



MICHIGAN MUNICIPAL
RISK MANAGEMENT
AUTHORITY

RECIPE FOR SUCCESS



ANNUAL REPORT
2024



Chef's Note

TO OUR MEMBERS

1

Experts

MEET THE CHEFS

2

Utensils

TOOLS OF THE TRADE

4

Ingredients

ONLY THE FINEST

6

Creativity

THE SIGNATURE SAUCE

8

Direction

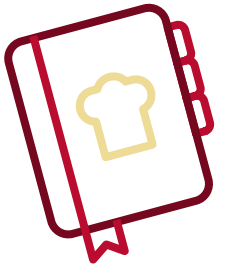
SEASONED OVERSIGHT

10

A Dash of Data

RESULTS THAT MATTER

12

TO OUR MEMBERS

We are pleased to present Michigan Municipal Risk Management Authority's Annual Report for Fiscal Year 2024, *MMRMA: Recipe for Success*. This is your guide to the key components that, when combined, create our signature MMRMA recipe.

For 44 years, MMRMA has been serving up award winning and sought-after programs and services for members. While our formula is not secret, it has yielded successful results that are often imitated, but rarely duplicated, in the public pooling industry.

Our members—over 430 public entities from across Michigan—have come to value and depend upon our comprehensive coverage, skilled underwriting, claims and legal expertise, experienced risk control guidance, training, grants, and so much more.

In these pages, we explore the essential elements that go into MMRMA's *Recipe for Success*:

EXPERTS—The many people who skillfully prepare our recipe, including members, business partners, and staff.

UTENSILS—The invaluable services and programs we deploy to deliver an extraordinary experience to our members.

INGREDIENTS—The highest quality resources and benefits that help MMRMA stand out.

CREATIVITY—The seed planted in 1980 by our founders continues to inspire us to innovate and evolve in an ever-changing public risk environment.

DIRECTION—The oversight provided by today's Board of Directors, with roots in the enduring legacy of their predecessors, will bear fruit in the many decades to come.

We mix these elements with a generous helping of data to showcase MMRMA's successful outcomes from 2024 and throughout our history.

Thank you to each of our members for your trust and loyalty, and for helping develop and implement MMRMA's *Recipe for Success* past, present, and future.



MICHAEL RHYNER
Executive Director

MICHAEL BOSANAC
Board Chairman

MEET THE CHEFS

MMRMA's *Recipe for Success* begins and ends with the people who skillfully bring it to the table: our members, business partners, and staff.

SERVES: Over 430 members generously | **TIME:** 44 years in the making

THE MEMBERSHIP

MMRMA has been member-owned and member-focused since inception in 1980. This model is baked into the organization and enshrined in our acclaimed governance policies.

The 10-person Board of Directors is elected by and from the membership (see pages 10–11). More than 100 experienced member department heads and employees participate in our four Standing Committees and ten Risk Control Advisory Committees, enhancing the MMRMA recipe in their respective areas of expertise.

STAFF AND PARTNERS

Experienced MMRMA staff and business partners manage the operations of membership services, risk management, claims, underwriting, reinsurance, finance, and more. They work collaboratively with each other and the membership, day in and day out, to ensure successful execution of the MMRMA recipe.

Standing Committees

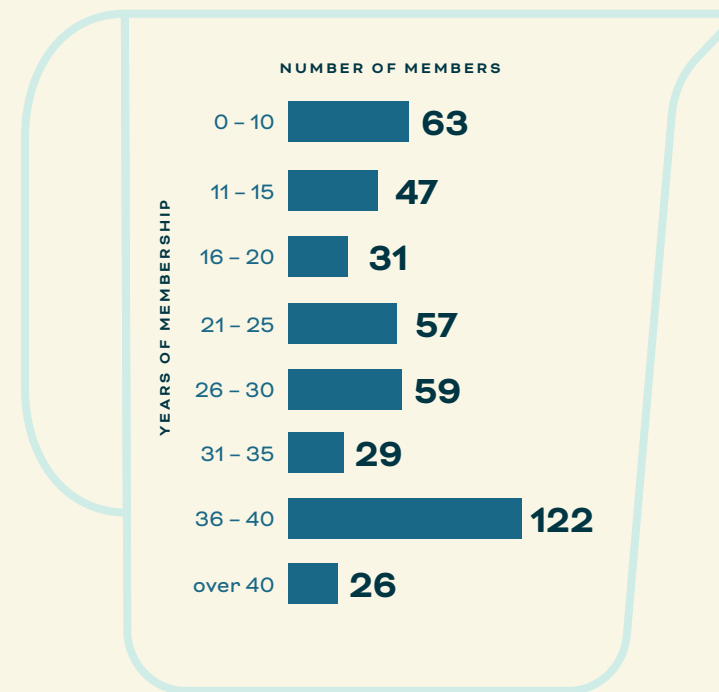
- Investment
- Membership
- State Pool
- Events Planning

