

ALICAP

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# 2022-2023 ANNUAL REPORT

ALICAP

# LETTER FROM YOUR BOARD PRESIDENT

Dear ALICAP Members,

As you likely know, ALICAP is a member owned insurance pool for Nebraska school districts and ESUs offering a full line of coverage including liability, property, and workers' compensation. We are built on the tenants of providing our members a stable marketplace with enhanced coverage, customized loss control programs, and responsive claims management all at a competitive price.

**STEVE KOCH**  
ALICAP BOARD PRESIDENT

**BOARD MEMBER**  
**HERSHEY**  
ALICAP TRUSTEE SINCE 2019



Essentially, ALICAP formed as it was difficult to get coverage at a competitive price. We are witnessing these tough times once again, especially in the property market. Hurricanes, floods, tornadoes, wildfires, and windstorms continue to put pressure on reinsurers. These catastrophes are the major factor driving costs higher coupled with inflation, supply chain disruptions, labor shortages, depleted capital, and Hurricane Ian.

Underwriters are selective and will continue to focus on valuation issues. We are witnessing a deterioration in market conditions on catastrophic property, especially wind exposed programs. Carriers will look favorably on risks with accurate valuations and ALICAP prepared for this by partnering with Kroll Fixed Asset Advisory Services. Kroll conducted physical inspections and provided replacement cost values for markets this year and we should expect premiums will reflect these higher values. This summer, Sheri and Daniel Shonka traveled to England, to meet with Lloyd's of London, and were able to ease concerns and negotiate a much lower rate. These efforts will make our rates much more affordable for schools.

In addition to our external partners, ALICAP is extraordinarily successful in part due to Megan Boldt (Director of ALICAP), and Rachel Horstman (Business Manager). Both continue to grow in their responsibilities and are true assets.

We currently have 189 schools/ESUs in ALICAP; our 2022-23 SafeSchools Completions were more than 109,000 trainings, and our average Work Comp Experience Modifier this year is the lowest we have seen at 0.87. As a 31-year school board member at Hershey Public Schools, I have dreaded when a Loss Control Agent visited. We are always concerned about what they might find wrong and what will have to be fixed. I have totally changed my way of thinking and now welcome their inspections so we can provide a safer and more stable environment for our students and staff. The Hershey school board recently set a goal of working toward receiving the SafeSchools award, given annually by ALICAP.

SafeSchools was a powerful addition to ALICAP. Now there are Suicide Trainings, and the course has been adopted by the Nebraska Department of Education through LB 705. School Districts must provide at least one hour of behavioral and mental health training, with a focus on suicide awareness and prevention, each year for any school staff member who has contact with students.

In conclusion, it is a privilege to serve on the ALICAP Board of Trustees. I look forward to working with the board next year to make it even more successful than the previous.

Respectfully,

A handwritten signature in black ink that reads "Steve Koch". The signature is written in a cursive, slightly slanted style.

**ALICAP**

**WWW.ALICAP.ORG**

# ADDITIONAL PROGRAMS AND MEMBER SERVICES

ALICAP was formed in 1990, by the Nebraska Association of School Boards.

That first year, there were 32 members and the coverage included only Workers' Compensation. Our membership has grown to 189 school districts and ESUs, and since 1995-96 the coverage expanded from only Workers' Compensation to include Property, Liability, Auto, Crime, and Errors and Omissions.

Take a look at ALICAP's current membership details.

## WE ARE PROUD TO BE ALICAP

189 NEBRASKA SCHOOLS AND ESUs

109,000 SAFETY TRAININGS COMPLETED

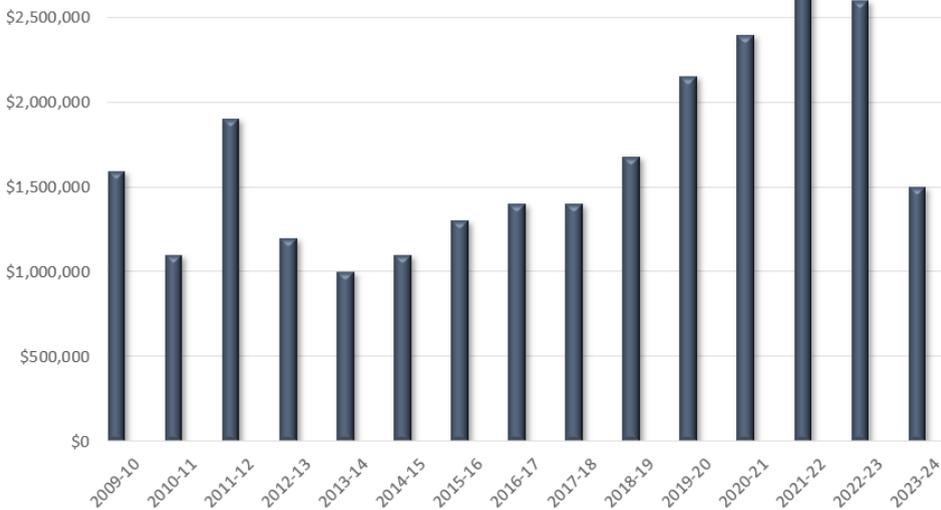
.87 AVERAGE WORK COMP EXPERIENCE MODIFIER

\$1.5 MILLION DOLLAR DIVIDEND RETURNED

6 LOSS CONTROL CONSULTANTS

OVER 850 LEARNING BUILDINGS

### \$30 MILLION GIVEN BACK IN DIVIDENDS SINCE 1990



### 2022-2023 RECOGNITION PROGRAM AWARD WINNERS

**LOSS RATIO AWARD WINNER**  
FORT CALHOUN COMMUNITY SCHOOLS

**EXPERIENCE MODIFIER AWARD WINNERS**  
PLATTSMOUTH COMMUNITY SCHOOLS

**SAFESCHOOLS AWARD WINNER**  
BENNINGTON PUBLIC SCHOOLS

ALICAP WOULD LIKE TO CONGRATULATE THESE MEMBERS ON EARNING THIS YEAR'S SAFETY AWARDS.

