MEMORANDUM AND EXECUTIVE SUMMARY

To: PACIF Board of Directors

From: Fred Satink, Executive Secretary

Re: Municipal Risk Pool Financial Support of League Operations- IVF Analysis & Report

Date November 4, 2026

Introduction

The purpose of this report is to provide the results of research into the amount of financial support that municipal pools provide to their respective leagues and how that varies with the pool operating structure. Pool data collected as part of the study is provided as a separate pdf document.

Operationally, municipal pools come in a variety of sizes, operating and staffing structures, and may offer a wide range of "insurance" type products to their membership that include property, casualty, workers' compensation, employee benefits, unemployment, and health. Some pools are completely independent of the state league, while others operate independently – but still have a good working relationship. Still others are staffed by league employees and generally operate under the direction of the state league. Some of the non-league pools were at one time started and/or operated as league pools – but then separated for a variety of reasons.

35 Municipal risk pools were contacted by email and/or phone to compile the data in this report. Many of them were contacted multiple times. I was able to obtain decent data for 27 pools (though some data elements were sufficiently incomplete so that a fee analysis could not be performed). 8 pools did not respond to my queries. The best data sources were email and/or personal conversations with pool leadership. In some instances, audited financials were used to supplement or fill in missing data or, in a couple of instances, provide the sole data source. Such data sources are noted within the tabular information. For this report, data from 8 league pools and 12 non-league pools was sufficiently detailed so as to be eligible for inclusion in this report.

Observations

- Fees paid by each municipal pool to their state leagues varied widely, with some pools (primarily those with no relationship with the league) paying no sponsorship or institutional value fee (IVF).
- Methods to determine the amount of fee also vary considerably. They include flat fees, a percentage of league dues for the risk pool members, and a percentage of pool contributions. Some of the fee structures incorporate inflation adjustment factors, though most do not.
- To level set the fee basis across the 20 pools having adequate data, all fees were adjusted to reflect the IVF as a percentage of the pool's property/casualty/workers' compensation contribution. This is referred to as contribution-based IVF or in the graphs, as IVF equivalent.
- In general, pools that are operated and/or staffed by the respective state leagues, had fees that were higher as a group than pools not operated or staffed by the state league (see table below).
- Two league pool respondents confidentially acknowledged pressure from their league leadership for increased funding from the risk pools to support league operations. Neither pool were separate legal entities.

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Results

- Two league pools, specifically those operated by the Kentucky League of Cities and the Michigan Municipal Association, had fee payments that were relative outliers to the rest of the group, with contribution-based IVFs of 3.18% and 5.3% respectively.
- There are two municipal pools in Michigan. One is a league pool, while the other pool is not affiliated with the Michigan league. The non-league pool is 2 times larger and does not provide WC coverage. The pools compete with each other – which suggests that one of the factors for the size difference may be that either the rates, the service or both are better at the non-league pool.

Contribution-Based IVF – Statistical Results

Pool Type	Average IVF	IVF Median	IVF Range
All Pool Types (n=20)	1.19%	.80%	0-5.3%
League is Employer (n-8)	2.14%	1.80	.60%-5.3%
Non-League Pool (n=12)	.55%	.28%	0-2%*

*A couple pools that pay no fees or low fees do provide limited financial sponsorship and or financial assistance with league events and/or training.

- For comparison purposes, if one assumes that PACIF is paying VLCT a margin in excess of the benefit received, in the range of $1.1 - $1.3M, that equates to an IVF of 3.25-3.84% of the 2026 PACIF member contribution ($33.8M).