Risk Control Advisory Committees

- 911/Telecommunications
- Administrative
- Corrections
- Facilities Management
- Fire and EMS
- Law Enforcement
 - Lower Peninsula
 - Upper Peninsula
- Parks and Recreation
- Public Services
- Technology and Cybersecurity

EXPERTS

MEASURING Loyalty



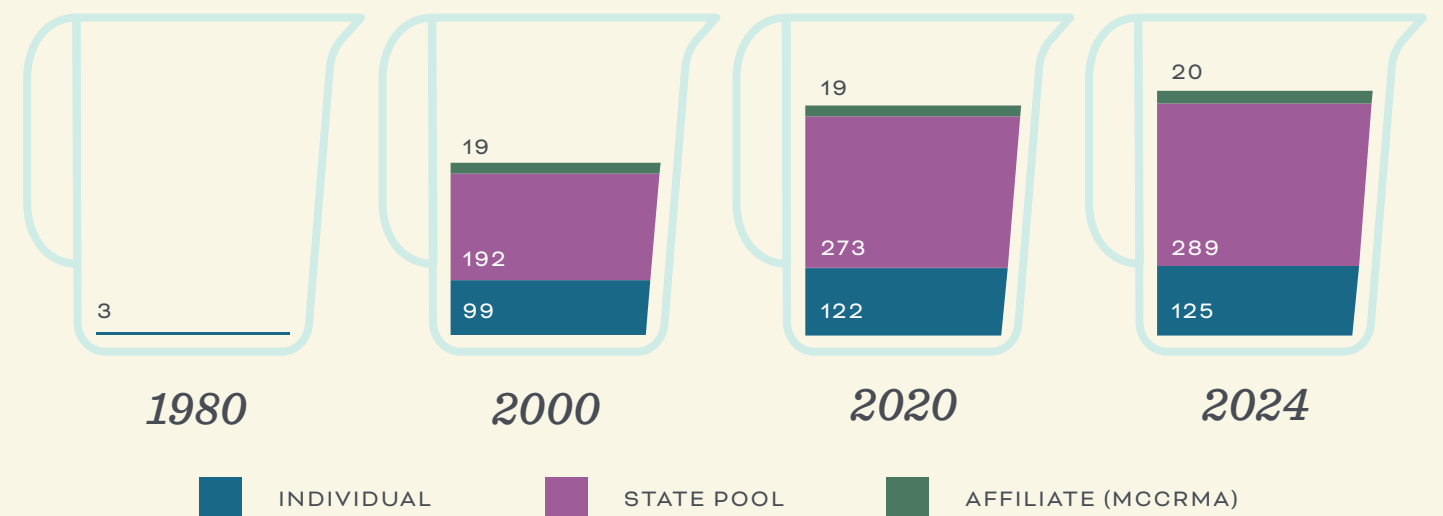
MEMBER LOYALTY AND GROWTH

Three founding MMRMA members—Redford Township, the City of Ishpeming, and Livingston County—have remained members for 44 years. Their loyalty to MMRMA is not an anomaly; the graph to the left illustrates the longevity of our entire membership.

In the first four years of MMRMA, membership climbed to 55. At the end of Fiscal Year 2024, it totaled 434 members. This growth is illustrated in the graph below.

