

ALICAP 2020-2021 ANNUAL REPORT



LETTER FROM THE BOARD PRESIDENT

Dear ALICAP Members,

NASB member school districts and ESU's are eligible to participate in the ALICAP self-insurance pool.

The Pool provides casualty and liability coverage against claims made against members from individuals injured on school property or auto accidents. Assets owned by members are also protected against theft or loss from fire or weather events. Coverages extend to member boards and employees in their official capacities.

ALICAP provides these coverages along with valuable ancillary services which enhance school safety, lower claim cost, and provide training for current issues in the ever-changing risk management landscape.

The advantages of pool arrangements include pricing stability, the customization of services and often, expanded coverage and risk management offerings. Having input into the claims process is another key benefit not often found with commercial insurance carriers.

ALICAP continues to be one of the great success stories for NASB and public K-12 education in Nebraska. The pool expanded by 5 members for the 2021 – 2022 school term. A total of 178 school districts and ESU's are now participants.

Significant value-added services are provided through pool membership that are not always available through other insurance options. Member employees may access safety training through an on-line service, SafeSchools. Last year, 125,000 courses were completed by educational employees, and 757,000 courses have been completed since the 2011-2012 school year. A unique reporting capability through SafeSchools Alert provides students, staff and parents an opportunity to report confidentially any instances of bullying, threats, suicide or abuse to school administrators. ALICAP provides on-site inspection and training services through Loss Control Consultants. These consultants work with members to eliminate or reduce hazardous conditions on school property, with the ultimate goal of preventing accidents or other losses

WILLIAM KNAPPER
ALICAP BOARD PRESIDENT

BOARD MEMBER
ESU 13
ALICAP TRUSTEE SINCE 1995



before they occur. ALICAP's loss control consultants are unique in the claim prevention profession. They are typically former school administrators who understand school environments and have the ability to relate to the school environment and school employees. During the summer of 2021 ALICAP hosted Summer Safety Workshops in Gering, Kearney and Lincoln focused on Sexual Abuse/Molestation and Cyber Security. These very topical trainings provide schools with the skills to avoid costly claims in these areas. The summer trainings were the first ever held by ALICAP and hopes are to continue these valuable trainings in the future

A central tenet of ALICAP's operating plan is a return of unused premiums to the membership rather than retain as profit like a private insurance company. ALICAP returned \$2.4 million to members during the 2020 – 2021 insurance year, \$2.75 million was returned at the start of the 2021 – 2022 year.

Daily management of ALICAP is lead by the very capable team of Megan Boldt, Rachel Horstman and John Spatz. They are assisted by the Public Risk Management principals of Pat Ryan and Sheri Shonka. This management team is supported by leading professionals in pool oversight and claims management. Auditing services are provided by Thomas, Kunc and Black, LLP, a firm specializing in the review of Nebraska self-insurance pools. Actuarial studies are provided by Select Actuarial Services, a firm supporting pools nationally. Claims administration is handled by Sedgwick CMS. This team of individuals and companies provide comprehensive risk management services that are unmatched for the benefit of Nebraska K-12 education.

Respectfully,

A handwritten signature in black ink that reads "William D. Knapper".

ADDITIONAL PROGRAMS AND MEMBER SERVICES

ALICAP was formed in 1990, by the Nebraska Association of School Boards.

That first year, there were 32 members and the coverage included only Workers' Compensation. Our membership has grown to 178 school districts and ESUs, and since 1995-1996 the coverage expanded from just Workers Compensation to include Property, Liability, Auto, Crime and Errors and Omissions.

Take a look at ALICAP's current membership and insured values.