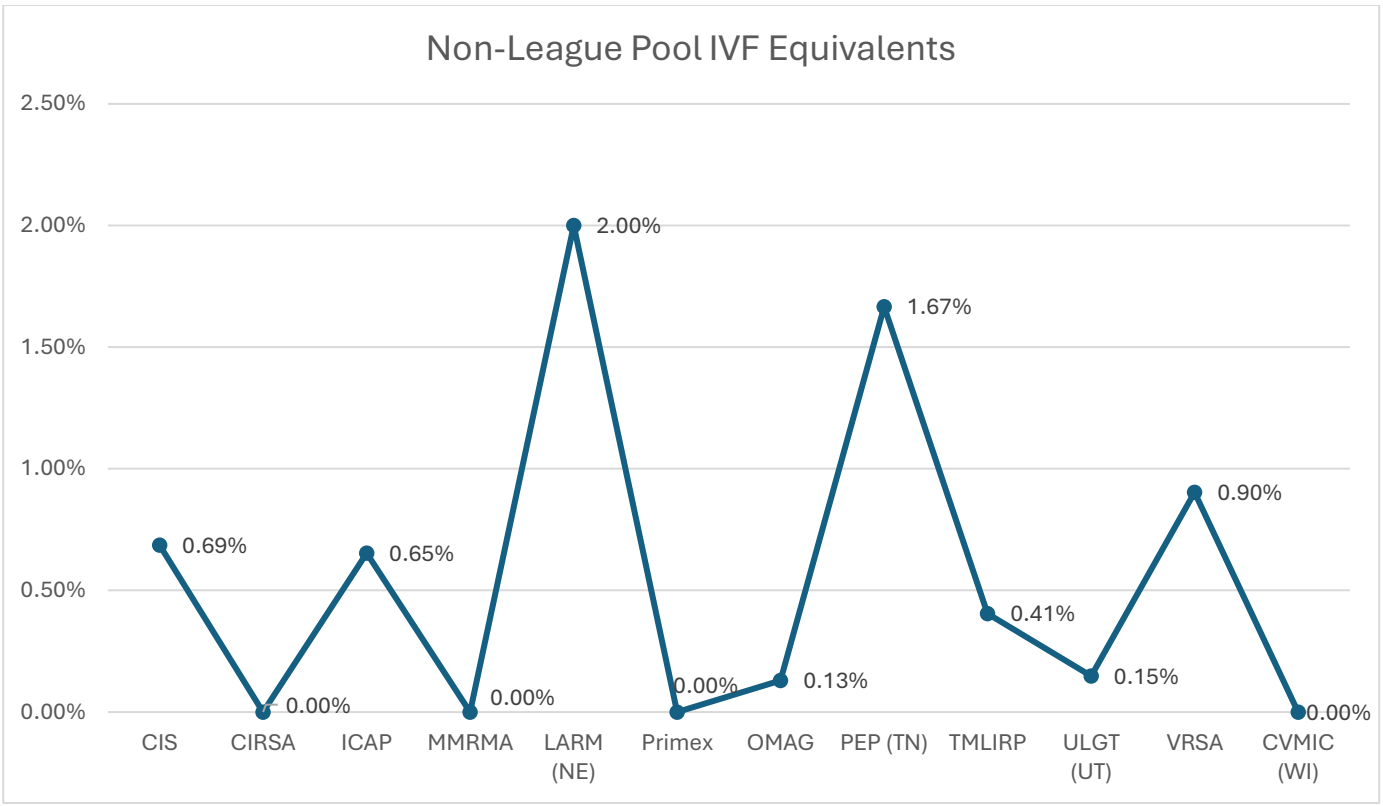
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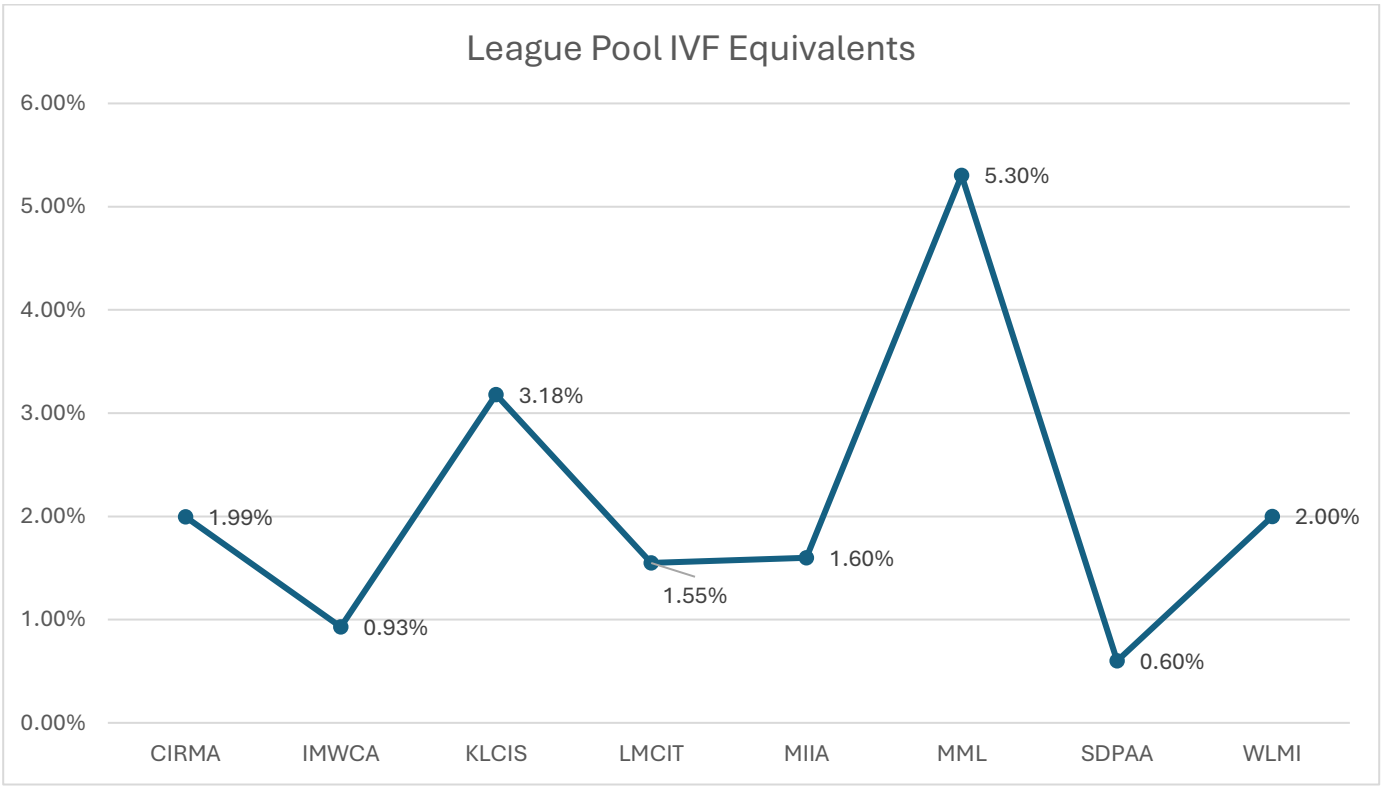
It seems clear that pools that are staffed or embedded with state leagues tend to pay their respective leagues more than independent pools do. Pools that have no relationship with their respective leagues tend to not pay any fee at all – though one was noted as providing some financial assistance. A majority of municipal risk pools that are included in this report – whether league operated or independent - do maintain working relationships with their respective league and provide some financial support for the league mission.