EXPERTS

MEASURING Growth OVER THE YEARS



TOOLS OF THE TRADE

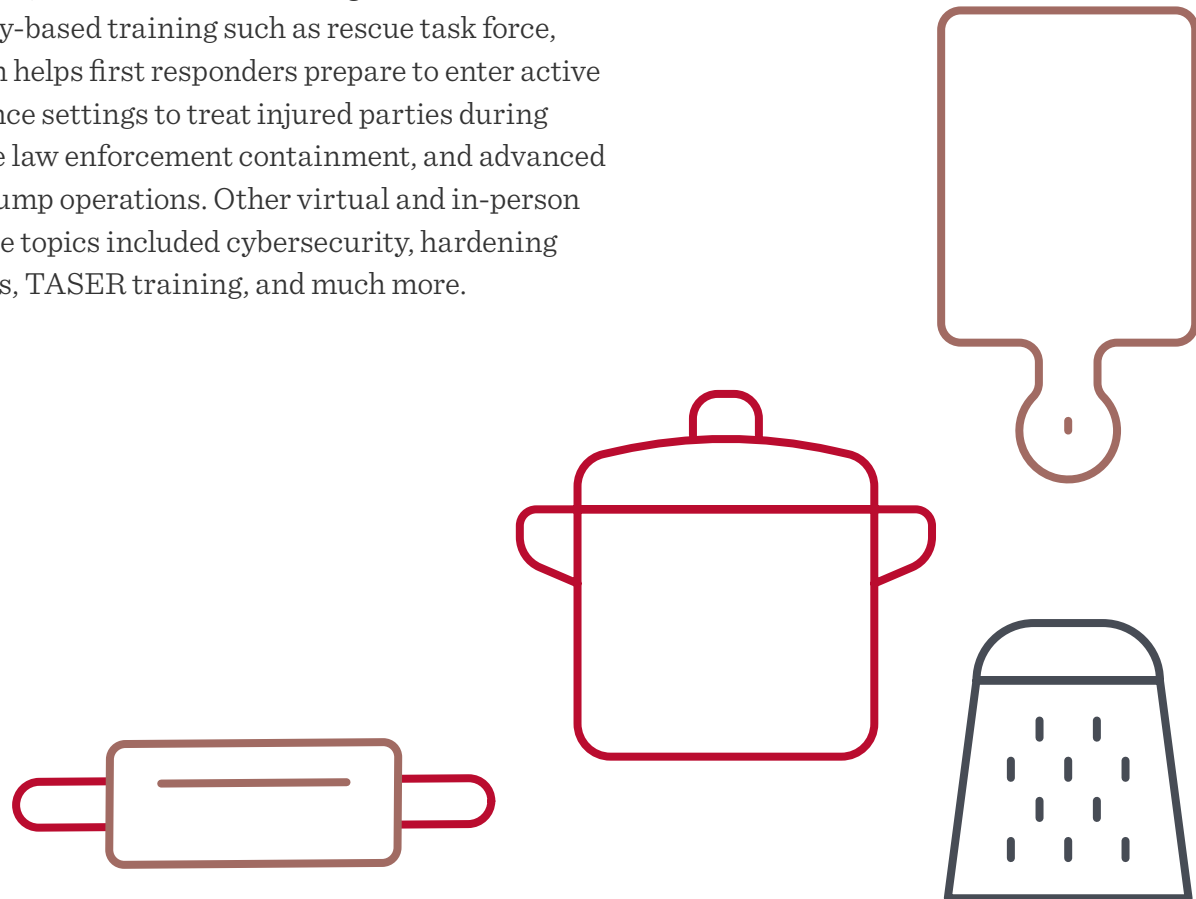


A successful recipe requires the right implements. MMRMA deploys invaluable services and programs to deliver an extraordinary experience to our members.

TRAINING: 1,375 member employees participated | **GUIDANCE:** 10+ new documents in 2024

TRAINING

In 2024, MMRMA’s full training calendar included reality-based training such as rescue task force, which helps first responders prepare to enter active violence settings to treat injured parties during active law enforcement containment, and advanced fire pump operations. Other virtual and in-person course topics included cybersecurity, hardening courts, TASER training, and much more.



