

IMWCA

Iowa Municipalities Workers'
Compensation Association

MEMBER SPOTLIGHT

AUGUST 2021

THE IMWCA PROCESS: RELATIONSHIP-BUILDING, MARKETING, AND WRITING NEW CITIES

BY CLAIRE BUCHWALD

Over the past 12 years, The Iowa Municipalities Workers Compensation Association (IMWCA) has been very successful. They have grown both membership and written premium - writing over 135 new members (for a total of 536) and adding over \$8 million in new written premium. (Please note that IMWCA also writes counties, with the assistance of County Risk Management Services). This growth has served IMWCA well, allowing them to add additional staff and services to their program all while adding significantly to their fund-balance - which has increased from \$15 million to \$70 million dollars over the past 15 years.

Like most NLC-RISC member pools, IMWCA's members are primarily small to midsize cities. As Marketing Manager Tim Kirgan says, "for a long time, we didn't look at larger and self-funded cities as an option." Now they do. Using the same strong, collaborative processes they have developed in their work with smaller cities, IMWCA has added larger cities to their book of business. This article, co-written with Kirgan, describes that process which has allowed them to maintain relationships with small-midsize cities while forging new relationships with larger cities and enveloping them into their membership.

Phase 1

The new member opportunity process usually begins one of two ways: One is by internally analyzing possible cities and recognizing those who might be a good fit as a member. The other is by calling on IMWCA's local agency partners looking for opportunities to bring in new members that the local agent has either written with another carrier or could possibly write with IMWCA.

Recently, the pool began entertaining the opportunity of adding large cities and/or cities that were self-funded and using a third-party administrator (TPA) to manage their claims. "When we start considering bringing a city out of an excess/TPA model to our pooling model, we consider the following: How they are written (is their program managed using a (TPA) in house); who their agent is; and would the municipality be a fit for the pool?" IMWCA considers whether they have a broker and, if so, whether the pool has a relationship with them in order to get a meeting to discuss what the pool can offer the city and broker.

In the case of one large city IMWCA recently wrote, Sioux City approached the Iowa League of Cities Executive Director, inquiring if the League had a solution to help them find a way to pay fewer large claims for workplace injuries and increase the efficiency and safety of the city. In other cases, Kirgan has heard from an agent about problems a city is having and was able to find ways to help that city through IMWCA coverage and services. Kirgan notes that it is most important to look at what is best for the city, but also important to be mindful of the competition and other partners the city has that could be competitors of the pool.

Phase 2

The second phase, which can take many months, is developing a relationship with a municipality's staff and their local agent. Kirgan comments that this is not the time to be salesy. "This period is about getting to know each other, listening and assessing the cities needs. People typically like things to be their ideas, or ideas and solutions that are jointly made, without feeling as if those ideas are pushed upon them." Through this process, entity decision-makers should understand that the solutions being suggested to them are in their best interest, not just IMWCA's. Both IMWCA staff and prospective city members need to be interested in pursuing the relationship.

Unlike traditional insurance agencies, the pool speaks the same city "language" and provides a tremendous amount of risk management support to prevent problems. There are times when a city may not have a strong claims history, but, if they adopt the culture of the risk pool and implement good safety practices, the preventable can be prevented. By improving their practices, a city can become safer, more efficient, increase their workers' compensation discounts (IMWCA members can earn up to 45% in upfront discounts), and eventually qualify for even more upfront savings with IMWCA's Good Experience Bonus, the pool's version of a dividend program.

Phase 3

The third phase of the process is getting information to the underwriter and allowing time to properly analyze the risk. The pool then determines if they want to move forward or if, due to poor loss history or undesirable exposure, the pool should decline the opportunity.

Sometimes in Phases II and III, it is important to move beyond consideration of how the municipality is doing now and begin thinking of how the entity could perform with the benefit of pool's support.

Phase 4

Once the pool decides to move forward, the underwriter will ask the safety & risk manager to conduct an underwriting review. The safety & risk staff are the eyes and ears of the underwriter who tasks them with performing an assessment; determining what measures the entity has in place; whether the municipality has a safety program; and, if so, whether it is good or in need of improvement. When it comes to setting pricing, it is also important to keep in mind input from the marketing staff, since they are in touch with the market, the competition, and the entity's local agent or broker. The team works together to consider what types of credits/discounts, if any, they are going to give the city.

Even if the pool decides to decline offering a proposal to the entity, they often keep the door open for the future, offering the pool free assistance to become a viable member. Unlike a traditional insurance company, IMWCA has a strong desire to serve cities that are members of the Iowa League of Cities, bringing them into the pool if possible. As Kirgan explains, “We may not be comfortable with taking on the risk now, but we will offer them a solution at no cost to the city.” If the pool declines to offer coverage, they offer to have their risk services staff go out to the city at no charge, to work with city staff with the understanding that if they put recommended safety measures in place, the pool is likely to quote them the following year.

Phase 5

Once the decision has been made to offer a quote proposal, the local agent sets up an appointment to present the proposal to the city.

Phase 6

The entity will let the pool know their decision or ask them to do a brief formal presentation to the city council. Kirgan comments, “When we do these presentations, we are able to talk about the business side, which is usually about lowering their workers’ compensation premiums. We also will talk about formal written programs, a strong safety culture, and greater efficiency, all of which lead to the benefits of becoming involved in IMWCA’s program. We will close by talking about the personal goal that we have in common with the city: ‘Our ultimate goal is to help make sure that, at the end of the day, your people get home safely to their families.’”

Closing Thoughts

IMWCA’s process for building relationships and adding new members takes the time necessary to build trust and understand each other. The pool identifies, assesses, prices, and writes members in a way that makes both IMWCA and the municipalities stronger. Applying and refining that method has allowed the pool to grow their membership, premium, and fund balance while helping small-midsize municipalities—and now even larger cities—to be safer and stronger as IMWCA members.