Aside from the two league pools whose fees were “outliers” (as noted above) **all other pools paid an IVF that was 2% or less – including league run pools**.

Lastly, IVFs appear to have no relationship to each pool’s net position, as net position requirements and policies, risk, and investment abilities or limitations vary substantially from pool to pool.

Graphs displaying both league and non-league pool IVF equivalent financial support to the state leagues are provided on the following page.





Each chart displays the contribution-based IVF calculated as a percentage of member contributions along with each pool. See Pool data table for more details.

Pool Structure and IVF -Pool Table Data

Pool Name	Employer of staff *(shaded cell denotes league EE)*	League relationship	Contribution / Net position[1]	IVF and calc method	Comments	IVF %[2]
Connecticut Interlocal Risk Mgmt Agency (CIRMA)	Pool staff are league EEs with separate management by agreement (NLC-MIC model). Pool has own finance staff.	Unincorporated Association. Pool Director Reports to CIRMA Board. That Board is derived from League Board.	$94M/$260M (2025)	$1.875M. No calc method noted.	Pool CEO and League Director jointly manage shared staff. Pool gets benefits thru league	1.99%
Florida League of Cities	League employs all pool staff and serves as administrator for insurance programs	Given the size and multiple trusts (health, benefits, WC, PC), Pool director noted that FL is not good comparison for VT	As for 9/30/2023; $256M/ $129M. Note- improved financial position in recent years due to reduced losses.	No data provided. 2025 total assets listed as $1.3B.	2023 audit indicates payment of $30M to league for **all** services	
Iowa Municipalities WC Association (IMWCA)	Association operated by League staff	Operations report to League Director	$18.2M/$86.2M (2025 audit)	IVF of $169k for membership data, promotional elements, and advertising space as specified in audit (2025)	The audit also noted payment of "management fees" to the league, presumably to pay for staff or shared services. This was $2.3M in 2025.	0.93%
Kentucky League of Cities Insurance Services (KLCIS)	All league employees, except KLCIS uses TPA for PC claims. Has three separate "funds".	League has oversight and both entities work very closely together.	$80.5M (2026)	ASA requires 3% of collected insurance premium, plus $150k ($50 for each "fund"). So, approximately $2.56M. League acts as "broker"	ASA defines cost of all shared services. Shared staff positions are re-evaluated annually for % of work for pool vs KLC	3.18%
League of Minnesota Cities Insurance Trust (LMCIT)	1/2 staff are league employees. Balance are TPA. Operate similarly to VLCT & PACIF, except for large TPA portion.	League has oversight of operations and there has been occasional friction.	$155M/$400	30% of league dues of members for each trust (WC+PC). Current "IVF" is $2.4M League dues are $4.2M	Pool obtains EE benefits thru league	1.55%