RISK CONTROL RESOURCES

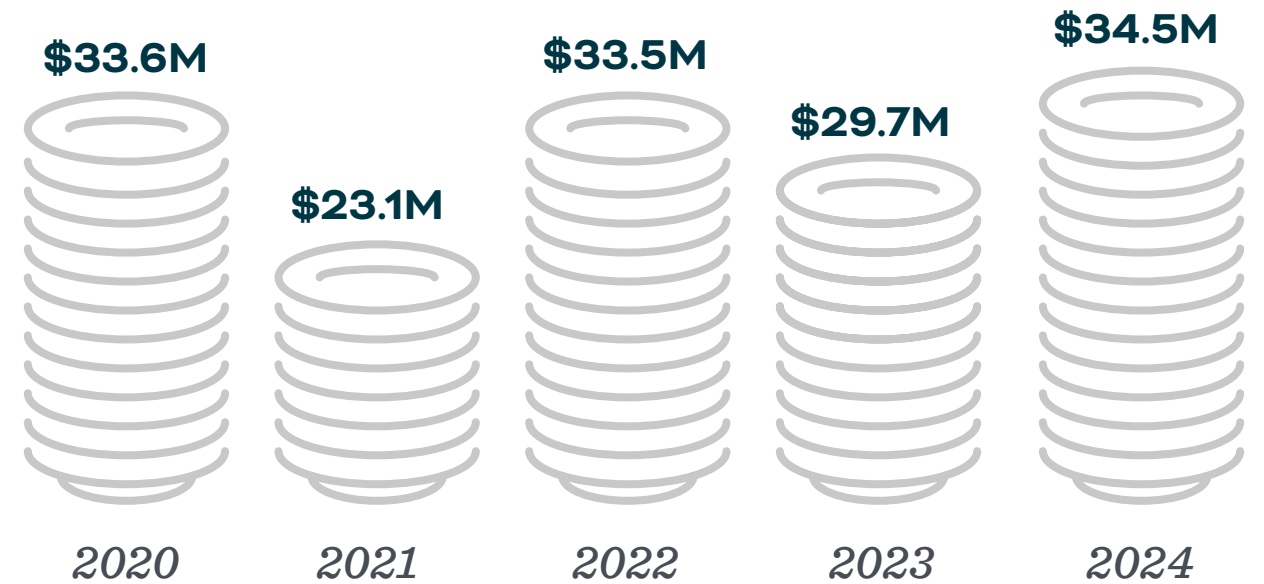
MMRMA published several new or updated documents in 2024, including model guidelines for inflatable rides and climbing walls, mutual aid agreements, distracted driving, and employee background checks, along with risk control guidance bulletins on premises liability, phishing prevention, and preventing and thawing frozen pipes. These resources and dozens of others help members manage risk across local government functional areas.

NET ASSET DISTRIBUTIONS

Since 2006, MMRMA’s governing documents have included the Net Asset Policy, a framework for ensuring adequate capital to meet financial obligations, protect against risk, and provide superior coverage and services to members. It paved the way for 18 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, and more.

NET ASSET Distributions

FISCAL YEAR ENDED JUNE 30



\$ 461.4 MILLION

TOTAL DOLLARS IN NET ASSET DISTRIBUTIONS SINCE INCEPTION OF POLICY

UTENSILS

UTENSILS

ONLY THE FINEST



The highest quality resources and benefits give MMRMA's recipe what it takes to level up and stand out in the public entity pooling industry.

GRANTS: Funding member projects since 1997 | **AWARDS:** Over \$26 million approved to date

RAP GRANTS

For almost 30 years, MMRMA has awarded Risk Avoidance Program grants to assist members in funding projects, equipment, and training to manage risk. In Fiscal Year 2024, the Membership Committee reviewed hundreds of applications and approved over \$4 million in grants, prompting MMRMA to review the program and unveil an array of updates for FY 2025 to help the program thrive for decades to come.



COMPREHENSIVE COVERAGE

MMRMA's living coverage documents have long been comprised of property and casualty coverages for members.

MMRMA introduced data breach and privacy liability (aka cyber) coverage in 2013 at no added cost to members. A cross-departmental working group reviews our complete coverage document annually and makes suggestions to the Board of Directors for ongoing coverage clarifications and enhancements.

We continue to evaluate potential coverage offerings through MMRMA and our captive insurance company, Greenstone.

A CAPTIVE SOLUTION

MMRMA formed its wholly owned captive, Greenstone Insurance Company, LLC, in 2016. In FY 2024, Greenstone participated in MMRMA's casualty reinsurance program and in the aggregate reinsurance layer for our data breach coverage.

The captive also allows MMRMA to provide alternative products, such as tax collection bonds for MMRMA's County members. The Greenstone Board of Managers, comprised of five members of MMRMA's Board of Directors, continue to evaluate opportunities for additional leveraging of Greenstone to benefit the membership.