A STRONG SAFETY PROGRAM BEGINS WITH A SUPPORTIVE LEADERSHIP TEAM AND IS ACTED OUT BY EVERY STAFF MEMBER, EVERY DAY.

KEEP UP THE GOOD WORK!

MANY THANKS TO ALL ALICAP MEMBERS FOR THEIR TRUST, LOYALTY & DEDICATION

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# YOUR BOARD OF TRUSTEES



**RHONDA BURBACH**  
SCHOOL BOARD MEMBER  
NORRIS SCHOOL DISTRICT 160  
ALICAP TRUSTEE SINCE 2023  
CLAIMS COMMITTEE



**TED DETURK**  
ESU ADMINISTRATOR  
ESU 2  
ALICAP TRUSTEE SINCE 2019  
FINANCE & AUDIT COMMITTEE



**VIRGIL HARDEN**  
BUSINESS MANAGER  
GRAND ISLAND PUBLIC SCHOOLS  
ALICAP TRUSTEE SINCE 2023  
FINANCE & AUDIT COMMITTEE



**TROY LOEFFELHOLZ**  
SUPERINTENDENT  
COLUMBUS PUBLIC SCHOOLS  
ALICAP TRUSTEE SINCE 2021  
FINANCE & AUDIT COMMITTEE



**STEVE KOCH**  
SCHOOL BOARD MEMBER  
HERSHEY PUBLIC SCHOOLS  
ALICAP TRUSTEE SINCE 2019  
UNDERWRITING & MARKETING COMMITTEE



**TOM MENKE**  
SCHOOL BOARD MEMBER  
CHADRON PUBLIC SCHOOLS  
ALICAP TRUSTEE SINCE 2017  
LOSS CONTROL COMMITTEE



**NICOLE REAGAN**  
SUPERINTENDENT  
GERING PUBLIC SCHOOLS  
ALICAP TRUSTEE SINCE 2023  
UNDERWRITING & MARKETING COMMITTEE



**JEFF RIPPE**  
SUPERINTENDENT  
BELLEVUE PUBLIC SCHOOLS  
ALICAP TRUSTEE SINCE 2012  
CLAIMS COMMITTEE



**AMY SINES**  
SCHOOL BOARD MEMBER  
CAMBRIDGE PUBLIC SCHOOLS  
ALICAP TRUSTEE SINCE 2020  
LOSS CONTROL COMMITTEE



**SANDY NOFFSINGER**  
NASB BOARD REPRESENTATIVE  
DUNDY COUNTY STRATTON PUBLIC SCHOOLS  
ALICAP TRUSTEE SINCE 2021  
UNDERWRITING & MARKETING COMMITTEE



**JOHN SPATZ**  
NASB EXECUTIVE DIRECTOR  
ALICAP TRUSTEE SINCE 2012  
INVESTMENT COMMITTEE

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# YOUR TEAM



**MEGAN BOLDT**  
NASB - DIRECTOR OF ALICAP  
LOSS CONTROL COMMITTEE  
UNDERWRITING & MARKETING CMTE



**RACHEL HORSTMAN**  
NASB - BUSINESS MANAGER  
FINANCE & AUDIT COMMITTEE  
INVESTMENT COMMITTEE



**MAKENZIE BARRY**  
NASB - DATA & FINANCIAL  
SPECIALIST  
LOSS CONTROL COMMITTEE



**LINDSEY WOOTON**  
NASB - ADMINISTRATIVE  
SPECIALIST



**PAT RYAN**  
PRM - MANAGING PARTNER  
FINANCE & AUDIT COMMITTEE  
CLAIMS COMMITTEE



**SHERI SHONKA**  
PRM - MANAGING PARTNER  
LOSS CONTROL COMMITTEE  
UNDERWRITING & MARKETING CMTE



**DANIEL SHONKA**  
PRM - ACCOUNT EXECUTIVE  
UNDERWRITING & MARKETING CMTE



**CARL DIETZ**  
LOSS CONTROL AGENT  
ALICAP



sedgwick®



**MATT FISHER**  
LOSS CONTROL AGENT  
ALICAP



**JAMIE ISOM**  
LOSS CONTROL AGENT  
ALICAP



**DAN KEYSER**  
LOSS CONTROL AGENT  
ALICAP



**DOUG LEWIS**  
LOSS CONTROL AGENT  
ALICAP



**KEN NAVRATIL**  
LOSS CONTROL AGENT  
ALICAP



**JENNIFER CHEEVER**  
EXAMINER  
SEDGWICK CMS



**SARAH LOFTUS**  
EXAMINER  
SEDGWICK CMS



**MAURICE ANDERSON**  
FIELD ADJUSTER  
ANDERSON CLAIM SERVICE



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# ALICAP OWNERS AS OF AUGUST 31, 2023

