

VACo Risk Management Programs



*Virginia Association of Counties
Group Self-Insurance Risk Pool (VACoRP)
Property & Liability Insurance*

*Virginia Association of Counties
Group Self-Insurance Association (VACoGSIA)
Workers' Compensation Insurance*



Serving Virginia's Counties.

In 1993, the Virginia Association of Counties Group Self-Insurance Risk Pool (VACoRP) was created to provide property & liability insurance and risk management services. VACoRP now provides coverage to more counties, county school systems and county-related agencies than any other provider.

Through intergovernmental cooperation, VACo Risk Management Programs is to provide its members with the most efficient, cost effective, and innovative programs possible. VACo Risk Management Programs must be responsive to the current and future needs of its members while providing a stable alternative to the traditional insurance marketplace.

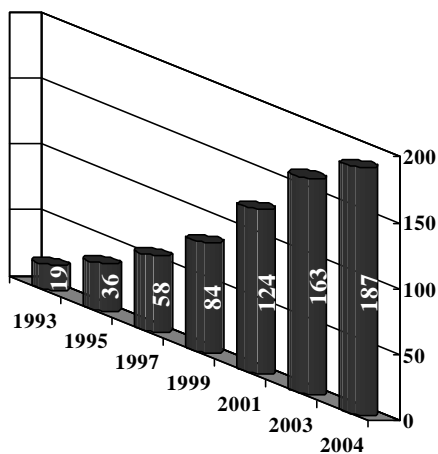
In 2001, the Virginia Association of Counties Group Self-Insurance Association (VACoGSIA) was created to provide workers' compensation and risk management services. VACoGSIA, in just three years, has become the leading provider to counties and county-related agencies in Virginia.

#1 Provider to Counties & County-Related agencies for all coverages.
#1 Provider of Property & Liability coverage to County School Systems

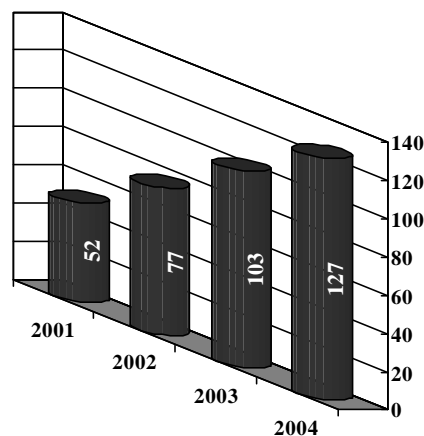
Created For Counties. By Counties.

VACoRP & VACoGSIA are member-owned programs governed by seven member Supervisory Boards elected from the general membership. Participation is limited to counties, county school systems and county-related agencies because the loss

experience of this group tends to be better than other forms of political subdivisions. This exclusivity of membership enables the programs to tailor the specifics of the coverage and provide services that exactly meet members' needs.



GROWTH OF VACoRP MEMBERS



GROWTH OF VACoGSIA MEMBERS

VACoRP & VACoGSIA Participants.

Counties

◆ Accomack	◆ Dickenson	◆ Lancaster	◆ Pulaski
◆ Alleghany	◆ Dinwiddie	Lee	◆ Richmond
◆ Amelia	Essex	Loudoun	Roanoke
Amherst	Fairfax	◆ Louisa	◆ Rockbridge
◆ Augusta	◆ Floyd	◆ Lunenburg	◆ Rockingham
◆ Bedford	Fluvanna	◆ Madison	◆ Russell
◆ Bland	◆ Franklin	Mathews	◆ Scott
◆ Botetourt	◆ Frederick	◆ Mecklenburg	◆ Shenandoah
◆ Brunswick	◆ Giles	◆ Middlesex	◆ Smyth
◆ Buchanan	◆ Goochland	◆ Montgomery	Spotsylvania
Buckingham	◆ Grayson	Nelson	◆ Stafford
◆ Campbell	Greene	New Kent	Surry
◆ Caroline	◆ Greensville	◆ Northampton	◆ Sussex
◆ Carroll	Henry	◆ Orange	◆ Tazewell
◆ Charles City	◆ Highland	Page	◆ Warren
◆ Charlotte	Isle of Wight	◆ Patrick	◆ Washington
◆ Clarke	◆ King & Queen	◆ Pittsylvania	◆ Wise
◆ Craig	◆ King George	◆ Powhatan	◆ Wythe
◆ Cumberland	◆ King William	◆ Prince Edward	