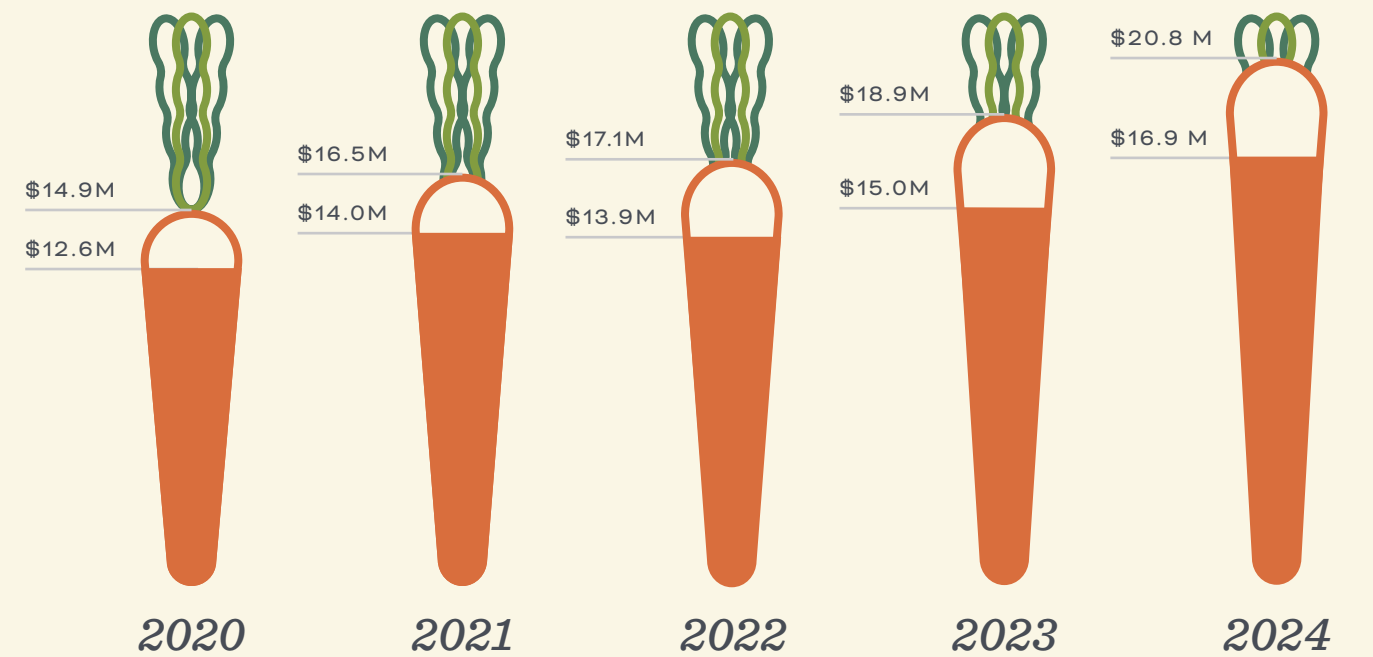
INGREDIENTS

INGREDIENTS

TOTAL ASSETS & UNRESTRICTED

Net Position

GREENSTONE INSURANCE COMPANY



TOTAL ASSETS



UNRESTRICTED NET POSITION

THE SIGNATURE SAUCE



The seed planted by our founders inspires innovative tweaks to our successful recipe, helping MMRMA evolve to keep pace in a world that demands it.

COVERAGE: Data breach/cyber added in 2013 | **EXPERTISE:** Cybersecurity professional hired in 2021

CREATIVITY

To stay vital and effective over time, it is important to find the right balance between the tried-and-true and the new-and-improved. MMRMA has not thrown out the recipe book that helped us launch in 1980, but that does not mean we have let it grow stale.

For almost four and a half decades, we have built upon what came before, seasoning our program according to ever-changing global conditions, reinsurance markets, public entity service needs, and, of course, the needs of our membership.



A MENU OF MILESTONES

-  **1980**
Formation of MMRMA
-  **1988**
Debut of Risk Journal Newsletter
-  **1997**
Risk Avoidance Program [see page 6]
-  **2001**
Executive Director Michael Rhyner Joins MMRMA
-  **2006**
Net Asset Policy and Member Distributions [see page 5]
-  **2012**
Online Renewal Questionnaire
-  **2013**
Data Breach/Cyber Coverage
-  **2016**
Greenstone Insurance Company [see page 7]
-  **2021**
New MMRMA Website and Member Portal
-  **2024**
Beta Testing of Online Learning Platform

Such enhancements often cross-pollinate and lead to even more member benefits. After MMRMA added Data Breach coverage in 2013, the cyber risk landscape has only grown more complex, leading to greater exposure and claims. In 2021, we created a new position, Cybersecurity Practice Leader, to help mitigate this ongoing area of risk.

Here we share but a few of the initiatives MMRMA has introduced to our lineup over the years, boosting the services and value we offer to members. These new twists on our longstanding and successful recipe—along with the people, tools, and resources discussed throughout this Annual Report—sweeten the pot and keep our members coming back for more.

CREATIVITY



SEASONED OVERSIGHT



The leadership of today's Board of Directors, with roots in their predecessors' enduring legacy, will bear fruit for decades to come.