Adams Central Public Schools	Crete Public Schools	Gibbon Public Schools
Ainsworth Community Schools	Cross County Community Schools	Giltner Public Schools
Amherst Public Schools	David City Public Schools	Gothenburg Public Schools
Anselmo-Merna Public School	Diller-Odell Public Schools	Grand Island Public Schools
Ansley Public School	DC West Community Schools	Gretna Public Schools
Arapahoe-Holbrook Public Schools	Dundy County Stratton Schools	Hartington-Newcastle Public Schools
Arcadia Public Schools	East Butler Public Schools	Harvard Public Schools
Arlington Public Schools	Elba Public Schools	Hastings Public Schools
Arthur County Schools	Elgin Public Schools	Heartland Community Schools
Ashland-Greenwood Public Schools	Elkhorn Valley Schools	Hemingford Public Schools
Auburn Public Schools	Elm Creek Public Schools	Hershey Public Schools
Axtell Community School	Elmwood-Murdock Public Schools	Hitchcock County Schools
Bancroft-Rosalie Public Schools	Elwood Public Schools	Holdrege Public Schools
Banner County School	Emerson-Hubbard Public Schools	Howells-Dodge Consolidated Schools
Battle Creek Public Schools	ESU 02	HTRS Public Schools
Bayard Public Schools	ESU 03	Hyannis Area Schools
Beatrice Public Schools	ESU 05	Johnson County Central Schools
Bellevue Public Schools	ESU 06	Kearney Public Schools
Bennington Public Schools	ESU 07	Kenesaw Public Schools
Bertrand Community School	ESU 08	Keya Paha County Schools
Blair Community Schools	ESU 09	Kimball Public Schools
Blue Hill Community Schools	ESU 10	Lakeview Community Schools
Brady Public Schools	ESU 11	Lewiston Consolidated School
Broken Bow Public Schools	ESU 13	Lexington Public Schools
Burwell Public Schools	ESU 15	Leyton Public Schools
Callaway Public Schools	ESU 16	Litchfield Public Schools
Cambridge Public Schools	ESU 17	Logan View Public Schools
Cedar Bluffs Public Schools	Eustis-Farnam Public Schools	Loomis Public School
Centennial Public School	Fairbury Public Schools	Louisville Public Schools
Central City Public Schools	Falls City Public Schools	Loup City Public Schools
Chadron Public Schools	Fort Calhoun Community Schools	Loup County Public School
Chase County Schools	Franklin Public Schools	Lyons-Decatur Northeast
Clarkson Public Schools	Friend Public Schools	Malcolm Public Schools
Cody-Kilgore Unified Schools	Fullerton Public Schools	Maxwell Public Schools
Columbus Public Schools	Garden County Schools	McCook Public Schools
Cozad Community Schools	Gering Public Schools	McCool Junction Public Schools

# ALICAP OWNERS AS OF AUGUST 31, 2023

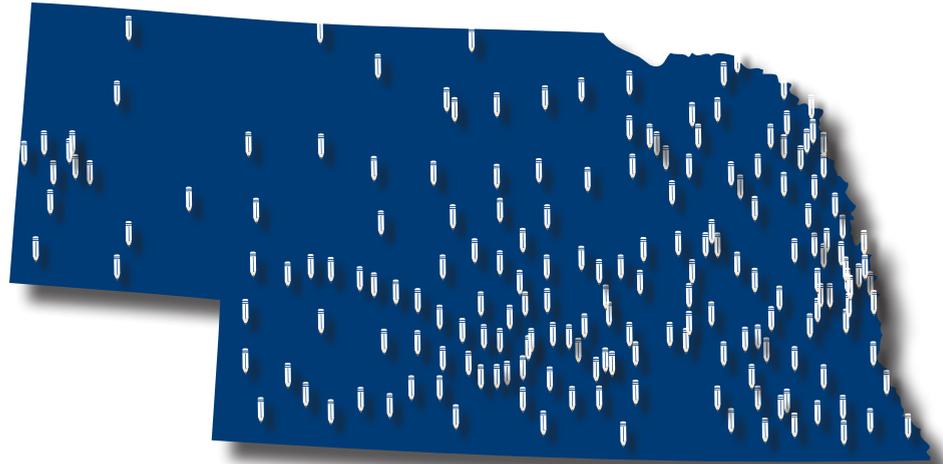
Medicine Valley Public Schools  
Meridian Public Schools  
Milford Public Schools  
Minatare Public Schools  
Minden Public Schools  
Mitchell Public Schools  
Morrill Public Schools  
Mullen Public Schools

Nebraska City Public Schools  
Neligh-Oakdale Public Schools  
Newman Grove Public Schools  
Norris School District 160  
Northwest Public Schools  
Oakland-Craig Public Schools

Ogallala Public Schools  
O'Neill Public Schools  
Ord Public Schools  
Osceola Public Schools  
Osmond Community Schools  
Overton Public Schools  
Palmer Public Schools

Papillion La Vista Community Schools  
Pawnee City Public Schools  
Paxton Consolidated Schools  
Pender Public Schools  
Perkins County Schools  
Pierce Public Schools

Plattsmouth Community Schools  
Pleasanton Public Schools  
Ponca Public Schools  
Ralston Public Schools  
Randolph Public Schools  
Ravenna Public Schools  
Raymond Central Public Schools  
Rock County Public Schools  
Sandhills Public Schools