Pool Structure and IVF -Pool Table Data

Pool Name	Employer of staff *(shaded cell denotes league EE)*	League relationship	Contribution / Net position[1]	IVF and calc method	Comments	IVF %[2]
MA Interlocal Insurance Association (MIIA) (MA Municipal Association)	League employees and TPA staff. Some shared services, Benefits thru league	Pool is operated by League- but is a incorporated non-profit. Has Health and PC "trusts"	(2022 exam) $82M/$170M. Current numbers probably in excess of $100M annual contribution	Fee is estimated at $1.6M, with amount based on member contributions and other factors	Used somewhat dated info as pool promised to provide details but did not.	1.60%
Maine Municipal Association (league) (3 Risk Mgmt Pools- PC, WC, UI)	The league is the employer, provides benefits and in geenral operates the risk pools. Indirect costs allocated to pools on per capita basis	League operated pool. The Risk pools are NOT separate legal entities.	Requested but not provided	Estimated at $1.2M. Based on 10% of all risk pool expenses.	Pools are fully integrated into MMA	
Michigan Municipal League Liability/Prop Pool and separate WC pool	League employees are pool management team. 8.5 FTEs plus some shared HR and IT. ($1.5M cost). Use TPA for claims, loss control, and UW operations staff (40 EEs).	League has oversight of insurance operations via staff. Total staff costs (8.5 FTE) plus shared services is about $1.5M	Two pools- WC: $35.5M/$132M - PC: $30.5M/$52M Aggregate Total :$66M/$174M	IVF is embedded in what pools pay to the league (currently $5M) which includes direct and indirect costs and "support" funds for league	League financial support is estimated @ $3.5M	5.30%
Municipal Association of South Carolina	This is a league operated pool. League employs all. Opted to not respond due to being new in position.	Has WC and PC trusts that are separate.	Estimated premium of $45M for both trusts with net position estimated at $100M	No data		
New Mexico Self-Insurer's Fund	All league employees - HR, IT, finance cost allocation have cost allocation. Use TPA for WC program & PC claims.	Separate legal entity - Operating relationship-have contract for admin services.	$39.5M /$84M. Pay league actual costs of office and admin support.	Not a defined amount and no payment per se aside from payment for "shared services".	Suspect league "support" is buried in shared service allocation.	
So. Dakota Public Assurance Association (SDPAA)	Some shared staff with league who is employer of 4 pool employees. TPA for all others. League Benefits	Separate Legal Entity but works closely with league in several areas	$37M/58M (2024 audit)	.6% of contribution or $222K	Currently renegotiating service agreement w/league	0.60%

Pool Structure and IVF -Pool Table Data

Pool Name	Employer of staff *(shaded cell denotes league EE)*	League relationship	Contribution / Net position[1]	IVF and calc method	Comments	IVF %[2]
Washington Association of Cities	League operates separate PC, WC and Health Trusts.	Appears to be limited staff, using TPA	Small operation ($3-4M annual premium for PC)	No data		
Wisconsin (League Mutual Insurance)	3 shared staff with league as employer, 2 dedicated pool staff. All other staff are TPA employees. League Benefits	Separate Corporate Entity but works very closely with league, as it is the league genesis pool.	$39M/$62M (2026)	2% of contribution ($780,000)		2.00%
City County Insurance Services (CIS-Oregon)	CIS good working relationship with league but is its own employer.	Separate independent legal Entity. Has 3 separate risk pools (Health, UI, PC)	All pools: $268M/$245M (**PC pool only: $46.5M/$99M (2025)**	$1.84M for all 3 pools (2025). Uses flat fee plus CPI according to audit. PC Pool IVF is estimated at $319,253	Has 3 pools, one of which is PC. Health pool has highest premium by far.	0.69%
Colorado intergovernmental Risk Sharing Agency (CIRSA)	CIRSA is its own employer. Colorado Municipal League assisted in formation but both entities decided at the start that being separate legal entities was best.	No formal operating relationship - though the entities maintain and "mutually cooperative and beneficial relationship".		No IVF of fee paid.	CIRSA does sponsor CML events and their annual conference at highest level, pay for keynote, and present.	0.00%
Iowa Communities Assurance Pool (ICAP) (PC Only pool)	Operates independently, largely using TPA for services.	Separate operations	$88.8M/$68.8M	Pays IVF of $580K		0.65%
Michigan Municipal Risk Mgmt Authority	Pool employs all staff	Has no relationship with league as it was never a league pool.	About $90M (no WC) excludes deductible funds collected from participating members	No IVF or fee paid to the league	MML pool is a competitor though some members use it for WC. Also cover a few community colleges	0.00%