HISTORY: 56 total Board members since 1980 | **SERVICE:** Current Board has 1.5- to 44-year tenure

YOUR BOARD OF DIRECTORS

Michael Bosanac
Chairman

Fabian Knizacky
Vice Chairman

Maureen Miller Brosnan
Secretary

Chris Barnett

Richard Burke

Douglas Johnson

Jeffrey Lawson

Dana Muscott

Michael Sedlak

Leon Wright

As shown in the preceding pages, consistent, repeated preparation of a successful recipe depends on the right experts, utensils, ingredients, and a heaping helping of creativity.

It also requires enthusiastic direction by leaders who know how important the MMRMA recipe is to our members across the State of Michigan. Thanks to the guidance and oversight of our Board of Directors—elected by the membership from among their own ranks—the organization has overcome challenges, evolved, and continues to thrive. MMRMA has grown from 3 to 434 members at the end of Fiscal Year 2024.

The Board of Directors is made up of experienced professionals from across the membership, and they know MMRMA's successful recipe depends on their stewardship and governance. They understand that leadership requires a holistic view:



(L to R) Richard Burke, Dana Muscott, Fabian Knizacky, Michael Bosanac, Michael Sedlak, Michael Rhyner, Jeffrey Lawson, Maureen Miller Brosnan, Douglas Johnson, and Leon Wright. Not pictured: Chris Barnett.

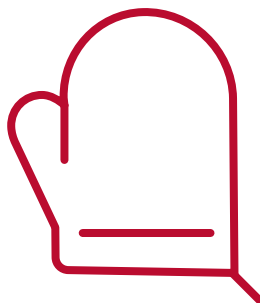
- They respect MMRMA's origins and the foundational recipe established by their predecessors on the Board.
- They study the landscape of public entity pooling and understand how the many facets of MMRMA's program ensure our enduring success.
- They review and refine MMRMA's best in class governance policies, recognizing that even the best recipes must adapt over time.
- They work closely with the Executive Director to ensure that staff and business partners align day-to-day operations with the Board's vision for MMRMA's future.

That vision remains sharp thanks to the ongoing activities of the Board and executive team, including an annual two-day in-depth strategic planning meeting and regular updates on the fruits borne from that meeting: the strategic priorities and initiatives that comprise MMRMA's recipe book and allow us to produce satisfying results, year after year.

Thanks to the efforts of the Board of Directors, in conjunction with the entire MMRMA family of experts, MMRMA is poised to deliver our successful recipe for many decades to come.

DIRECTION

DIRECTION



RESULTS THAT MATTER

CLAIMS FILED BY LINES OF COVERAGE*

	2019	2020	2021	2022	2023	2024
Auto Liability	404	331	203	294	275	305
Auto Physical Damage	749	720	667	965	1,047	1,164
General Liability**	1,101	895	1,068	3,131	901	1,103
Property	420	406	387	491	544	500
Data Breach	7	5	11	23	18	15
TOTAL	2,681	2,357	2,150	4,764	2,785	3,087

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

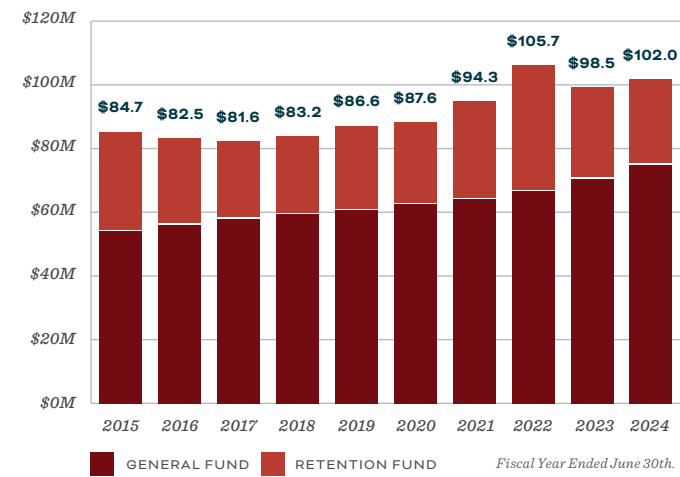
LITIGATED CLAIMS

	2019	2020	2021	2022	2023	2024
Files Opened	389	355	437	358	400	380
Files Closed	329	288	283	359	346	385