Sargent Public Schools  
Scottsbluff Public Schools  
Shelton Public Schools  
Sidney Public Schools  
Silver Lake Public Schools  
South Central USD 5  
South Sioux City Community Schools  
Southern School District  
Southern Valley Schools  
Southwest Public Schools  
Springfield Platteview Schools  
St. Paul Public Schools  
Stanton Community Schools  
Stapleton Public Schools  
Sterling Public Schools  
Summerland Public School  
Sumner-Eddyville-Miller Schools  
Superior Public Schools  
Sutherland Public School  
Tekamah-Herman Schools  
Thedford Public Schools  
Tri County Public Schools

Twin River Public Schools  
Umonhon Nation Public Schools  
Valentine Community Schools  
Verdigre Public School  
Wakefield Community School  
Wallace Public School  
Walthill Public School  
Wauneta-Palisade Public Schools  
Waverly School District 145  
Weeping Water Public Schools  
West Holt Public Schools  
West Point Public Schools  
Westside Community Schools  
Wheeler Central Public Schools  
Wilber-Clatonia Public School  
Wilcox-Hildreth Public School  
Winnebago Public Schools  
Wisner-Pilger Public Schools  
Wood River Rural Schools  
Wynot Public Schools  
York Public Schools  
Yutan Public Schools

# YOUR FINANCE & AUDIT COMMITTEE



**TED DETURK**  
ESU ADMINISTRATOR  
ESU 2  
ALICAP TRUSTEE SINCE 2019



**VIRGIL HARDEN**  
BUSINESS MANAGER  
GRAND ISLAND PUBLIC SCHOOLS  
ALICAP TRUSTEE SINCE 2023



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SUPERINTENDENT  
COLUMBUS PUBLIC SCHOOLS  
ALICAP TRUSTEE SINCE 2021



**RACHEL HORSTMAN**  
BUSINESS MANAGER  
NASB



**PAT RYAN**  
MANAGING PARTNER  
PRM

ALICAP's Finance & Audit Committee was formed to enhance the financial expertise and oversight of your program's business decisions. The Committee analyzes and responds to the following three areas annually:

## 1. DIVIDEND PAYOUT OPTIONS

## 2. NASB MANAGEMENT REIMBURSEMENT OVERSIGHT

## 3. AUDITED FINANCIAL STATEMENT REVIEW

The Committee is also responsible for quarterly financial reviews, SOC1 disclosure for third parties used within the program, investment policy updates, and any other financial topic needing addressed at any given time of the year. The needs of the membership are held with high priority while these financial decisions are being made, which is part of what sets ALICAP apart from their competition in the insurance market.

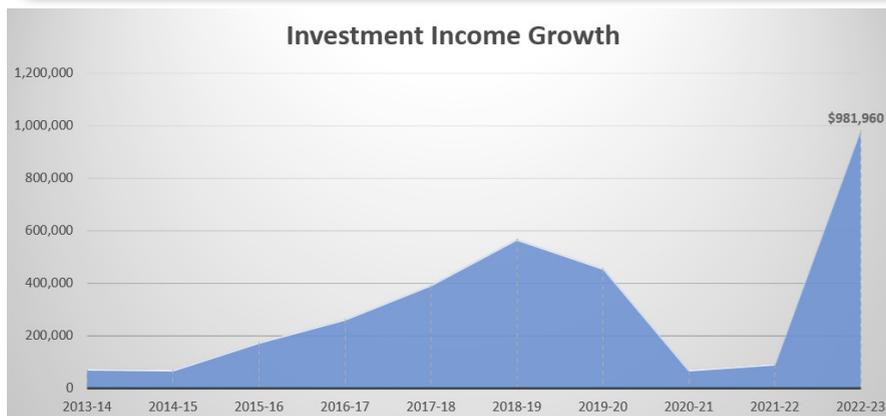
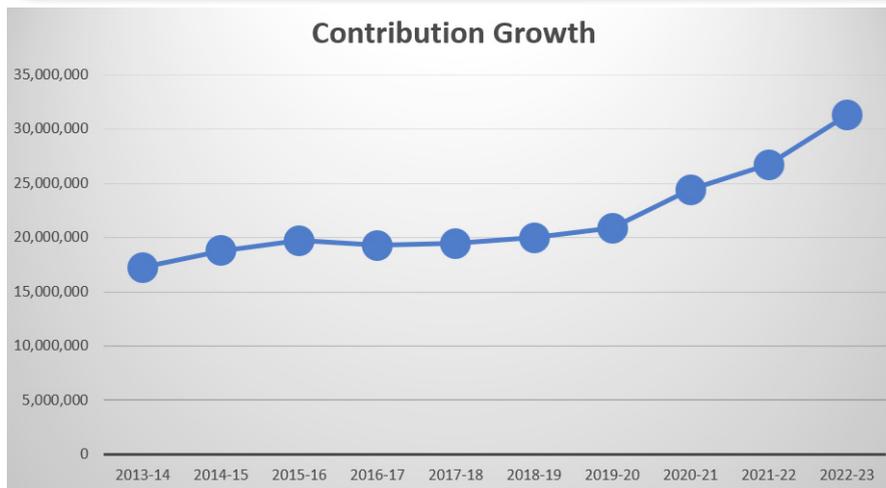
**"THE FINANCE AND AUDIT COMMITTEE WORKS TO ENSURE ALICAP IS TRANSPARENT IN ITS OPERATION AND FINANCES. WE ARE COMMITTED TO MAKING DECISIONS WHICH WILL ALLOW ALICAP TO PROVIDE THE BEST SERVICE, PROTECTION, AND CLAIMS RESOLUTION AT THE BEST POSSIBLE COST. OUR GOAL IS TO KEEP OUR RATES LOW, COSTS CONTROLLED, AND FINANCES STABLE SO WE CAN RETURN DOLLARS BACK TO OUR MEMBERS."**