WE ARE PROUD TO BE ALICAP

178 NEBRASKA SCHOOLS AND ESUs

OVER \$1 BILLION IN PAYROLL INSURED

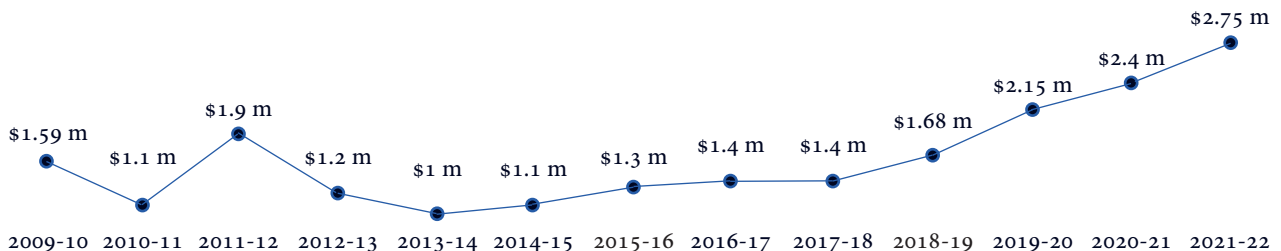
\$7 BILLION IN PROPERTY VALUES INSURED

28,000 EMPLOYEES COVERED

3,000 VEHICLES ON SCHEDULE

1,100 CLAIMS HANDLED ANNUALLY

OVER \$25 MILLION GIVEN BACK IN DIVIDENDS SINCE 1990



MANY THANKS TO ALL ALICAP MEMBERS FOR THEIR TRUST, LOYALTY & DEDICATION

2020-2021 RECOGNITION PROGRAM AWARD WINNERS

LOSS RATIO AWARD WINNERS
YUTAN PUBLIC SCHOOLS

ALICAP WOULD LIKE TO CONGRATULATE THESE MEMBERS ON EARNING THIS YEAR'S SAFETY AWARDS.

EXPERIENCE MODIFIER AWARD WINNER
BENNINGTON PUBLIC SCHOOLS

A STRONG SAFETY PROGRAM BEGINS WITH A SUPPORTIVE LEADERSHIP TEAM AND IS ACTED OUT BY EVERY STAFF MEMBER, EVERY DAY.

SAFESCHOOLS AWARD WINNER
PLATTSMOUTH COMMUNITY SCHOOLS

KEEP UP THE GOOD WORK!

YOUR BOARD OF TRUSTEES



PATTY BENTZINGER
SCHOOL BOARD MEMBER
NORRIS SCHOOL DISTRICT 160
ALICAP TRUSTEE SINCE 2001
CLAIMS COMMITTEE



TED DETURK
ESU ADMINISTRATOR
ESU 2
ALICAP TRUSTEE SINCE 2019
FINANCE & AUDIT COMMITTEE



WILLIAM KNAPPER
SCHOOL BOARD MEMBER
ESU 13
ALICAP TRUSTEE SINCE 1995
FINANCE & AUDIT COMMITTEE
INVESTMENT COMMITTEE



TROY LOEFFELHOLZ
SUPERINTENDENT
COLUMBUS PUBLIC SCHOOLS
ALICAP TRUSTEE SINCE 2021
FINANCE & AUDIT COMMITTEE
INVESTMENT COMMITTEE