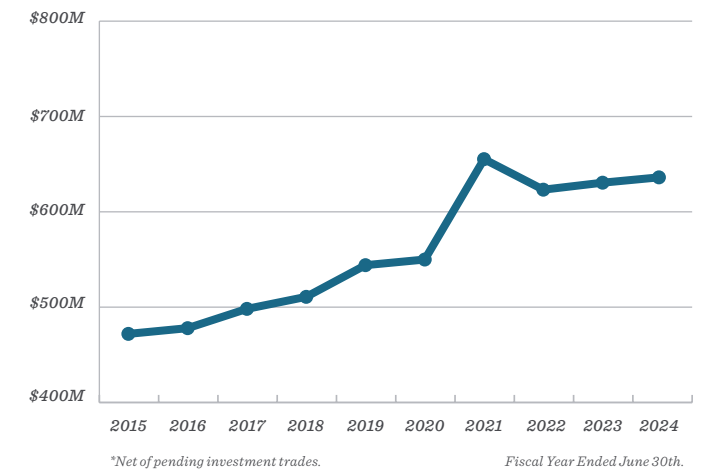
FINANCIAL HIGHLIGHTS

	2019	2020	2021	2022	2023	2024
Member Contributions <i>General Fund and Retention Fund - Gross</i>	\$86,633,655	\$87,622,429	\$94,309,405	\$105,655,418	\$98,511,192	\$102,042,882
Claims and Claim Adjustment Expenses Paid <i>General Fund and Retention Fund - Gross</i>	\$34,014,063	\$32,999,306	\$45,219,255	\$49,779,038	\$38,492,717	\$48,789,315
Net Asset Distributions to Members	\$28,000,000	\$33,575,603	\$23,097,364	\$33,544,857	\$29,733,869	\$34,484,665
Cash and Investments <i>At fair market value (net of pending trades)</i>	\$544,067,450	\$550,016,229	\$655,206,648	\$623,198,974	\$630,121,249	\$638,821,779
Investment Income (Loss) <i>Includes realized and unrealized gains/losses, interest, dividends, change in investment in Greenstone, and other income</i>	\$37,107,020	\$11,042,883	\$109,085,701	\$(37,002,456)	\$33,771,228	\$38,465,615
Reserves for Claims and Claim Adjustment Expenses <i>Reported and IBNR</i>	\$64,748,916	\$71,847,448	\$71,589,188	\$72,464,964	\$75,752,850	\$78,642,740
NET POSITION						
Net Investment in Capital Assets	\$2,602,056	\$1,887,656	\$2,071,990	\$2,164,930	\$3,037,625	\$536,803
Restricted Net Position <i>Net OPEB asset</i>	\$1,611,928	\$1,459,136	\$3,097,313	\$2,322,170	\$2,222,936	\$2,594,781
Unrestricted Assets	\$346,296,346	\$332,070,624	\$428,676,387	\$376,487,120	\$389,692,668	\$395,845,822
TOTAL	\$350,510,330	\$335,417,416	\$433,845,690	\$380,974,220	\$394,953,229	\$398,977,406