- DOUG LEWIS - ALICAP PAST-PRESIDENT

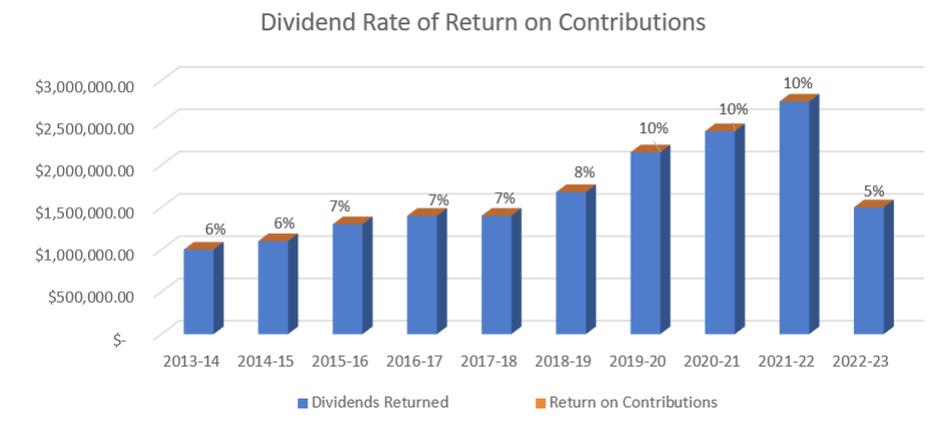
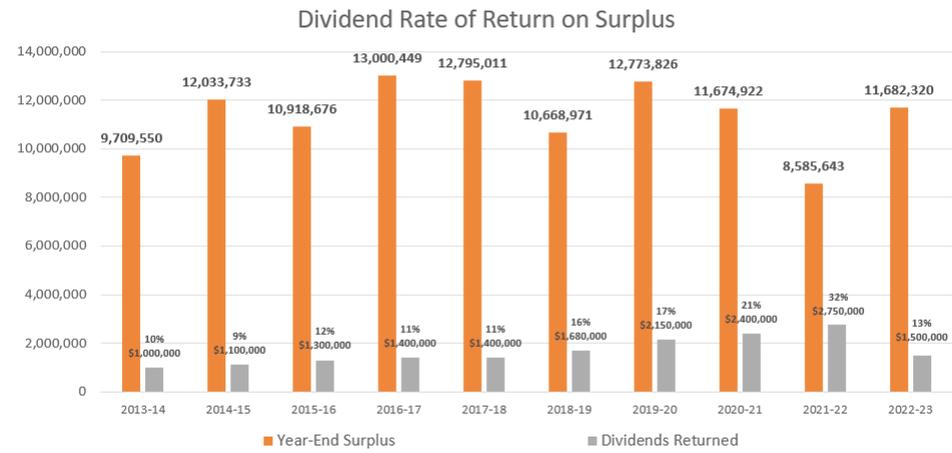
### - FINANCIAL BUSINESS PARTNERS -

Select Actuarial Services - Cheryl White, FCAS, MAAA - Nashville, Tennessee  
Thomas, Kunc, & Black, LLP - Jeremy Fox, CPA, Senior Accountant - Lincoln, Nebraska

