



MMRMA: AGENTS OF KNOWLEDGE

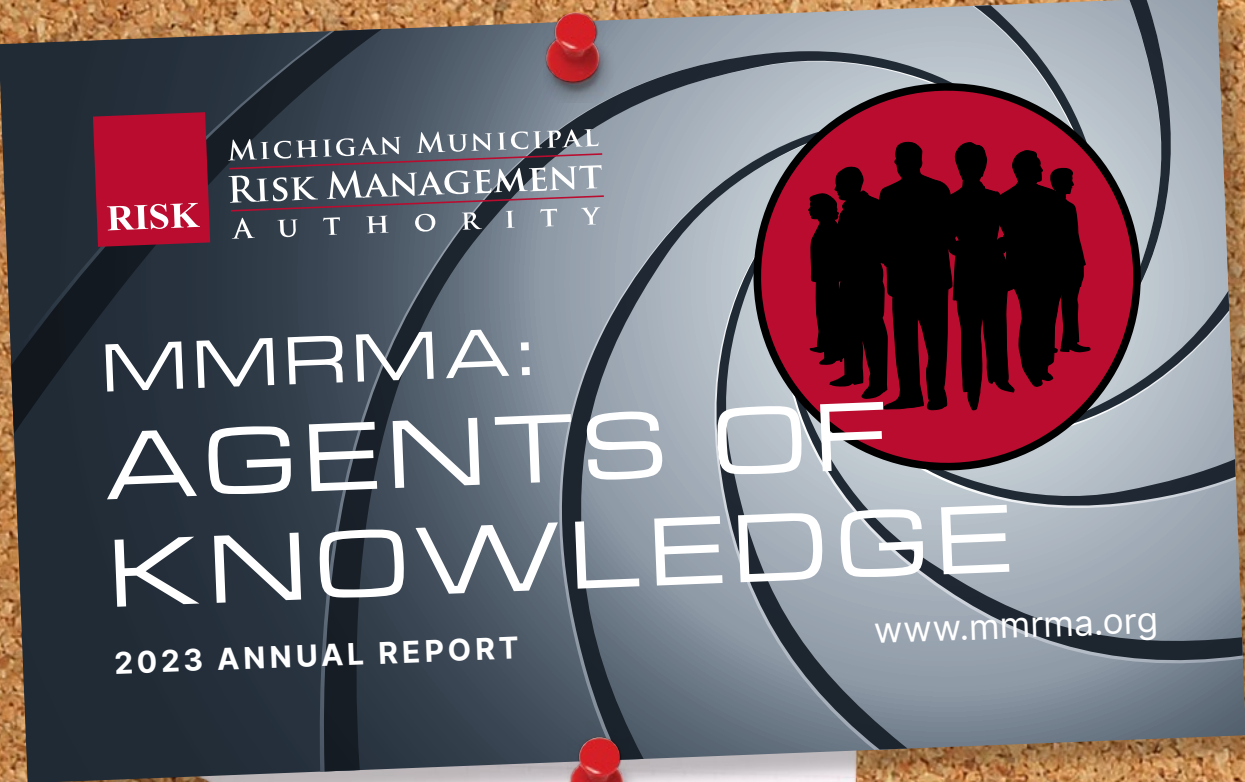
2023 ANNUAL REPORT



MICHIGAN MUNICIPAL
RISK MANAGEMENT
AUTHORITY

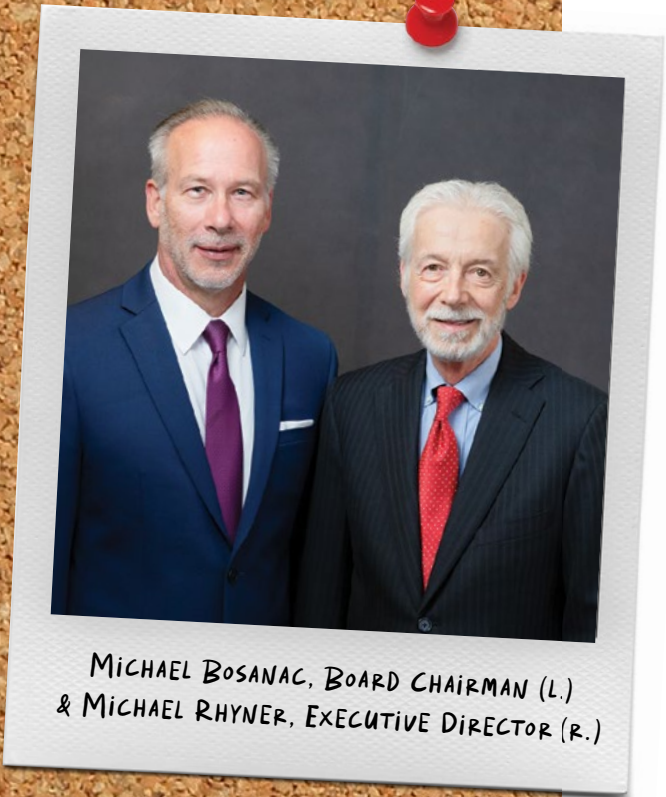


TOUCH ID



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TO OUR MEMBERS

Thank you for reading MMRMA: Agents of Knowledge, the Annual Report to Members for Fiscal Year 2023. It explores how MMRMA and our members have collaborated and combined knowledge to create successful outcomes for over 40 years.