STEVE KOCH
SCHOOL BOARD MEMBER
HERSHEY PUBLIC SCHOOLS
ALICAP TRUSTEE SINCE 2019
UNDERWRITING & MARKETING COMMITTEE



TOM MENKE
SCHOOL BOARD MEMBER
CHADRON PUBLIC SCHOOLS
ALICAP TRUSTEE SINCE 2017
LOSS CONTROL COMMITTEE



JEFF RIPPE
ASSISTANT SUPERINTENDENT
BELLEVUE PUBLIC SCHOOLS
ALICAP TRUSTEE SINCE 2012
CLAIMS COMMITTEE



KEN SCHROEDER
BUSINESS MANAGER
GRAND ISLAND PUBLIC SCHOOLS
ALICAP TRUSTEE SINCE 2021
UNDERWRITING & MARKETING COMMITTEE



AMY SINES
SCHOOL BOARD MEMBER
CAMBRIDGE PUBLIC SCHOOLS
ALICAP TRUSTEE SINCE 2020
LOSS CONTROL COMMITTEE



SANDY NOFFSINGER
NASB BOARD REPRESENTATIVE
DUNDY COUNTY STRATTON PUBLIC SCHOOLS
UNDERWRITING & MARKETING COMMITTEE



JOHN SPATZ
NASB EXECUTIVE DIRECTOR
ALICAP TRUSTEE SINCE 2012
INVESTMENT COMMITTEE

YOUR TEAM



MEGAN BOLDT
NASB - DIRECTOR OF ALICAP
LOSS CONTROL COMMITTEE
UNDERWRITING & MARKETING CMTE



RACHEL HORSTMAN
NASB - BUSINESS MANAGER
FINANCE & AUDIT COMMITTEE
INVESTMENT COMMITTEE



MAKENZIE BARRY
NASB - DATA & FINANCIAL SPECIALIST
LOSS CONTROL COMMITTEE



PAT RYAN
PRM - MANAGING PARTNER
FINANCE & AUDIT COMMITTEE
CLAIMS COMMITTEE



SHERI SHONKA
PRM - MANAGING PARTNER
LOSS CONTROL COMMITTEE
UNDERWRITING & MARKETING CMTE



DANIEL SHONKA
PRM - MANAGING PARTNER
UNDERWRITING & MARKETING CMTE



CARL DIETZ
LOSS CONTROL AGENT
ALICAP



MATT FISHER
LOSS CONTROL AGENT
ALICAP



JAMIE ISOM
LOSS CONTROL AGENT
ALICAP



DAN KEYSER
LOSS CONTROL AGENT
ALICAP



DOUG LEWIS
LOSS CONTROL AGENT
ALICAP



KEN NAVRATIL
LOSS CONTROL AGENT
ALICAP



MICHELLE BOCK
SUPERVISOR
SEDGWICK CMS



JENNIFER CHEEVER
EXAMINER
SEDGWICK CMS



SARAH LOFTUS
EXAMINER
SEDGWICK CMS

ALICAP OWNERS AS OF AUGUST 31, 2021

Adams Central Public Schools	Cozad Community Schools	Gibbon Public Schools
Ainsworth Community Schools	Crete Public Schools	Gothenburg Public Schools
Amherst Public Schools	Cross County Community Schools	Grand Island Public Schools
Anselmo-Merna Public Schools	David City Public Schools	Gretna Public Schools
Ansley Public Schools	Diller-Odell Public Schools	Hartington-Newcastle Public Schools
Arapahoe Public Schools	Douglas County West Comm. Schools	Harvard Public Schools
Arcadia Public Schools	Dundy County Stratton Public Schools	Hastings Public Schools
Arlington Public Schools	Elba Public Schools	Heartland Community Schools
Arthur County Schools	Elgin Public Schools	Hemingford Public Schools
Ashland-Greenwood Public Schools	Elkhorn Valley Schools	Hershey Public Schools
Axtell Community School	Elm Creek Public Schools	Hitchcock County Schools
Bancroft-Rosalie Community School	Elmwood-Murdock Public Schools	Holdrege Public Schools
Banner County Schools	Elwood Public Schools	Howells-Dodge Consolidated Sch. Dist.
Battle Creek Public Schools	Emerson-Hubbard Public Schools	HTRS Public Schools
Bayard Public Schools	ESU 2	Hyannis Area Schools
Beatrice Public Schools	ESU 3	Johnson County Central Public Schools
Bellevue Public Schools	ESU 5	Kearney Public Schools
Bennington Public Schools	ESU 6	Keya Paha County Schools
Bertrand Community School	ESU 7	Kimball Public Schools
Blair Community Schools	ESU 9	Lakeview Community Schools
Blue Hill Public Schools	ESU 10	Lewiston Consolidated Schools
Brady Public Schools	ESU 13	Lexington Public Schools
Broken Bow Public Schools	ESU 15	Leyton Public Schools
Burwell Public Schools	ESU 16	Litchfield Public Schools
Callaway Public Schools	ESU 17	Logan View Public Schools
Cambridge Public Schools	Eustis-Farnam Public Schools	Loomis Public Schools
Cedar Bluffs Public Schools	Fairbury Public Schools	Louisville Public Schools
Centennial Public Schools	Falls City Public Schools	Loup City Public Schools
Central City Public Schools	Fort Calhoun Community Schools	Loup County Public Schools
Chadron Public Schools	Franklin Public Schools	Lyons-Decatur Northeast
Chase County Schools	Friend Public Schools	Malcolm Public Schools
Clarkson Public Schools	Fullerton Public Schools	Maxwell Public Schools
Cody-Kilgore Unified Schools	Garden County Schools	McCook Public Schools
Columbus Public Schools	Gering Public Schools	Medicine Valley Public Schools