# GROWTH

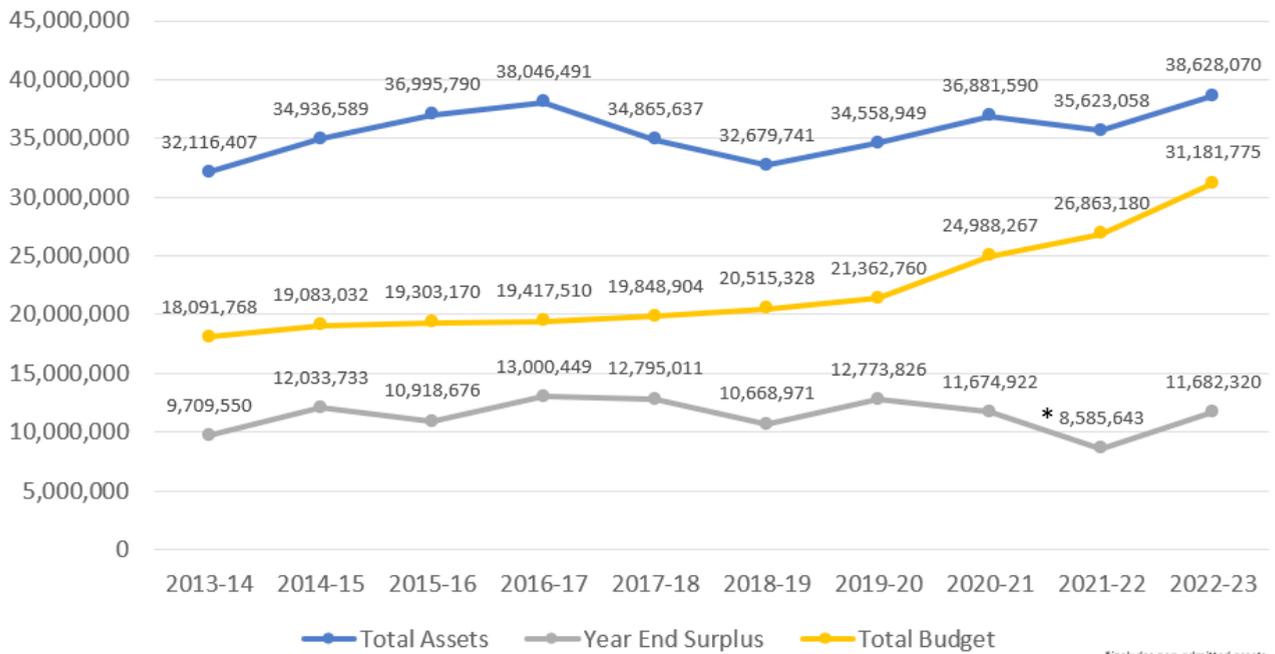


# DIVIDENDS

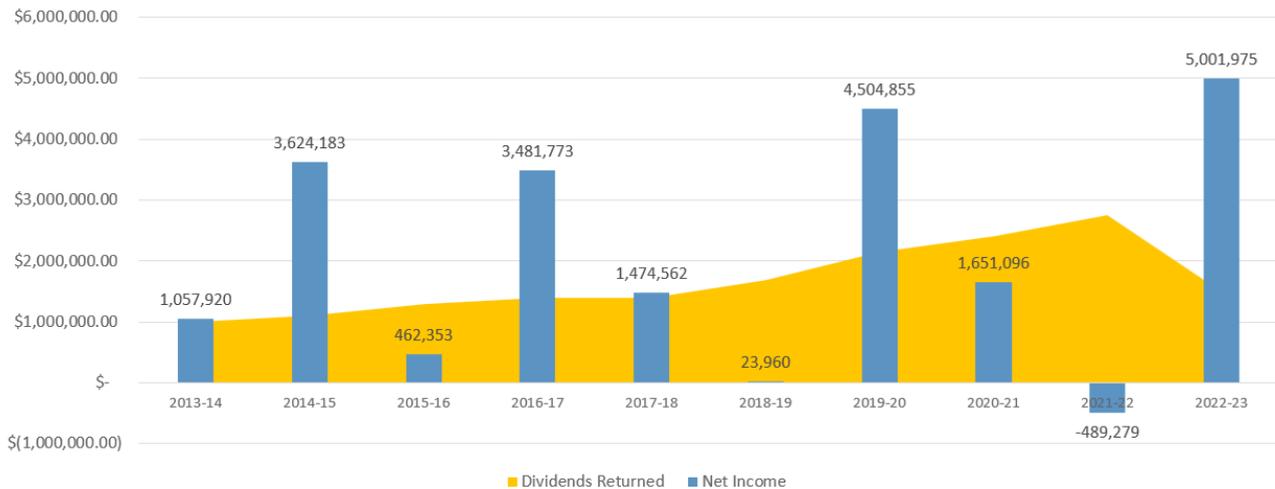


# FINANCIAL TRENDS

## Historical Assets / Surplus / Total Budget



## Historical Net Income / Dividends Returned



# ALICAP FINANCIAL STATEMENTS & INDEPENDENT AUDITORS' REPORT

## NASB ALL LINES INTERLOCAL COOPERATIVE AGGREGATE POOL INDEPENDENT AUDITORS' REPORT ON SUMMARY FINANCIAL STATEMENTS

To the Board of Directors:

### Opinion

The accompanying summary financial statements, which comprise the summary balance sheets—statutory basis as of August 31, 2023 and 2022 and the summary statements of income and changes in surplus—statutory basis for the years then ended are derived from the audited financial statements of NASB All Lines Interlocal Cooperative Aggregate Pool as of and for the years ended August 31, 2023 and 2022. We expressed an unmodified audit opinion on those statutory basis audited financial statements in our report dated October 27, 2023.

In our opinion, the summary financial statements of NASB All Lines Interlocal Cooperative Aggregate Pool as of and for the years ended August 31, 2023 and 2022 referred to above are consistent, in all material respects, with the audited financial statements from which they have been derived, on the statutory basis.

### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the statutory basis financial reporting framework applied in the preparation of the financial statements of NASB All Lines Interlocal Cooperative Aggregate Pool. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of NASB All Lines Interlocal Cooperative Aggregate Pool and the auditor's report on them.

### Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the statutory basis.

### Auditor's Responsibility

Our responsibility is to express an opinion about whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with auditing standards generally accepted in the United States of America. The procedures consisted principally of comparing the summary financial statements with the related information in the audited financial statements from which the summary financial statements have been derived, and evaluating whether the summary financial statements are prepared in accordance with the statutory basis.

