

REMIF

Redwood
Empire
Municipal
Insurance
Fund



REMIF's Mission

- Redwood Empire Municipal Insurance Fund (REMIF) is a self-insured joint powers authority (a JPA) established in 1976 to handle the insurance claims, benefit programs, and risk management needs of fifteen (15) member cities.
- The cities are located in the five Northwest counties. REMIF's office is located in Sonoma, California.
- REMIF is self insured (not insurance).

REMIF's 15 Cities/Town

- Arcata
- Cloverdale
- Cotati
- Eureka
- Fortuna
- Fort Bragg
- Healdsburg
- Lakeport
- Rohnert Park
- Sebastopol
- Sonoma
- St. Helena
- Ukiah
- Willits
- Town of Windsor

The History of JPAs and the Creation of REMIF

- In the early 1970s, public agencies were faced with rising insurance costs and few coverage options.
- In the mid-1970s, the California Legislature amended the Government Code to allow for any two or more public agencies to join together to exercise power common to all of them.
- In 1976, Frank James, the founder of REMIF and a true visionary, used this new code section to allow member cities to pool their money, rather than having commercial insurance. He established one of the first self-insurance pools in California.

March 1986 - TIME Magazine documents the insurance crisis in America

In California, many local governmental entities found that coverage was either priced out of their reach or completely unavailable. Insurance companies refused to write coverage for most public agencies and canceled those they had.

California enacted legislation to permit public entities to pool for insurance and risk management.



What's a JPA?

- In REMIF's case, the 15 member cities share financial resources (also called “pooling”) to provide coverage for liability, property, workers' compensation and benefits.
- Ownership. The members are the owners of the pool. It is member governed.
- It's member focused risk management.
- This is pooled city resources. This is not insurance.

Why pool?

- Today, about 80% of governmental agencies are members of pools.
- Pools address continuing challenges in risk management, even as the insurance crisis has calmed.
- REMIF reduces and stabilizes long-term coverage costs. It ensures access to the coverage needed for critical local government functions such as public safety, roads and transportation, and more.
- Pooling is best embodied in a Swedish proverb: The best place to find a helping hand is often at the end of your own arm.

How do pools offer coverage?

- Pools exemplify *local* control because pools are crafted to meet the specific needs of their public entity members.
- REMIF has multiple lines of coverage: liability, property, workers' compensation, and health benefits.
- Unlike the commercial insurance industry, which uses profits to measure success, pools provide services, coverage, and risk management tools with the singular goal of serving their membership.
- REMIF is directed by our Board, comprised of a representative from each one of the member cities. Pools work because every member has skin in the game and a voice at the table.
- Pools are member-owned, member-governed, member-driven and member-directed.

Cost Effective

- Risk-sharing pools have surpassed commercial insurance for public entities – cities, counties, schools, and others – because they demonstrate effective government collaboration.

Taxpayer Savings

- It is estimated that pools, throughout their four-decade history, have saved taxpayers billions of dollars.
- Public entity risk-sharing pools do not have to deliver profit. Commercial insurers typically build a 10-15 percent profit margin into their pricing.
- Most pools are exempt from a variety of taxes that commercial insurers have to pay – and build into their premiums.
- Pools generally have lower overhead costs than commercial insurers.
- Investment income or profit is retained by the pool.

Taxpayer Savings, cont'd

- Even before reducing losses through risk management tailored to public entity operations, pools over time can provide coverage to members at a cost typically 15-25 percent below traditional insurance.
- Pools can provide a broad array of in-depth loss control services, training, claim management and risk consultation.

Risk Sharing

- With pooling, like members agree to share the cost of risk. Any member's contributions to a risk pool help pay claims for all members' claims.
- For smaller public agencies, this eases the burden of potential costly claim costs from one year to the next. For all members, this risk-sharing structure intensifies pool members' interest in loss control and claim management, and it helps explain why pools are especially effective in working with their members on these priorities.
- REMIF is the steward of the cities' pooled funds.

Multi-layered coverage

The coverage that is provided to the member cities is multi-layered.

- First, the member has a deductible level (between \$5,000 and \$25,000).
- Then, REMIF has a deductible level (more commonly referred to as a self insured retention level or SIR). The amount of this level depends on the type of coverage.
- Lastly, we partner with CJPRMA and commercial insurance to provide the final layer (called excess coverage).

Fort Bragg's role

Fort Bragg has a seat on the REMIF Board. The Board:

- Has a fiduciary responsibility of the pooled money
- Must consider the best interests of REMIF and the pooled money
- Represents REMIF and the pool, not the individual city
- Provides direction for the pool
- Is interested in loss control and claims management
- Must have active participation in meetings and after – *share Board information with Fort Bragg staff*
- Has equal representation – Fort Bragg's vote counts
- Is interested in controlling premiums and costs, as that ultimately saves the pool's money

General Information

- Memorandum of Coverage (MOC) outlines what coverages the member cities have through REMIF
- The by-laws for the JPA (joint powers authority) is a governing document between REMIF and the member cities
- REMIF provides coverage for property, liability, automobile, earthquake, pollutions, flood, workers' compensation and health benefits (medical, vision, dental, EAP)
- REMIF provides pooled risk management services and trainings, including extensive safety offerings

General/Auto Liability Program

- REMIF Member Deductibles - \$5,000-\$25,000 Per Incident (Fort Bragg's deductible is \$5,000)
- REMIF is Self Insured to \$500,000 Per Incident (Pooled Funds)
- CJPRMA - Self Insured \$500,000 to \$5,000,000 Per Incident (Pooled Funds)
- CJPRMA - Excess Insurance Coverage \$5 million to \$40,000,000 Per Incident

Worker's Compensation Program

- REMIF Member Deductibles - \$5,000 and \$10,000 per injury (Fort Bragg's deductible is \$5,000)
- REMIF is Self Insured to \$1,000,000 per injury (Pooled Funds)
- Purchase statutory (unlimited) Coverage Over \$1,000,000 Per Injury

Other Coverages

- Property
- Boiler Machinery
- Auto Physical Damage
- Crime Policy
- Earthquake/Flood (DIC) Coverage
- Pollution
- Cyber Coverage

Self Insured Health Care

- Members have more plan options
- Premium Stabilization
- Wellness programs
- Funding based on Actuarial Study

Other pooled benefits

- Dental - Delta Dental
- Vision - VSP
- Life/Disability Insurance
- Employee Assistance Program (EAP)

REMIF Staff

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Questions?