ALICAP OWNERS AS OF AUGUST 31, 2021

Meridian Public Schools		
Milford Public Schools		
Minatare Public Schools		
Minden Public Schools		
Mitchell Public Schools		
Morrill Public Schools		
Mullen Public Schools		
Neligh-Oakdale Schools		
Newman Grove Public Schools		
Norris School District 160		
Northwest Public Schools		
Oakland-Craig Public Schools		
Ogallala Public Schools		
Omaha Nation Public Schools		
O'Neill Public Schools		
Ord Public Schools		
Osceola Public Schools		
Osmond Community Schools		
Overton Public School		
Palmer Public School		
Papillion La Vista Community Schools		
Pawnee City Public Schools		
Paxton Consolidated Schools		
Pender Public Schools		
Perkins County Public Schools		
Plattsmouth Community Schools		
Pleasanton Public Schools		
Ponca Public Schools		
Potter-Dix Public Schools		
Ralston Public Schools		
Randolph Public Schools		
Ravenna Public Schools		
Rock County Public Schools		
Sandhills Public Schools		
	Sargent Public Schools	Tri County Public Schools
	Scottsbluff Public Schools	Twin River Public Schools
	Shelton Public Schools	Valentine Community Schools
	Sidney Public Schools	Verdigre Public Schools
	Silver Lake Public Schools	Wakefield Community School
	South Central NE Unified System 5	Wallace Public School District 65R
	South Sioux City Community Schools	Walthill Public Schools
	Southern School District 1	Wauneta-Palisade Public Schools
	Southern Valley Schools	Waverly-School District 145
	Southwest Public Schools	Weeping Water Public Schools
	Springfield Platteview Comm. Schools	West Holt Public Schools
	St. Paul Public Schools	West Point Public Schools
	Stanton Community Schools	Westside Community Schools
	Stapleton Public Schools	Wilber-Clatonia Public Schools
	Sterling Public Schools	Wilcox-Hildreth Public Schools
	Summerland Public Schools	Winnebago Public Schools
	Sumner-Eddyville-Miller Schools	Wisner-Pilger Public Schools
	Superior Public Schools	Wood River Rural Public Schools
	Sutherland Public Schools	Wynot Public Schools
	Tekamah-Herman Community Schools	York Public Schools
	Thedford Public Schools	Yutan Public Schools

YOUR FINANCE & AUDIT COMMITTEE



WILLIAM KNAPPER
SCHOOL BOARD MEMBER
ESU 13
ALICAP TRUSTEE SINCE 1995



TED DETURK
ESU ADMINISTRATOR
ESU 2
ALICAP TRUSTEE SINCE 2019



TROY LOEFFELHOLZ
SUPERINTENDENT
COLUMBUS PUBLIC SCHOOLS
ALICAP TRUSTEE SINCE 2021



RACHEL HORSTMAN
BUSINESS MANAGER
NASB



PAT RYAN
MANAGING PARTNER
PRM

ALICAP's Finance & Audit Committee was formed to enhance the financial expertise and oversight of your program's business decisions. The Committee analyzes and responds to the following 3 areas annually:

DIVIDEND PAYOUT OPTIONS

NASB MANAGEMENT REIMBURSEMENT OVERSIGHT

AUDITED FINANCIAL STATEMENT REVIEW

The Committee is also responsible for quarterly financial reviews, SOC1 disclosure for 3rd parties used within the program, Investment Policy updates, and any other financial topic needing addressed at any given time of the year. With every task at hand, the needs of the membership are held with high priority while these financial decisions are being made; part of what sets ALICAP apart from their competition in the insurance market.