*Thomas, Kunc and Black, LLP*

Lincoln, Nebraska  
October 27, 2023

## NASB ALL LINES INTERLOCAL COOPERATIVE AGGREGATE POOL Balance Sheets—Statutory Basis

	<u>Assets</u>	
	<u>August 31, 2023</u>	<u>August 31, 2022</u>
Cash on deposit	\$22,395,429	\$25,157,330
Short-term investments	\$12,311,368	\$8,770,225
Long-term investments	\$2,000,000	\$1,000,000
Accrued interest	-	\$5,729
Accounts receivable - reinsurance recoverable	\$1,921,273	\$689,625
Subrogation in transit	-	\$149
<b>Total assets</b>	<b>\$38,628,070</b>	<b>\$35,623,058</b>

# ALICAP FINANCIAL STATEMENTS & INDEPENDENT AUDITORS' REPORT

## NASB ALL LINES INTERLOCAL COOPERATIVE AGGREGATE POOL Balance Sheets—Statutory Basis (Continued)

### Liabilities and Surplus

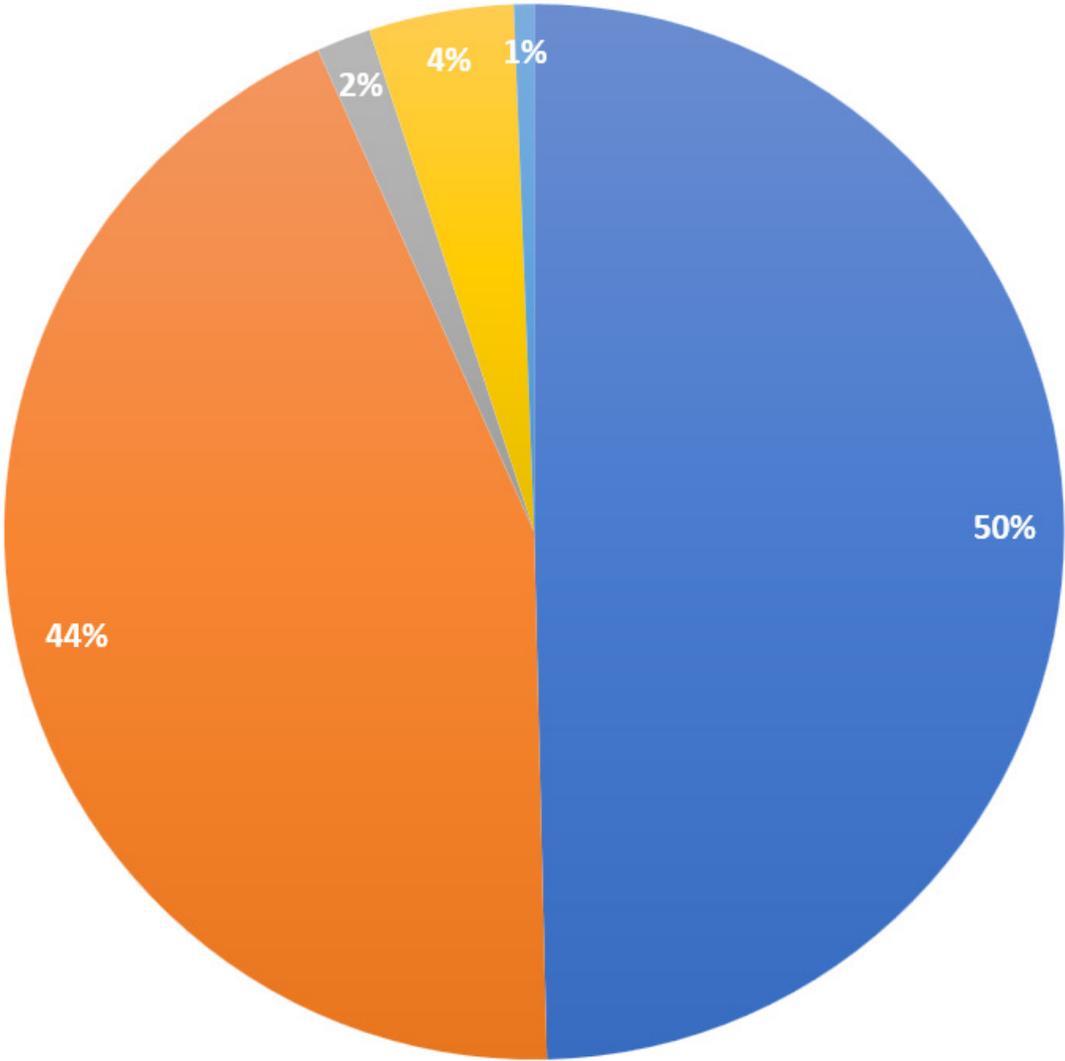
	<u>August 31, 2023</u>	<u>August 31, 2022</u>
Accounts payable	\$44,204	\$48,340
Loss reserves	\$14,071,405	\$14,911,453
Loss adjustment expense payable	\$1,767,888	\$1,924,924
Unearned premiums	\$10,856,653	\$8,791,732
Dividends declared but unpaid	-	\$1,871,729
Other accrued liabilities	\$205,600	\$188,800
Total liabilities	<u>\$26,945,750</u>	<u>\$27,736,978</u>
Surplus	<u>\$11,682,320</u>	<u>\$7,886,080</u>
Total liabilities and surplus	<b><u>\$38,628,070</u></b>	<b><u>\$35,623,058</u></b>

