr>
<tr>
<td>Our internal operating or administrative budget</td>
</tr>
<tr>
<td>Population of emergency workers covered</td>
</tr>
<tr>
<td>Net position</td>
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<tr>
<td>How much we currently rely on investments</td>
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<tr>
<td>General shape of projected pandemic and timing in our state</td>
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<tr>
<td>There will be a link between the pandemic and economic recession</td>
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• Fear impairs decision-making

• Coping curve: denial, fear, acceptance, appreciation
What don’t we know?
<table>
<thead>
<tr>
<th>What we don’t know</th>
</tr>
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<tbody>
<tr>
<td>Length of the pandemic and the final direct impact to our staff, members, governing body</td>
</tr>
<tr>
<td>Depth of economic impact</td>
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<tr>
<td>New or different claims we will face, the new reality of claim costs (what increases, what decreases, and for how long)</td>
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<td>How far off our modeling and assumptions are for this year, and how models for future years will need to change</td>
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<td>How our legislators and courts will respond to coverage or claims issues</td>
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<tr>
<td>How much money the pool will have left by the end of 2020</td>
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<tr>
<td>What’s the snap-back or relief mechanism that will return elasticity, including what it looks like and when will it arrive</td>
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• More unknowns being identified daily

• Unknowns quickly becoming knowns (such as workers’ compensation presumption for public safety and health professionals)
What plausible futures are there for us?
EXPLORE THE FUTURE IN THREE ZONES

VISIONARY
Zone of High Aspiration

EXPECTABLE
Zone of Conventional Expectations

CHALLENGING
Zone of Growing Desperation

SOURCE: INSTITUTE FOR ALTERNATIVE FUTURES
What can we do to improve our future zone?
• Carefully consider use of surplus for rate stability at renewal

• Secure cash availability by making sure reinsurance coverage and relationships are solid

• Stay connected with members, develop a proactive communication cadence, be open about unknowns

• Slow down to make good decisions for the long-term, not just the crisis

• Prepare for even greater disruption to normal work cycles in the coming weeks
What “trip wires” would push us from one zone to another?
• We pay the claims, suffer investment losses, and run out of money

• Members can’t make required contributions or assessments

• We immediately implement technology to be as productive and efficient as possible

• We identify ways to provide services in areas where members have new expectations

• The commercial market leaves the local public sector due to high risks, so we grow

• We learn to better plan for major disruptions and how to better adapt
For each sense-making question, consider pool members and the pool itself.

Helps the pool stay connected to member needs and be responsive.

Ensures the pool minds the store for long-term success.
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RESOURCES

Visit [www.agrip.org/covid19](http://www.agrip.org/covid19) for COVID-19 resources, including:

- A recording of this webinar
- Presentation slides from this webinar
- Think Tank Report: Planning for COVID-19’s Impact on Pools
- Claims Considerations for Pools
- Legislation, legal and regulatory actions
- Risk management advice
- Claims coverage and exposure communications
- Pool resource hubs
- Investment resources from QEI Patrons
- News on the impacts to public entities
- General COVID-19 information