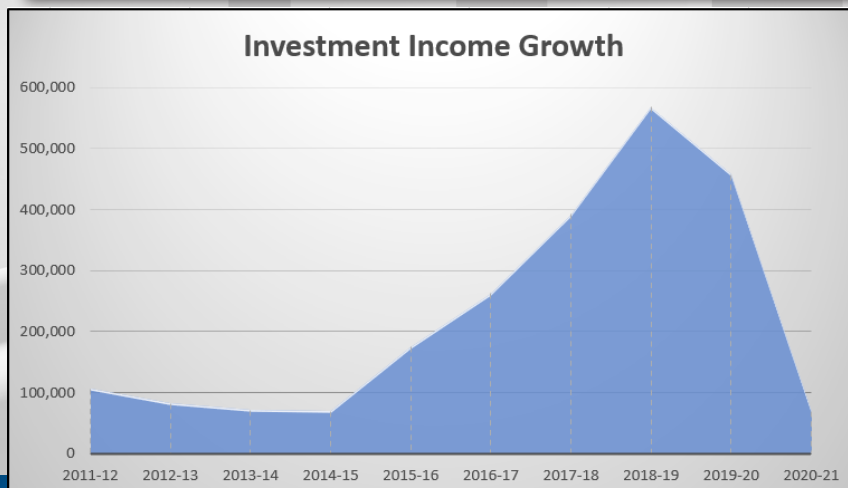
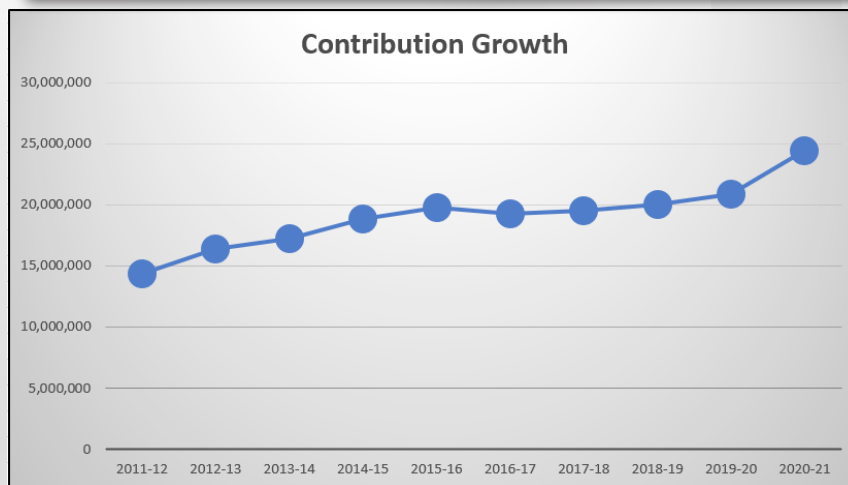
"THE FINANCE AND AUDIT COMMITTEE WORKS TO ENSURE ALICAP IS TRANSPARENT IN ITS OPERATION AND FINANCES. WE ARE COMMITTED TO MAKING DECISIONS WHICH WILL ALLOW ALICAP TO PROVIDE THE BEST SERVICE, PROTECTION, AND CLAIMS RESOLUTION AT THE BEST POSSIBLE COST. OUR GOAL IS TO KEEP OUR RATES LOW, COSTS CONTROLLED, AND FINANCES STABLE SO WE CAN RETURN DOLLARS BACK TO OUR MEMBERS."

- DOUG LEWIS - 2020 ALICAP PRESIDENT

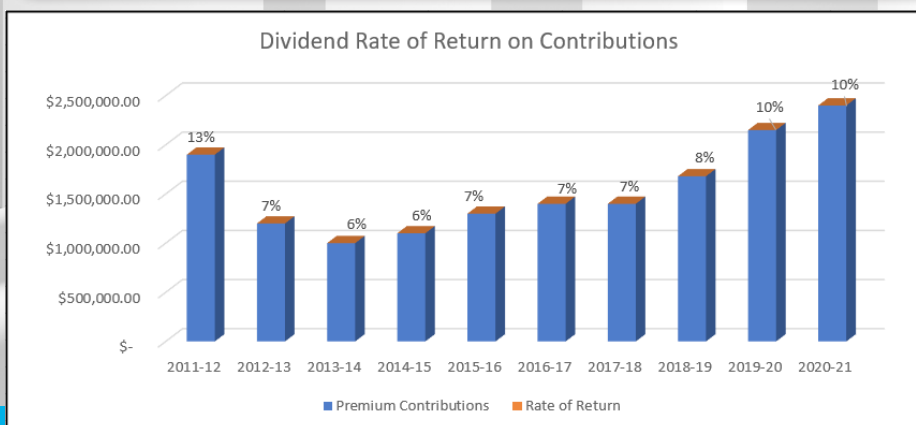
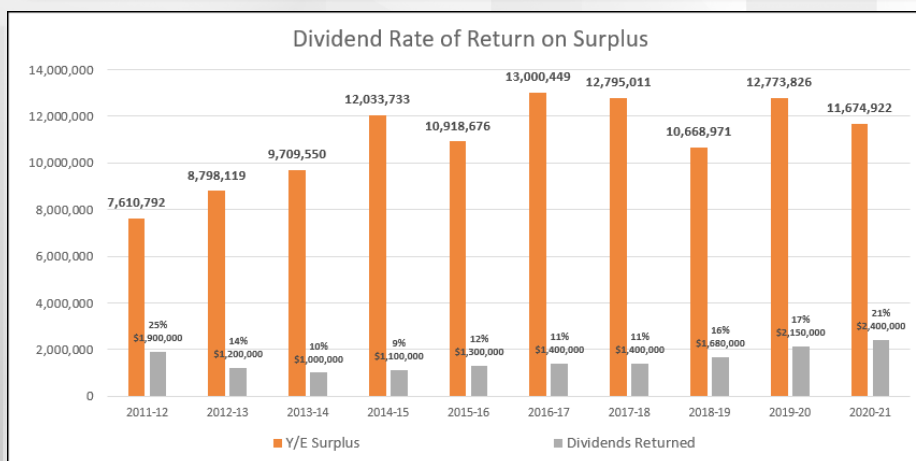
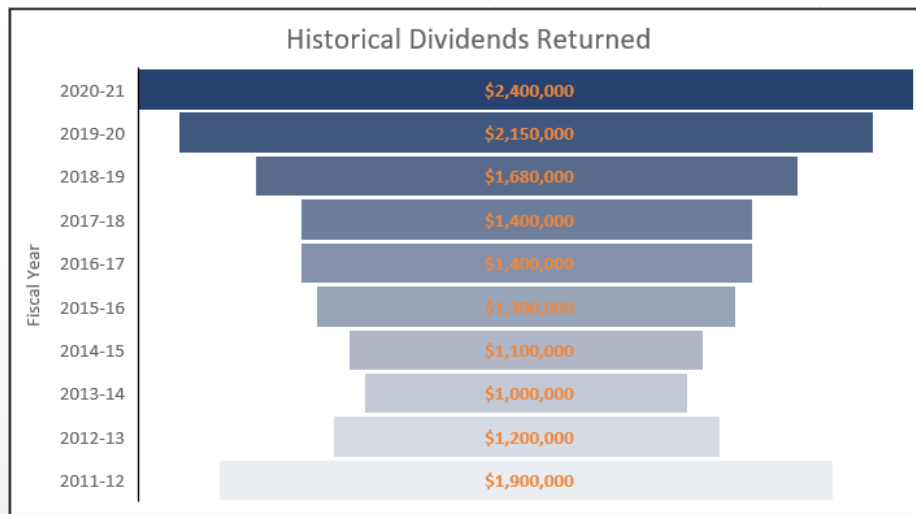
- FINANCIAL BUSINESS PARTNERS -