Since MMRMA's formation in 1980, that collective knowledge has been put to work for the benefit of the entire membership. With every idea, decision, program, and outcome, our Agents of Knowledge have built upon the achievements of those who came before, expanding MMRMA's membership footprint, national reputation, resources, coverage, and risk control offerings.

History has seen an endless series of changes and developments in the ways in which people and organizations store, retrieve, display, and share information. From cave paintings to handwriting to the invention of the printing press, people found ways to share their knowledge and ideas with one another.

More recently, including since MMRMA's inception, we have seen a significant shift from early computer programs and heavy reliance on paper files to the speed and efficiency – and accompanying risks – of modern-day technology tools, dramatically changing how people disseminate and apply knowledge globally.

The appearance and capabilities of the information MMRMA employs today may have changed, but our core functions remain the same: providing outstanding member service and resources to public entities across Michigan.

This report visually encapsulates some familiar methods of storing and sharing information over the decades. It also provides data and outcomes from Fiscal Year 2023 and throughout MMRMA's history as we:

- Introduce our **Agents of Knowledge**, including members, business partners, and staff.
- Pore through the **Archives** to show the origins of some of our valuable programs.
- Peek inside the **Toolkit** of resources and benefits to members.
- Shine a light on the **Foresight** that allows us to stay nimble in changing times.
- Recognize the leadership and legacy of the **Directors** who govern MMRMA.

These important elements have solidified MMRMA's reputation as Agents of Knowledge in public entity pooling and the combined success of the organization and our members. Thank you for your loyalty to MMRMA and your contributions to its excellence.

Michael Bosanac **Michael Rhyner**
BOARD CHAIRMAN EXECUTIVE DIRECTOR

THE AGENTS

People are the essential ingredient in every successful organization, and MMRMA has benefited from the contributions of countless Agents of Knowledge.

The Membership

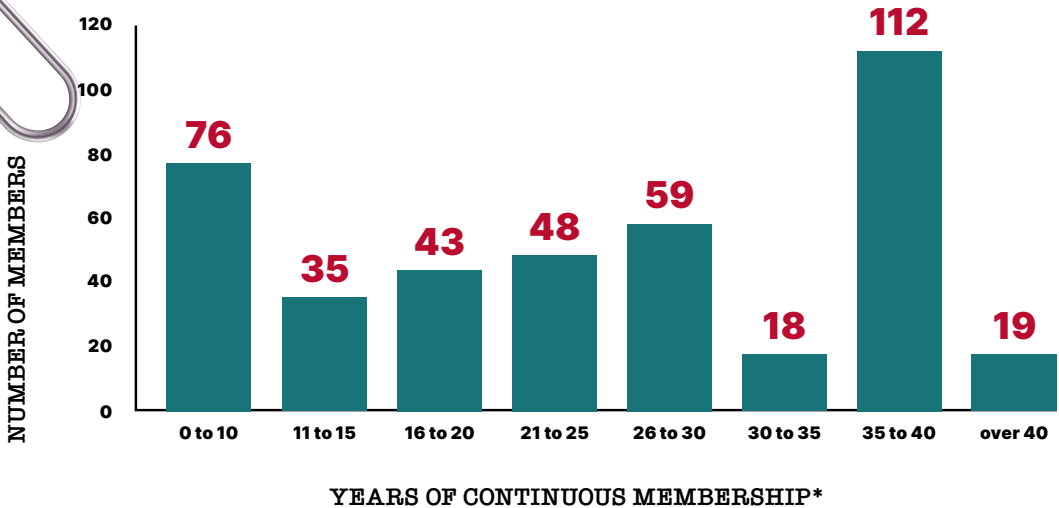
These include Member Representatives — the primary points of contact for each member entity — along with hundreds of officials and functional experts who lend their time and know-how to our various committees and the thousands of member employees who have attended MMRMA training and used our resources to help manage risk while providing essential services to residents across Michigan.

The Service Team

Serving these members — while leaving their mark on MMRMA in their own right — are the professional, experienced employees and service partners who attend to the business at hand: soundly managing investments, reinsurance, and financial accounts; adjusting claims; coordinating legal matters; underwriting coverage; providing risk control guidance and training; communicating with members; and many more day-to-day functions.

These include MMRMA departmental and executive staff, regional risk managers, reinsurance intermediaries and reinsurers, actuaries, law firms, investment managers, and more.

MMRMA MEMBERSHIP



MMRMA has grown from three to 430 members due not only to our reputation and effective outcomes but to those members' loyalty. They know sharing risk and resources through MMRMA membership is a proven, effective model.

*excluding the 20 community college members



AGENT

Member Representative

Key Activities

Primary point of contact with MMRMA for coverage, claims, and all other business matters.