### Statements of Revenue and Expenses—Statutory Basis

	<u>2023</u>	<u>2022</u>
Revenues:		
Premiums earned, direct	\$31,302,005	\$26,705,309
Premiums earned, ceded	<u>\$(12,876,030)</u>	<u>\$(10,627,118)</u>
Net premiums	\$18,425,975	\$16,078,191
Expenses:		
Losses incurred, direct	\$16,918,922	\$18,861,739
Losses incurred, subrogation and salvage	\$(273,319)	\$(156,842)
Losses incurred, excess insurance recovery	<u>\$(5,602,754)</u>	<u>\$(5,450,359)</u>
Net losses	\$11,042,849	\$13,254,538
Loss expenses incurred	\$1,554,623	\$1,817,509
Other underwriting expenses incurred	<u>\$1,808,506</u>	<u>\$1,588,066</u>
Total expenses	<u>\$14,405,978</u>	<u>\$16,660,113</u>
Net underwriting gain	\$4,019,997	\$(581,922)
Net investment income earned	\$981,960	\$92,157
Other income	<u>\$18</u>	<u>\$486</u>
Net revenues over expenses		
- statutory basis	<u>\$5,001,975</u>	<u>\$(489,279)</u>

Jeremy Fox is a Senior Accountant who graduated from the University of Nebraska-Lincoln in 2004 with a Masters of Professional Accountancy. His undergraduate course of study was in accounting with a minor in economics. Jeremy excels in working with clients in Audits of NPO's and Non-Public Companies, and Tax Planning and Preparation. Jeremy is a member of the American Institute of Certified Public Accountants and Nebraska Society of Certified Public Accountants.

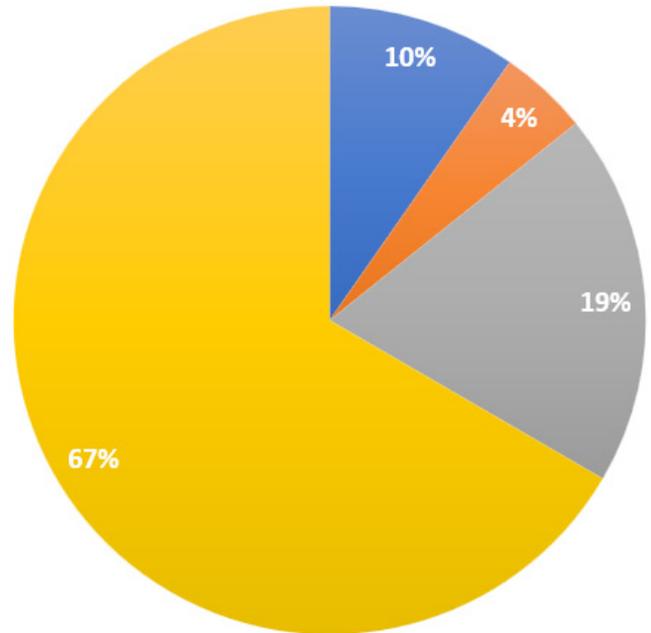
# TOTAL COST OF RISK - 2023-2024



- LOSS FUND/DIVIDENDS
- EXCESS INSURANCE
- CLAIMS ADMINISTRATION
- ALL OTHER ADMINISTRATION
- PROVISIONAL TAXES

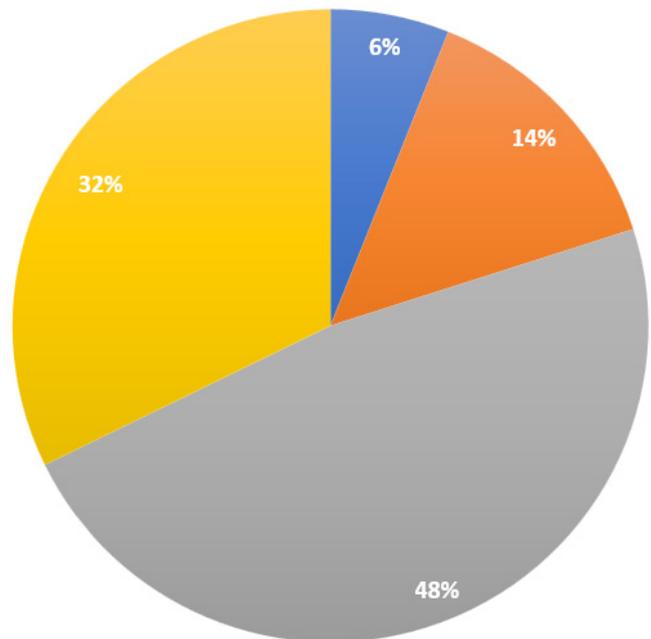
## NUMBER OF CLAIMS BY LINE OF COVERAGE - 9-1-13 TO 8-31-23

- AUTO LIABILITY
- GENERAL LIABILITY
- PROPERTY
- WORKERS COMPENSATION



## CLAIMS DOLLARS INCURRED BY LINE OF COVERAGE - 9-1-13 TO 8-31-23

- AUTO LIABILITY
- GENERAL LIABILITY
- PROPERTY
- WORKERS COMPENSATION



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## SIX PILLARS OF ALICAP

A STABILIZED MARKETPLACE

ENHANCED COVERAGE

CUSTOMIZED LOSS CONTROL PROGRAM

CLAIMS MANAGEMENT AND DISTRICT INPUT

COMPETITIVE PRICING

RETURN OF SURPLUS TO THE OWNER DISTRICTS/ESUs

[WWW.ALICAP.ORG](http://WWW.ALICAP.ORG)



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