



DATE: June 24, 2022
TO: TML Risk Pool Members
FROM: Randy Criswell, Chair, Board of Trustees
Jeff Thompson, Executive Director
RE: Increasing 2022-2023 Member Rates and Contributions

Dear Trusted Partner:

For fiscal year 2022-2023, TML Risk Pool Members will contribute a total of 10.8 percent more in contributions to the Pool than in this fund year. This means total contributions received by the Pool will increase from \$240 million in 2021-2022 to an estimated \$265 million in 2022-2023.

Most Members will contribute more in the upcoming fiscal year to help fund our partnership, but increases shouldn't be a surprise considering local, state, national, and global conditions. An increase in the frequency and severity of property losses, supply chain issues, inflation, winter storm Uri, the effect of COVID-19 workers' compensation claims, and other factors make it unavoidable. Just as these issues affect us as individuals, they affect your entity and the Pool.

Of course, the Pool continues to provide stable risk financing for Members. The upcoming fund year is no different. The Pool's mission is to avoid passing the full impacts of these trends to Members in any one budget year. Rather, the Pool stabilizes rates as much as possible and incrementally recognizes cost pressures over time. Members partner with one another through the Pool to help finance risks as they evolve, and the Pool's strong financial position allows it to blunt the impacts of large-scale events and losses.

The Pool *never* increases Member contributions to make a profit. Though contributions must cover claims in the long-term, the Pool expects to have years in which losses exceed contributions. This philosophy – different than many commercial insurance carriers – ensures Pool Members remain *Stronger, Together*.

A special video series within the Pool's "Local Officials: *Stronger, Together* Podcast Series" provides brief explanations of the factors driving relatively modest increases in most Member's contributions. The videos (Episodes 15a-15e) are available at www.tmlirp.org by clicking on the "STP Podcast" button at the top of the page. Episode 15a features an interview with Board of Trustees President Randy Criswell, and Episode 15e features one with Executive Director Jeff Thompson. The Pool has also prepared a [more detailed, written explanation of the rerate process and Pool services](#).



The Pool's financial strength – and the collective strength of the Membership – allows us to moderate rate changes resulting from claims and cost pressures. The rate increases – and proper apportionment of those costs among the Members – ensure relative rate stability compared to the commercial insurance marketplace and other competitors. Through volatile times, the Pool's fidelity to its *Core Values* (Integrity, Public Service, Fiscal Responsibility, and Operational Excellence) continue to provide Members with the best source of local government risk management and financing.

Members will start receiving their 2022-2023 rerates in the coming months. Of course, losses caused by things like weather and the pandemic can be beyond a Member's control. But risk mitigation practices, as well as coverage and deductible review, can lessen their effect.

Please reach out to Scott Houston, the Pool's *Intergovernmental Relations Manager*, at 512-791-4158 (mobile with text capability) or scott.houston@tmlirp.org with general questions or comments about rates and contributions. And Scott – through your Member Services Manager and Loss Prevention Representative – can also assist with risk mitigation practices and other means to keep your invoice low. Thank you for your trust in our Partnership.



RANDY CRISWELL
Chair, Board of Trustees
City Manager
City of Wolfforth



JEFF THOMPSON
Executive Director
TMLIRP