AGENT

Risk Control Advisory Committee Participant

Key Activities

Assists Membership Services in developing functional area risk control training and resources.



AGENT

Membership Committee Member

Key Activities

Helps MMRMA evaluate and update grant programs; reviews and makes decisions on members' grant applications.



AGENT

Investment Committee Member

Key Activities

Reviews financial operating results and investment performance and assists the Board with investment guidelines.



AGENT

State Pool Committee Member

Key Activities

Reviews loss experience, developments, and trends within the State Pool, a set of small, diverse MMRMA members.



AGENT

Events Planning Committee Member

Key Activities

Assists staff in developing and evaluating training and programs for MMRMA's two signature annual events.



"What makes [the filing cabinet] so important in the history of information technologies is that it helped popularize and encourage a way to think about information as something that you can move and circulate around the room."

"Its accoutrements continue to shape our encounter with information. We're asked to think about files on our computer, and we put them in folders—the icon is a manila folder.

... We manage online content with browser tabs. ... They're all legacies of the filing cabinet."

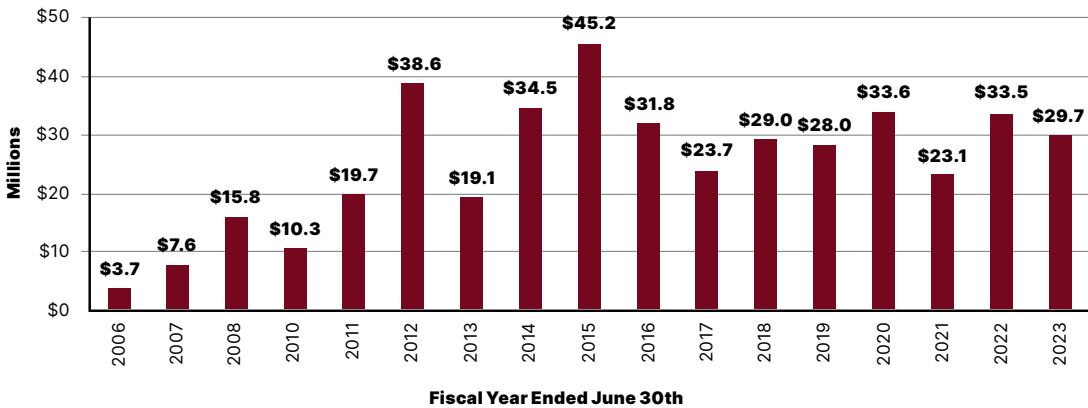
CRAIG ROBERTSON, AUTHOR OF
THE FILING CABINET: A VERTICAL
HISTORY OF INFORMATION

THE ARCHIVES

In our 43 years thus far, MMRMA has amassed a rich history of successful programs for members.

As we have grown – and as the world has evolved – these solutions have strengthened MMRMA, our standing in the state of Michigan, our reputation in the public entity pooling community, and the loyalty and longevity of the membership. Here we look back at the origins and value of three key initiatives.

NET ASSET DISTRIBUTIONS*



Since 2006, the Board of Directors has declared a cumulative \$427 million in direct distributions of excess net assets back to renewing MMRMA members.

*Net Asset Distributions since inception of policy total \$427.0 million.



While microfilm was invented in 1839, “a New York City banker created [its] first commercially viable use [in the 1920s] to capture permanent copies of bank records, and then in the 1930s a 35mm microfilm camera paved the way for newspaper preservation...

“[Later,] microfilm blossomed as a primary method to access information because hard copy newsprint was bulky, prone to deterioration, and there was just too much of it to keep organized and stored... When the 21st century started, digitization was on the rise and continues today. Many collections that were microfilmed decades ago are now being scanned into electronic formats for more rapid access and availability.”

THE HISTORY OF MICROFILM.
BMI IMAGING SYSTEMS

1997

RAP/CAP GRANTS

MMRMA members have received over \$22 million in grant funding since the Risk Avoidance Program (RAP) debuted in 1997. This total also includes grants awarded under the Certification and Accreditation Program (CAP), which was introduced in 2014. This funding has helped members reduce risk through equipment, training, certifications, and other activities. The Board of Directors has increased the budget for member grants several times and applications continue to reach record highs each year as more and more members take advantage of this valuable benefit.

2006

NET ASSET DISTRIBUTIONS

One of MMRMA’s comprehensive governing documents, the Net Asset Policy provides the framework for ensuring adequate capital to meet MMRMA’s financial obligations, protect against risk, and continue to provide superior coverage and services to the membership. It paved the way for 17 direct distributions of excess net assets to members thus far. MMRMA also deploys additional excess net assets to members through RAP/CAP grants, MCCA/MACP vehicle assessments, Data Breach and Privacy Liability Coverage, Enhanced Auto No-Fault Coverage, and Volunteer Coverage.

2013

DATA BREACH COVERAGE

Ten years ago, MMRMA began providing Data Breach and Privacy Liability Coverage to members for first- and third-party losses related to identified, covered cyber events. In subsequent years, MMRMA hired a Cybersecurity Practice Leader and has restructured coverage to meet the ever-changing cyber risk landscape.