Pool Structure and IVF -Pool Table Data

Pool Name	Employer of staff *(shaded cell denotes league EE)*	League relationship	Contribution / Net position[1]	IVF and calc method	Comments	IVF %[2]
Nebraska League Association of Risk Mgmt (LARM)	Separated in early 2000s but retained ASA, shared services and 2% fee until 2019. Discontinued using league for staffing in 2019 after "falling out" and stopped fee payment.	Lease limited office space and share one IT person with League. Use TPA for many functions	$27M 2026 premium. No net position info	2% of written premium per agreement	League and Assoc. now have agreement, work cooperatively, and LARM now pays 2% "sponsorship" fee.	2.00%
NH Primex	All Primex employees-no league involvement,. TPA and vendors used for some functions such as scanning mail and claims payments	minimal league relationship	Did not provide data	Pays no fee or monies of any kind to league	Entity operates 100% independent of league with no ties according to pool director	0.00%
Oklahoma Municipal Assurance Group (OMAG)	Separated from league in 1980. Paid $100k separation fee. Uses TPA for WC claims	Separate independent entity	$38.5M/Net position estimated at $80M	$50K for league with training. Provide staff support for league events		0.13%
Public Entities Pool of Ohio	Prop/Casualty (no WC coverage). Pool endorsed by Ohio League/ Pool is employer	Uses TPA to administer pool and has 3 EEs.	$43.8M/$56M (2025 audit)	No information. Presume some fee is involved		
Public Entity Partners (PEP – Tennessee)	Pool is employer	Good relationship with league, no shared services	$78M/$144m (2025)	$1.3M Flat fee established for period 2022-2026		1.67%
Texas Municipal League Interlocal Risk Pool	Pool employs all staff – no TPA. Obtains benefits from TML. No shared services. Separated from league years ago	Separate legal entity but works closely with Texas League.	$395M /$433M (2026)	$1.6M. based on .33% for muni and .66 for schools w/ annual inflation factor	Went through process in April 2026 to update fee to league as it was previously too low.	0.41%

Pool Structure and IVF -Pool Table Data

Pool Name	Employer of staff *(shaded cell denotes league EE)*	League relationship	Contribution / Net position[1]	IVF and calc method	Comments	IVF %[2]
Utah Local Government Trust	The pool is the employer of all of its staff, with the exception of using a TPA for claims administration.	There is a sponsorship relationship with the league. They receive prominent visability at the "annual conference" and a "sponsor link" on the league website.	$44M/$120M 2026. Net position is as of 12/31/25.	Pay a $65,000 sponsorship fee. No other payments to league.	Totally separate legal entities with separate budgets, boards, and operations. Lots of event collaboration. Trust presents at annual conference.	0.15%
Virginia Risk Sharing Association (VRSA)	VRSA is direct employer of all pool staff. Separated from league many years ago.	Unincorporated association. Instrumentality of municipality by statute. Similar to Vermont structure	$83M/$160M	Pays flat sponsorship fee of around $750K annually to Virginia League under current multi-year agreement.	They write school districts as well as conventional munis. Has good working relationship with league, participates in conferences.	0.90%
Washington Cities Insurance Authority	No league affiliation provides PC coverage only	Has 23 staff	$139M/$90.7M	No fee identified		
Wisconsin Cities & Villages Mutual Insurance	Pool is direct employer with no league involvement	no relationship with league or endorsement		no fee to league		0.00%

[1] Represents data from WC, GL, PC operations only, except as noted - as some municipal risk pools have multiple “trusts”. Excludes health insurance or benefits trust info.

[2] IVF% converts all fees paid to league as if they are contribution based to allow apples to apples comparison.

Note: All Contribution and Net Position numbers are current, unless noted otherwise.

Risk Pools contacted with no response

Alaska Public Risk Alliance	League of AZ Cities and Towns	GA Municipal League (multiple pools)	Rhode Island Interlocal Trust
(Maryland Municipal League) Local Government Insurance Trust LGIT)	PennPrime (PA Municipal League)	Illinois Risk Management Assoc. (IL Municipal League)	North Carolina Municipal League