

About IRMA

The Intergovernmental Risk Management Agency, founded in 1979, was the first municipal risk pool in Illinois. IRMA is a risk sharing pool of 74 local municipalities and special service districts in northeastern Illinois, which have joined together to manage and fund their property/casualty/workers' compensation claims. All members also participate in a comprehensive risk management program. IRMA has fulfilled its members' goals of stabilizing future annual contribution rates, improving the quality of our risk management services, and offering one of the most comprehensive pool coverage programs that can be found anywhere for public entities.

PREMIUM STABILIZATION

In the most recent 5-year period, the IRMA average contribution rate has increased from \$2.640 in 2005 to \$2.731 in 2009, for an annualized rate increase of less than 1%. This small increase in the IRMA rate has provided financial solvency for IRMA. Additionally, members have received interest income credits totaling \$19,700,000 over the most recent 5 years, due primarily to better than expected loss experience by the overall membership and investment income. These credits are deposited in individual member's accounts, which can be used by the members to offset annual contributions. Income credits have exceeded premium increases by a substantial amount.

EXPANDED COVERAGE

The IRMA pool currently provides coverage for:

- General Liability, Professional Liability, Auto Liability and Public Officials Liability;
- Employment Practices Liability;
- Workers Compensation;
- Employers Liability coverage;
- Comprehensive All Risk Property that includes coverage for EDP software, Fine Arts, an Unscheduled Property Floater; and Agreed Value/Purchase Price for emergency service vehicles; and,
- Crime & Fidelity, Faithful Performance and Computer Fraud, in addition to providing all statutorily required Public Officials Bonds.

IRMA also offers members several optional coverage programs such as Fiduciary Liability, Underground Storage Tank Liability, Volunteer Accidents & Disability, and a Special Events Liquor Liability coverage program.

OPTIONAL DEDUCTIBLES

Members annually choose from among five deductible levels: \$2,500, \$10,000, \$25,000, \$50,000 or \$100,000.

EXPERIENCE MODIFIER

IRMA's Experience Modifier allows each member of IRMA to receive credit for better than average loss experiences. Good individual accident experience allows the member to receive additional annual savings.

SAFETY/LOSS CONTROL

IRMA provides comprehensive safety, loss control, and training services to its members. IRMA utilizes a mix of services from our in-house staff and services rendered by outside consultants to provide for the special and unique safety and training needs of the pool members,

RISK FINANCING

The Board of Directors has established a Members' Reserve Fund to hedge against unpredictable insurance market cycles and provide capacity to settle large and unexpected claims. Currently, this fund provides an additional \$25 million of additional security to the pool.

CLAIMS ADMINISTRATION/LITIGATION MANAGEMENT

IRMA's in-house claims department has continually improved our claims handling services and has given the IRMA organization the opportunity to: monitor claims activity more effectively; reduce administrative overhead previously paid to third-party contractors; and, provide a level of understanding of public entity operations, which could not be duplicated by an outside service provider.

NEW MEMBER SAVINGS

New members joining IRMA continue to experience significant cost savings, when comparing their commercial insurance costs with their annual IRMA contributions.

Never have we better understood the meaning of the expression, "The Whole is Greater Than Its Individual Parts," than in public risk pooling. We have the opportunity to:

- **SPREAD OUR RISK**
- **SHARE THE COST OF THE RISK**
- **UNIQUELY BENEFIT FROM EACH OTHER'S RESOURCES & IDEAS**