THE TOOLKIT

While the archives featured on pages 4-5 illustrate some key long-lasting and successful MMRMA initiatives, our knowledge toolkit does not stop there.

Here are some of the other tools and resources we offer to help members manage risk and keep MMRMA thriving.



According to the Online Etymology Dictionary, the word “toolkit” (or tool kit) originated circa 1908. Its root words “tool” (Old English) and “kit” (Middle Dutch) appeared many centuries earlier.

Definitions of “toolkit” illustrate the more literal meaning (a carrying case filled with instruments) and the more metaphorical usage of “toolkit” as a group of personal or organizational traits and information:

Toolkit (noun)

1. a collection of tools or other useful equipment typically kept in a box or case: a carpenter’s toolkit.
2. a collection of expert skills, knowledge, procedures, or information for a particular topic or activity: I wanted to expand my toolkit, see more successes, and have better control over my projects.

DICTIONARY.COM

Financial strength

Behind every facet of MMRMA’s knowledge base and resources for members is the organization’s financial strength. Thanks to the team’s sound management of MMRMA’s financial operations and investments, we can offer rate stability, provide comprehensive coverage, deploy excess net assets to members, and maintain our toolkit of benefits, including:

Comprehensive training

MMRMA offers dozens of training courses each year, many at no cost to members. The Fiscal Year 2023 training calendar included (among many others):

- Cybersecurity for leadership and IT professionals.
- Reality-based training for cell extraction, tactical encounters, drone operations, trench rescue, and vehicle extraction.
- Courses on FOIA (Freedom of Information Act), fleet management, outdoor event weather safety, and jail liability, and more.

Valuable resources

MMRMA also provides an array of risk control bulletins and best practices brochures in the various public entity functional areas. Prepared by our risk control advisory committees in conjunction with Membership Services staff and expert business partners, these documents help members stay on top of mitigating risks while providing essential services in their communities. Recently updated offerings include *Critical Incident Debriefing Guidelines* and *Workplace Harassment Complaints Prevention and Response*.