County School Systems

Accomack	Frederick	Loudoun	◆ Russell
◆ Alleghany	◆ Goochland	Madison	◆ Scott
◆ Amelia	◆ Grayson	Mecklenburg	◆ Shenandoah
◆ Bland	◆ Greene	Nelson	◆ Smyth
◆ Brunswick	Greensville	◆ Northumberland	Southampton
◆ Charles City	Halifax	Patrick	Stafford
◆ Clarke	◆ Highland	Powhatan	◆ Tazewell
◆ Craig	King & Queen	◆ Pulaski	◆ Warren
Cumberland	◆ King William	◆ Rappahannock	Westmoreland
◆ Dickenson	◆ Lee	◆ Rockbridge	Wise
◆ Dinwiddie	Louisa	Rockingham	◆ Wythe
Fauquier			

County Related Agencies

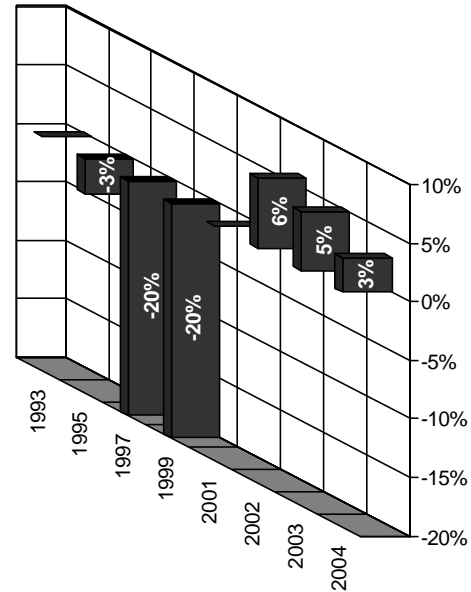
VACoRP & VACoGSIA provide coverage to over 80 county-related agencies such as Water & Sewer Authorities, Industrial Development Authorities, Regional Park Authorities and Regional Jails.

◆ indicates membership in both VACoRP & VACoGSIA.

Equitable Rates Based On Experience.

VACoRP & VACoGSIA's primary objective is to provide stable rates in a manner that is equitable for all members. Although the commercial insurance market has been very difficult over the past couple of years, both programs have been able to keep rate increases to a minimum. In the case of VACoRP, **rates are still 25% lower than when the pool started in 1993.**

Both programs use the same rating structure for all members and promulgate rates based on the pool's own experience and losses of members, it makes sense that rates would be fair and equitable. After all, VACo Risk Management Programs will never provide a benefit to one member which is a detriment to other members.



VACoRP RATE HISTORY

Coverage When And Where It's Needed.

VACoRP offers some of the broadest coverages available to local governments in Virginia. Our coverage forms have been written specifically to meet the needs of counties and county school systems. We provide non-auditable coverage on an occurrence form which gives members more flexibility and peace of mind-without hidden costs.

The Supervisory Board continually reviews the adequacy of coverage to ensure that members receive the highest level of protection. VACoRP encourages all members to share their ideas about adding different coverages to the pool.

VACoGSIA provides coverage on a Statutory basis. When determining compensability of a claim, our claims staff follows laws passed by the General Assembly and administered by the Virginia Workers' Compensation Commission.



Financial Stability For Long-Term Solvency.

Pool solvency is a result of both programs' stability and reliability of membership. The programs layer their risk by having insurance on the pool's insurance. In short, we reinsure our losses to protect the pools and their members from catastrophic events or a series of large losses. The reinsurance program limits the amount of losses the pools may incur in a given year. Both programs procure reinsurance from highly rated and well established companies licensed to conduct business in the State of Virginia.

