



# Nebraska Intergovernmental Risk Management Association

8040 Eiger Drive • P.O. Box 85210 • Lincoln, NE 68501-5210  
www.nirma.info • 402.742.9220 • 800.642.6671 • 402.742.9230 fax

Agenda Item # 22 d  
ate 6/14/23

Craig L. Nelson, Executive Director

May 26, 2023

Jean Andrews  
Dodge County Planning/Zoning  
435 N Park, Room 204  
Fremont, NE 68025



COPY

2023 MAY 30 PM 1:35  
RECEIVED  
DODGE COUNTY DEPT

RE: NIRMA/NIRMA II 2023-24 Billing Statement

Dear Jean,

These are difficult times for everyone as we face rapidly increasing costs for seemingly everything. That is equally true in the insurance marketplace wherever higher rates are being charged as the result of catastrophic property losses, escalating jury verdicts, social inflation, higher claim costs and other contributing factors.

NIRMA and its members are certainly not immune to these growing costs, nor are we alone in facing these significant market headwinds. Again, everyone is being impacted. Coming into this year we were already in the midst of what many industry observers described as the toughest insurance market since the mid-1980's when NIRMA was created. Unfortunately, it has only stiffened since as the property market has been especially hard hit by the devastation of Hurricane Ian late last year and other major storms since which have caused significant turmoil in the reinsurance market. And when storms hit, insurers have seen a substantial increase in repair and replacement costs for buildings, vehicles and other property, often accompanied by delays in the delivery of needed materials, parts and other goods which only adds to those costs. NIRMA members have had the same claims experience.

While NIRMA self-insures a growing level of each members' claims loss, we must also purchase reinsurance to protect members against those large catastrophic losses. And this year the price NIRMA will have to pay for this reinsurance coverage is increasing significantly—up more than 10 percent for liability, 8 percent for workers' compensation, and a whopping 109 percent increase for property. In total, NIRMA's reinsurance costs are increasing by nearly \$1.1 million/40 percent above current levels which adds to NIRMA's funding needs for the coming year.

On top of that, and representing the largest portion of what NIRMA bills out each year, are the loss projections of our actuaries. Unfortunately, our actuaries are projecting members' losses will increase again the coming year, the fourth consecutive year they have projected such an increase, up more than \$1 million from this year and over \$2.5 million from just four years ago. Part of this is a function of membership growth as well as NIRMA assuming more of the risk with higher self-insured retentions, but also more restrictive terms/conditions being imposed by the reinsurers. Also true is that as property and equipment values, vehicle counts and other items increase, so too does our overall exposure base. Taken together, this is a challenging combination for NIRMA and for all of us to deal with as we put together this years' renewal.

Enclosed you will find your county's NIRMA/II billing statement which details the coverages and costs for the July 1, 2023 to July 1, 2024 policy period. Please remember that in arriving at these contribution amounts, each member is uniquely impacted depending on its own individual loss history, changes in its property values, number and kinds of vehicles, payroll, and employee counts, as well as other factors. Be

## BOARD OF DIRECTORS

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JEAN ANDREWS  
MAY 26, 2023  
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assured it remains the focus of the NIRMA Board of Directors each year to provide members with broad coverages and services at a competitive, stable cost.

With this year's renewal we are also instituting new higher minimum deductibles for all three covered property types. These minimum deductibles have not been adjusted for more than 15 years and are lower than what many of us have on our own personal homeowners and auto policies and with the ever increasing cost of property claims an adjustment was in order. The minimum auto physical damage and mobile equipment deductible is now \$1,000. The minimum building & contents deductible is now \$2,500. There will be a new severe convective storm (wind/hail) deductible as well required by the reinsurers. If your county has deductibles higher than these new minimums, the contribution quoted for those coverages reflect the credit associated with that higher deductible.

Taking all of this into account, **Dodge County's annual contribution amount for 2023-24 is \$356,443.** This represents a \$92,842, or 35.22 percent increase from last year.