763

Individual Member Employees

144

State Pool Member Employees

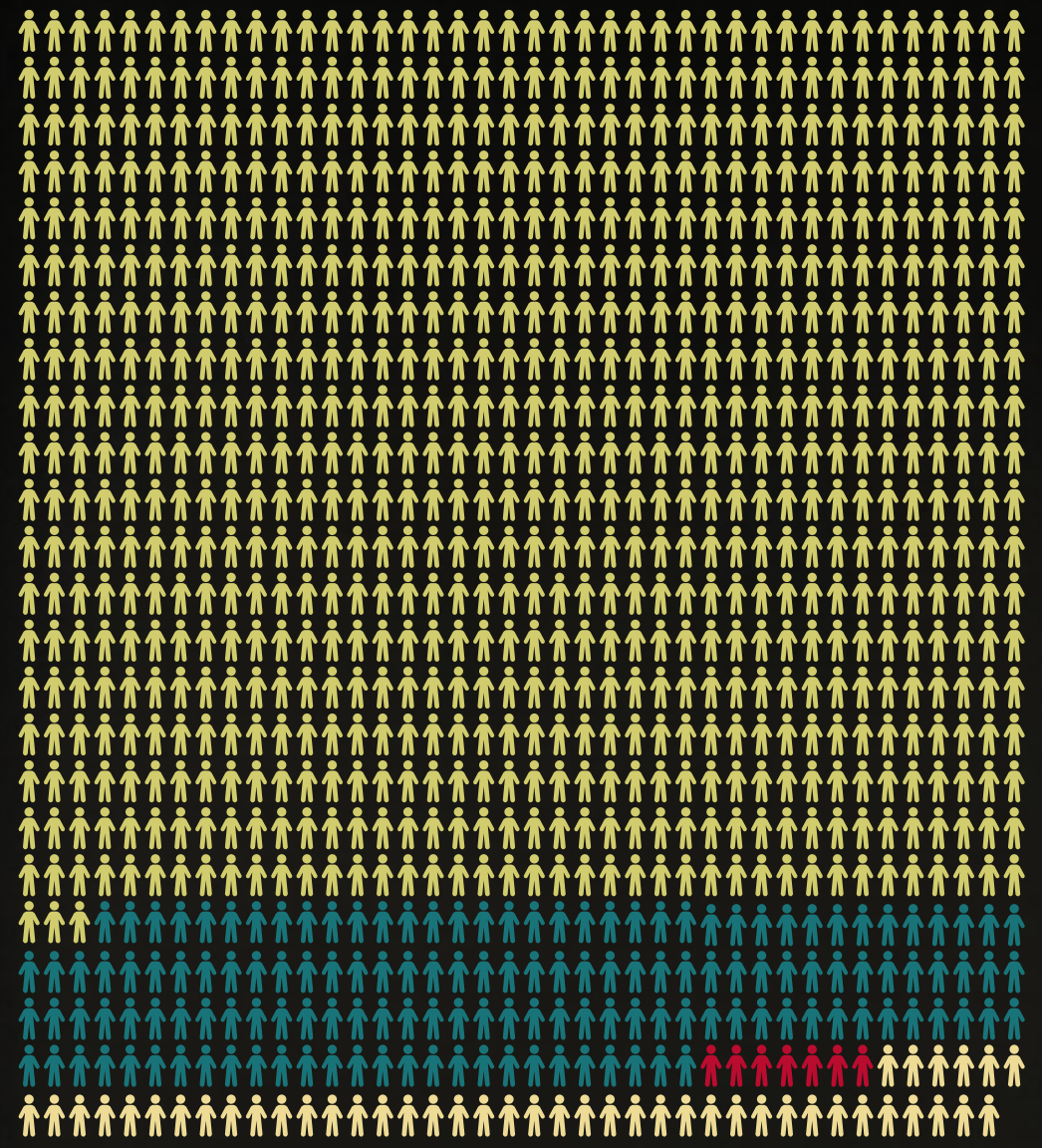
7

MMRMA Member Employees

45

Non-Member Employees

TRAINING ATTENDEES IN FISCAL YEAR 2023



Almost 1,000 individuals participated in MMRMA training in Fiscal Year 2023. In addition to the attendees shown in the graph, 350 member law enforcement officials attended a five-day *Winning Mind* training course hosted by two members and sponsored by MMRMA.

THE FORESIGHT

Our people, history, and recent successes tell the story of MMRMA’s Agents of Knowledge and how we have served members for over four decades.

At MMRMA’s inception and at every step along the way, those achievements were made possible because our founders – and everyone who has followed in their footsteps – had a vision of what was possible in the future.

Foresight remains a vital component of MMRMA’s longevity, the loyalty of our members, and our continuation on the path of excellence for decades to come.

Strategic planning

MMRMA’s vision for the future is grounded in the robust and continuous strategic planning process conducted by the Board of Directors and executive team. The seeds they plant in exploring what lies ahead blossom into every program and initiative and operation performed and realized by the Agents of MMRMA – our staff, business partners, and members.

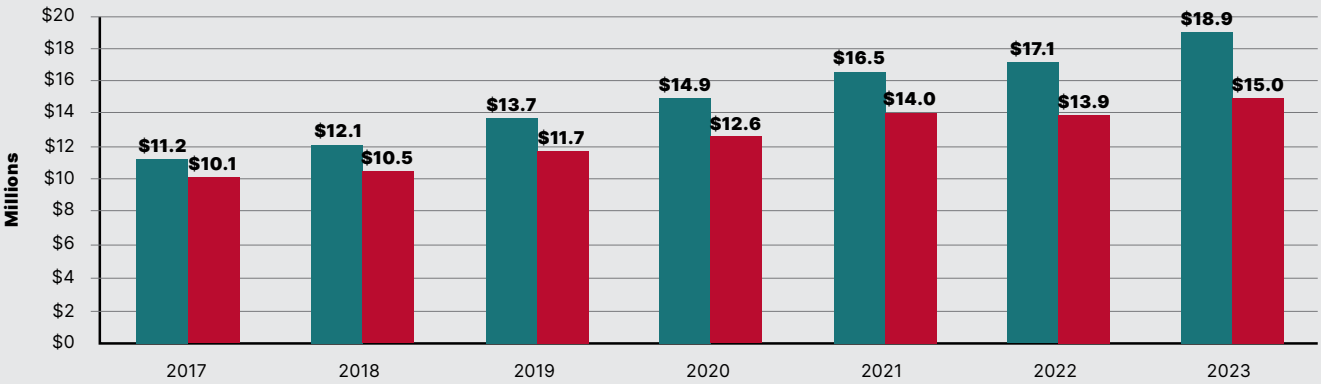
Greenstone Insurance Company

One outcome of those strategic planning efforts was the formation and application of MMRMA’s wholly owned captive insurance company. Greenstone continues to succeed and expand the capabilities with which MMRMA can provide exceptional member services. In recent years, Greenstone participates in MMRMA’s reinsurance layers for various types of coverage to help address hardening markets and emerging exposures. Greenstone also offers property tax collection bonds to MMRMA member counties.