MEMBER CONTRIBUTIONS HISTORY *General Fund and Retention Fund*

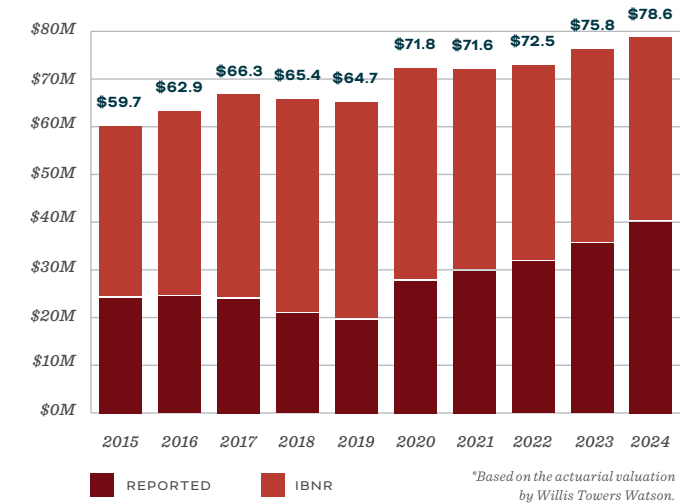


CASH AND INVESTMENTS HISTORY*



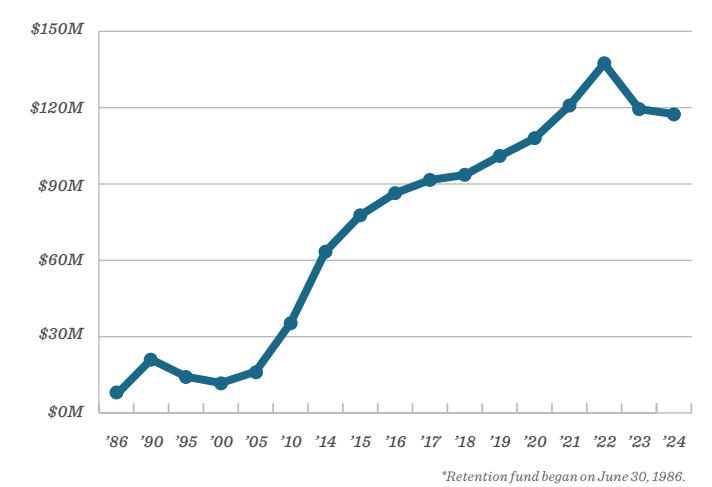
*Net of pending investment trades. Fiscal Year Ended June 30th.

GENERAL FUND CLAIM LOSS RESERVE HISTORY*



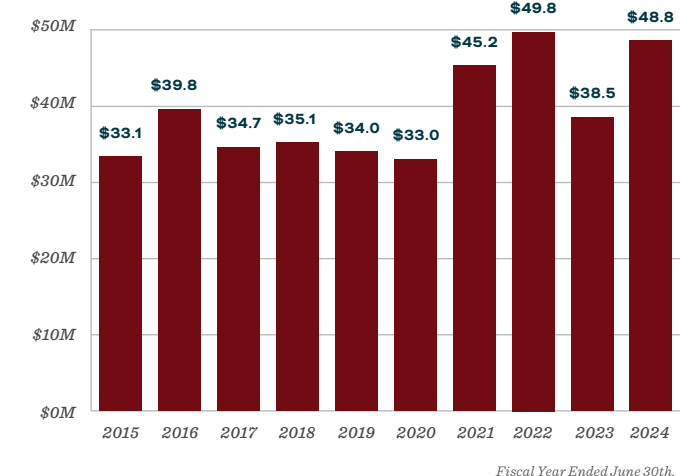
*Based on the actuarial valuation by Willis Towers Watson.

RETENTION FUND BALANCE HISTORY*



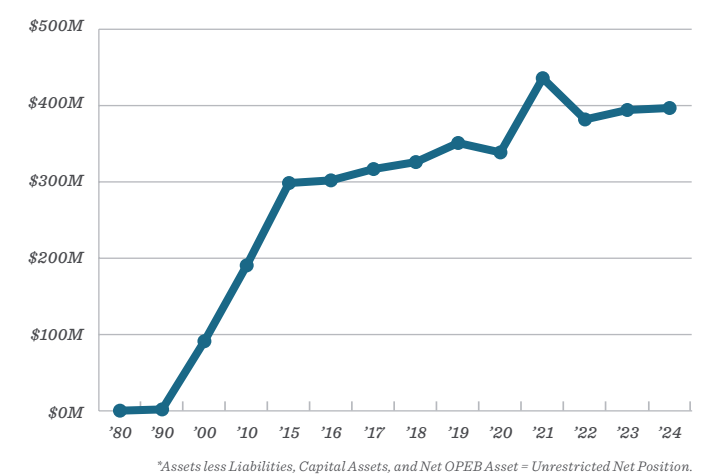
*Retention fund began on June 30, 1986.

CLAIMS AND CLAIM ADJUSTMENT EXPENSES PAID



Fiscal Year Ended June 30th.

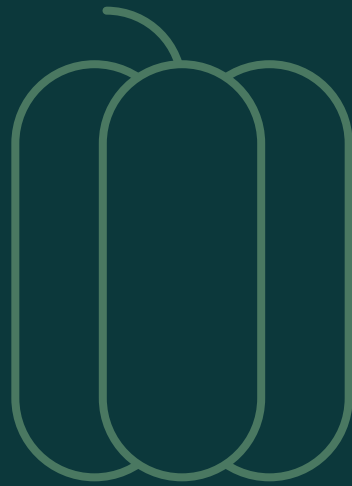
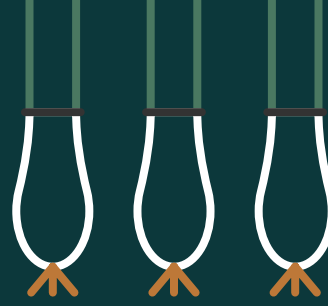
UNRESTRICTED NET POSITION*



*Assets less Liabilities, Capital Assets, and Net OPEB Asset = Unrestricted Net Position.

A DASH OF DATA

A DASH OF DATA



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

14001 Merriman Road
Livonia, Michigan 48154

Phone: 734.513.0300
Toll Free: 800.243.1324