Please remember, we are in this together. When we keep claims down, we share the savings; when claims rise, we share the cost. Which is why working closely with our members, NIRMA devotes a great deal of time, attention, and resources toward many training and educational efforts designed to reduce and limit claims and losses, thereby lowering costs. I continue to encourage all members to take advantage of the many programs NIRMA offers.

We also take steps to mitigate these insurance coverage costs in other ways. One of those ways is through the issuance of dividends. Over the years NIRMA has returned \$25 million in dividends to its members, including \$65,517 to Dodge County. Although dividends cannot be guaranteed, NIRMA has been able to issue one or more dividends for 27 consecutive years, which speaks to the financial strength of the pools, the ability, in partnership with our members, to manage claims, and the commitment by the NIRMA Board to return equity to our member-owners.

As always, do not hesitate to contact our office if you have any questions concerning this billing statement or any other aspects of the NIRMA program. Be assured NIRMA stands with our members as a reliable partner in these challenging times and Dodge County remains a valued and valuable member, and owner, of NIRMA.

Sincerely,



Craig L. Nelson  
Executive Director

Enclosure

cc: County Board Chair w/enclosure  
Emailed to other designated officials

**NIRMA & NIRMA II  
RENEWAL BILLING STATEMENT  
July 1, 2023 to July 1, 2024**

Invoice For:  
Dodge County

INVOICE#: 24-5  
DATE: May 31, 2023

GENERAL LIABILITY	\$11,983
LAW ENFORCEMENT LIABILITY	\$29,386
AUTO LIABILITY	\$15,407
AUTO PHYSICAL DAMAGE	\$28,949
PROPERTY, MOBILE/REMOTE	\$7,472
PROPERTY, BUILDING & CONTENTS (Includes equipment breakdown)	\$130,006
CRIME	\$3,516
PUBLIC OFFICIALS LIABILITY	\$2,163
EMPLOYMENT PRACTICES LIABILITY	\$10,618
PRIVACY/SECURITY EVENT LIABILITY AND EXPENSE	\$651
EXCESS CYBER LIABILITY	\$114
WORKERS' COMPENSATION	\$116,178

**Total Annual Contribution**

**\$356,443**

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**Payment Due Date is June 30, 2023**

Please make check payable to NIRMA and return to:

NIRMA  
P.O. Box 85210  
Lincoln, NE 68501-5201

Dodge County  
**NIRMA CONTRIBUTION BREAKDOWN**  
For Policy Period 7/1/2023-7/1/2024

**GENERAL**

General Liability	\$2,397	
Crime (Bond)	\$3,516	
Auto Liability	\$1,541	
Auto Physical Damage	\$2,895	
Buildings & Contents	\$60,453	
Public Officials/EPL	\$10,225	
Cyber Liability	\$765	
Workers' Compensation	\$15,103	
<b>GENERAL TOTAL</b>	<b>\$96,895</b>	<b>\$96,895</b>

**LAW ENFORCEMENT**

Law Enforcement Liability	\$29,386	
Auto Liability	\$5,392	
Auto Physical Damage	\$9,553	
Inland Marine	\$374	
Buildings & Contents	\$56,943	
Public Officials/EPL	\$1,278	
Workers' Compensation	\$31,368	
<b>SHERIFF TOTAL</b>	<b>\$134,294</b>	<b>\$134,294</b>

**ROAD**

General Liability	\$9,586	
Auto Liability	\$8,474	
Auto Physical Damage	\$16,501	
Inland Marine	\$7,098	
Buildings & Contents	\$3,900	
Public Officials/EPL	\$1,278	
Workers' Compensation	\$69,707	
<b>ROAD TOTAL</b>	<b>\$116,544</b>	<b>\$116,544</b>

**COMMUNICATIONS EQUIPMENT**

Buildings & Contents	\$8,710	
<b>COMMUNICATIONS TOTAL</b>	<b>\$8,710</b>	<b>\$8,710</b>

**TOTAL CONTRIBUTION**

**\$356,443**