Technology

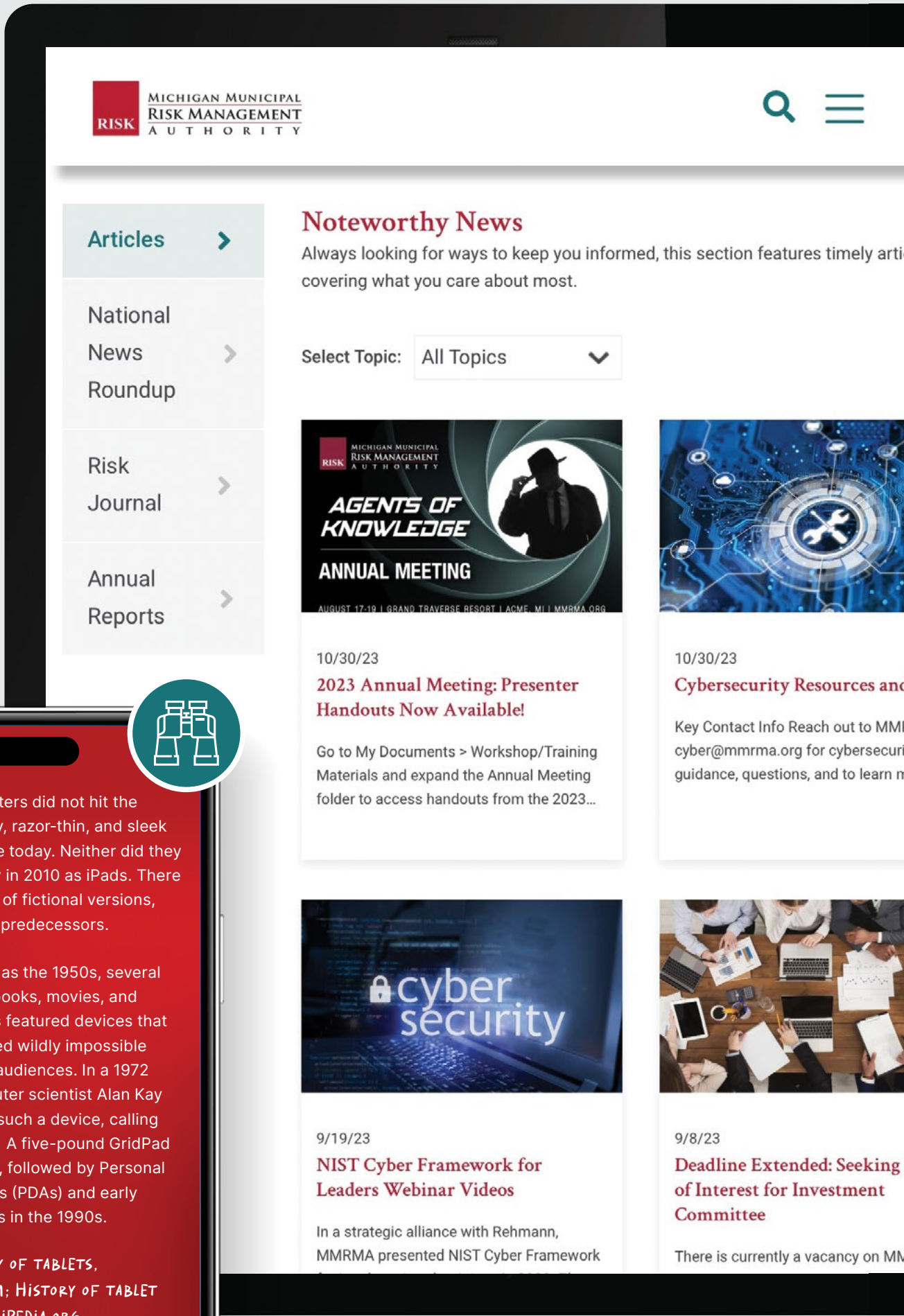
MMRMA continues to invest in technology and to manage the ever-evolving cyber-related risks that come along with it. Many tools highlighted in these pages are delivered via video conferencing, our member portal, and other technologies. In Fiscal Year 2023, we enhanced our technology and cybersecurity infrastructure and worked extensively on upcoming enhancements to our applications, including an online training platform to help members achieve better risk control results more efficiently.

GREENSTONE TOTAL ASSETS & UNRESTRICTED NET POSITION



Greenstone serves as a vehicle for MMRMA to provide additional coverage to members, including property tax collection bonds. Other products are in the works for future years.

■ Total Assets ■ Unrestricted Net Position



THE DIRECTORS

Since day one, MMRMA has been member-owned and member-governed. The Joint Powers Agreement and governing documents establish the tenets and policies by which the organization conducts its operations.

The Board of Directors is an essential component of this model. These ten individuals are elected by their fellow members to lead MMRMA, and they know the importance of this role. Their integrity and commitment are evident in the work they do.

The Board's key responsibilities include oversight and evaluation of MMRMA's governance. They regularly review and refine the various policies that comprise the Governance Manual, ensuring both that the organization is complying with these guiding documents and that they remain relevant in an ever-changing landscape.

The Board also drives the strategic direction of the organization. They conduct thoughtful exercises to evaluate the challenges and opportunities facing MMRMA and our members.

This process yields a dynamic, responsive set of strategic priorities and initiatives. It serves as a road map for the executive director to lead the team in developing and implementing programs and conducting MMRMA's core business activities.

Today's Board members are true Agents of Knowledge, always seeking to understand MMRMA and our history so they can collaboratively shape the organization's future. They know the value their predecessors brought to MMRMA, and they strive to do the same for the leaders who will follow.

Thanks to the informed and steadfast direction of the Board, MMRMA is positioned for continued excellence and valued member service for another four decades and beyond.



MMRMA Board of Directors

(l to r): Douglas Johnson; Michael Sedlak; Richard Burke; Fabian Knizacky, Vice Chairman; Michael Bosanac, Chairman; Jeffery Lawson; Maureen Miller Brosnan, Secretary; Chris Barnett; Dana Muscott; Michael Rhyner, Executive Director; and Leon Wright.