Since 1993, **VACo Risk Management Programs** has continually been able to maintain stable reinsurance pricing, even in the recent hard insurance market. This is due to the favorable loss experience of the membership.



Since both programs are owned by the membership, all surplus is owned and controlled by the members. VACoRP has returned a dividend each of the past four years due to the better than expected financial performance of the pool. However, dividends should not be expected; rather, they should be seen as a benefit of pool participation when claims experience is good.

Dividends are the result of overpaid contributions; as such, rates are promulgated with the lowest up front cost possible so that the pools do not have to hold excessive funds of the membership only to be returned several years later as dividends. Although dividends will frequently be returned, they should never be significant nor should they ever be used to offset insurance budget amounts.

A Staff With Superior Services.

VACo Risk Management Programs has its own dedicated staff for general risk management, claims, and basic loss control services for VACoRP and VACoGSIA. Staff members have an average experience level of over 18 years in the insurance business. Because we are self-administered, there is direct quality control, and as the programs continue to grow, our in-house service costs will remain stable, thus reducing the members' share of that cost.

The November 1997 decision of the Supervisory Board to bring all services in-house has **reduced service costs by more than 30%** while increasing the level of services VACo Risk Management Programs offers to its members. **VACoRP and VACoGSIA have the lowest expense ratios of any public entity pool in Virginia.**

Risk Management and Underwriting Services

Risk Management is a process that never ends. It is ongoing and changing because so are your insurance needs. Our risk management services begin with an application and the collection of the loss exposure data. Then a proposal is delivered with an explanation of the coverage.

Risk Management continues throughout the relationship as we help fine tune the needs of each member by reevaluating the coverages afforded, risk-avoidance methods, the structure of the risk transfer component, and measures to reduce exposures to both individual members and the pool.

Claims Management

Our staff handles claims administration with the goal of assisting members in

- **VACoGSIA uses \$.05 per \$1.00 to provide service to the members.**
- **VACoRP uses \$.13 per \$1.00 to provide service to the members.**

All members are provided with a full array of risk management services. These services include risk management and underwriting, claims management, loss control, internet, and property appraisals.



evaluating their liability, if any, under other jurisdictional laws dealing with property and bodily injury. Claims management begins with an investigation of the facts, preservation of evidence, and application of the appropriate law to determine probable liability. The claims staff assists members in an objective evaluation of liability with the goal of controlling the cost and expense of the loss.

With regard to workers' compensation, the claims staff works to reduce the cost of the claim by gearing treatment toward getting employees back to work as soon as practical.

Loss Control

Loss control is the essence of pooling; members working toward the common goal of reducing risk. Each member receives an initial on-site assessment to evaluate potential loss exposures and determine the controls and services they may need or want. Once the initial assessment has been made, we arrange for follow-up visits with each member. Some member loss control programs include:

Fleet Management Programs

Fleet Management Programs include establishing accident review committees, fleet safety policies, driver selection policies, and on-site four- and eight-hour defensive driver training courses.



Contract Risk Management

VACo Risk Management Programs will review members' contracts to ensure that members enter into agreements with the proper insurance language included in the contract to protect against loss.

Mock OSHA Inspections

Loss control staff will inspect a members' operations and provide a mock report from an OSHA perspective so that members can make improvements in the event of an actual OSHA inspections

Video Lending Library

Training videos are available to all members covering all aspects of property, liability, vehicle, and workers' compensation topics. Please ask the loss control consultants for a catalogue.

Individual & Regional Seminars

Periodically, VACo Risk Management Programs staff will conduct individual and/or regional seminars addressing topics of interest among members.

Internet Services

All members have access to internet services via www.vacoins.org. Members can file claims, add/delete vehicles and property, and look up various information on claims and safety. If you have forgotten your username and password, please contact us.

Property Appraisals

Since 1997, all primary participating members have received professional property appraisals at no additional cost. The service consists of an on-site inspection of all properties valued in excess of \$75,000. Each member receives a booklet containing digital photographs, plot maps, and a complete replacement cost evaluation of buildings and contents.





“Serving Virginia’s Counties & Schools”

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