THE FINANCIALS

CLAIMS FILED BY LINES OF COVERAGE*

	2018	2019	2020	2021	2022	2023
Auto Liability	399	404	331	203	294	275
Auto Physical Damage	745	749	720	667	965	1,047
General Liability**	1,099	1,101	895	1,068	3,131	901
Property	410	420	406	387	491	544
Data Breach	4	7	5	11	23	18
TOTAL	2,657	2,681	2,357	2,150	4,764	2,785

*Not including litigated and notice only claims.
** Also includes law enforcement, public officials, and sewer claims.

LITIGATED CLAIMS

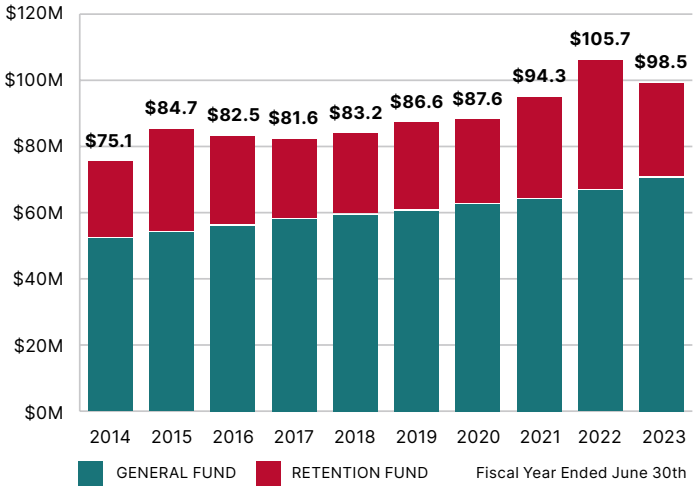
	2018	2019	2020	2021	2022	2023
Files Opened	289	389	355	437	358	400
Files Closed	326	329	288	283	359	346

FINANCIAL HIGHLIGHTS

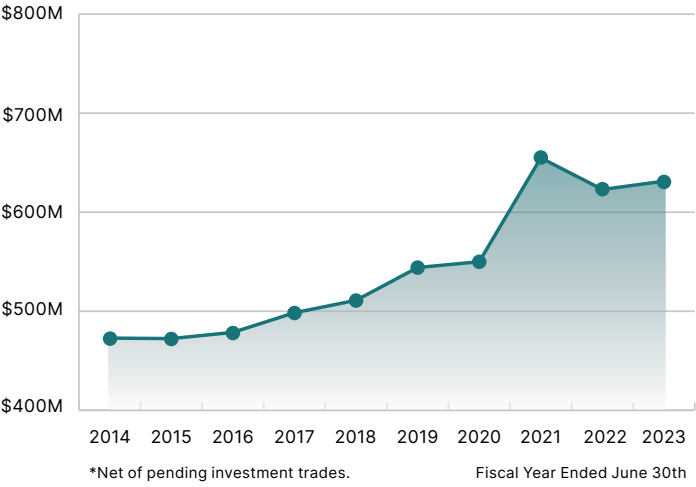
	2018	2019	2020	2021	2022	2023
Member Contributions General Fund and Retention Fund - Gross	\$83,216,449	\$86,633,655	\$87,622,429	\$94,309,405	\$105,655,418	\$98,511,192
Claims and Claim Adjustment Expenses Paid General Fund and Retention Fund - Gross	\$35,112,562	\$34,014,063	\$32,999,306	\$45,219,255	\$49,779,038	\$38,492,717
Net Asset Distributions to Members	\$29,000,000	\$28,000,000	\$33,575,603	\$23,097,364	\$33,544,857	\$29,733,869
Cash Investments At fair market value (net of pending trades)	\$510,924,977	\$544,067,450	\$550,016,229	\$655,206,648	\$623,198,974	\$630,121,249
Investment Income (Loss) Includes realized and unrealized gains/losses, interest, dividends, change in investment in Greenstone, and other income	\$25,453,301	\$37,107,020	\$11,042,883	\$109,085,701	\$(37,002,456)	\$33,771,228
Reserves for Claims and Claim Adjustment Expenses Reported and IBNR	\$65,425,821	\$64,748,916	\$71,847,448	\$71,589,188	\$72,464,964	\$75,752,850
NET POSITION						
Net Investment in Capital Assets	\$3,070,857	\$2,602,056	\$1,887,656	\$2,071,990	\$2,164,930	\$3,037,625
Unrestricted Assets	\$324,245,522	\$347,908,274	\$333,529,760	\$431,773,700	\$378,809,290	\$391,915,604
TOTAL	\$327,316,379	\$350,510,330	\$335,417,416	\$433,845,690	\$380,974,220	\$394,953,229

MEMBER CONTRIBUTIONS HISTORY

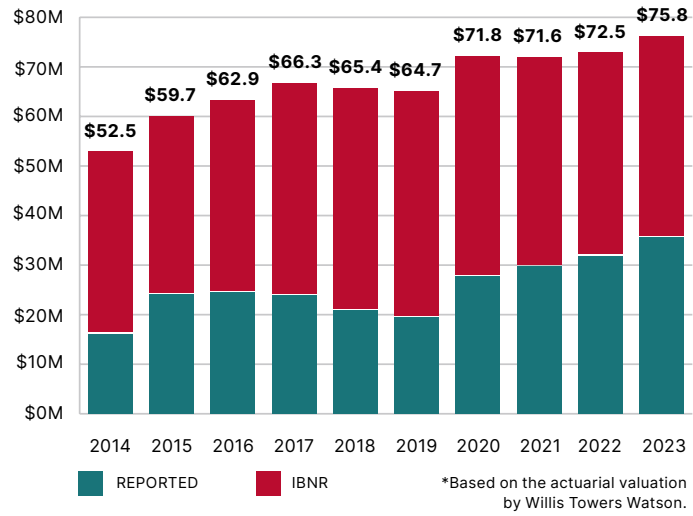
General Fund and Retention Fund



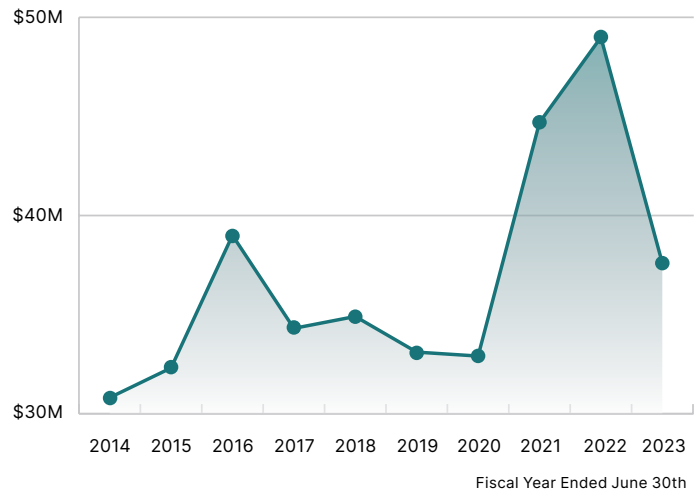
CASH AND INVESTMENTS HISTORY*



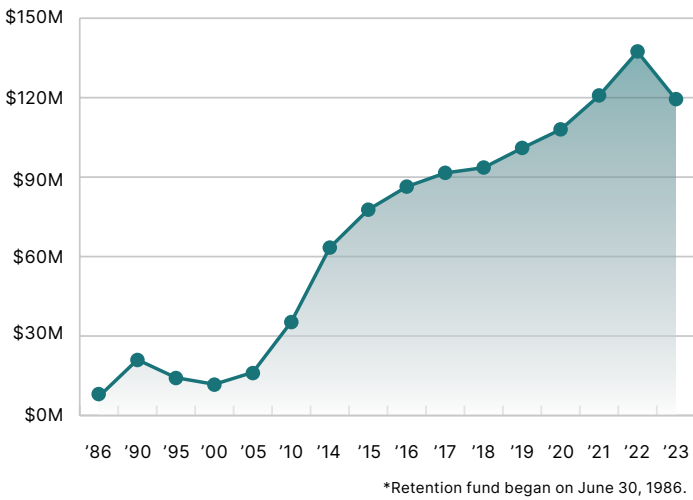
GENERAL FUND CLAIM LOSS RESERVE HISTORY*



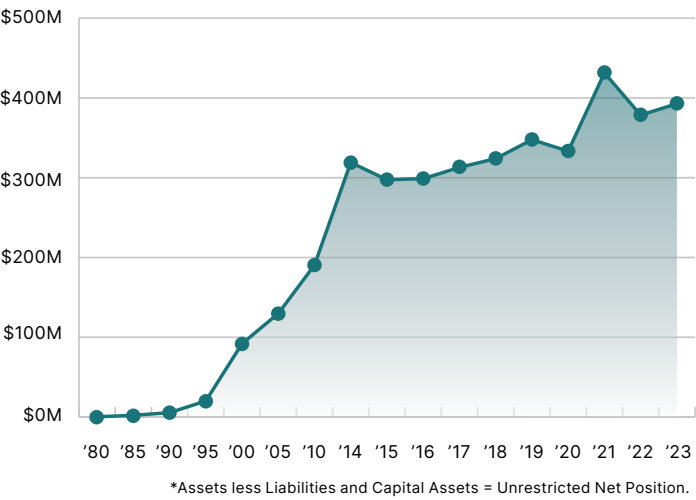
CLAIMS AND CLAIM ADJUSTMENT EXPENSES PAID HISTORY



RETENTION FUND BALANCE HISTORY*



UNRESTRICTED NET POSITION*





RISK

MICHIGAN MUNICIPAL
RISK MANAGEMENT
A U T H O R I T Y

Michigan Municipal Risk Management Authority

14001 Merriman Road
Livonia, Michigan 48154

Phone: 734.513.0300
Toll Free: 800.243.1324