Select Actuarial Services | Cheryl White, FCAS, MAAA | Nashville, Tennessee
Thomas, Kunc, & Black, LLP | Lyndee Black, CPA, Partner | Lincoln, Nebraska

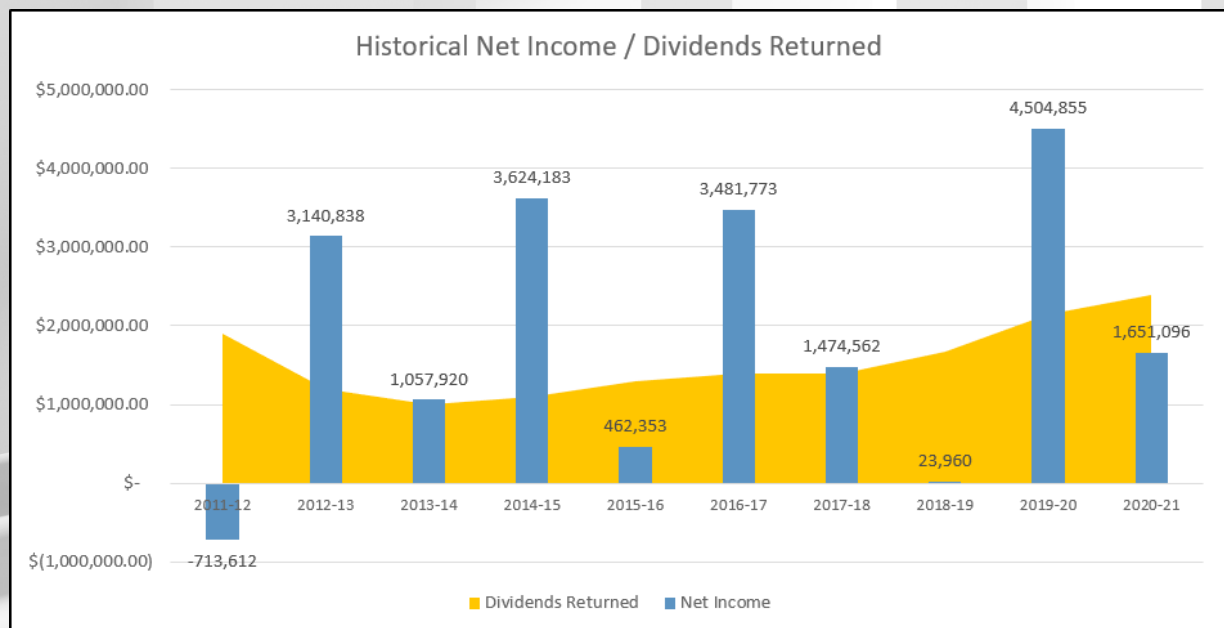
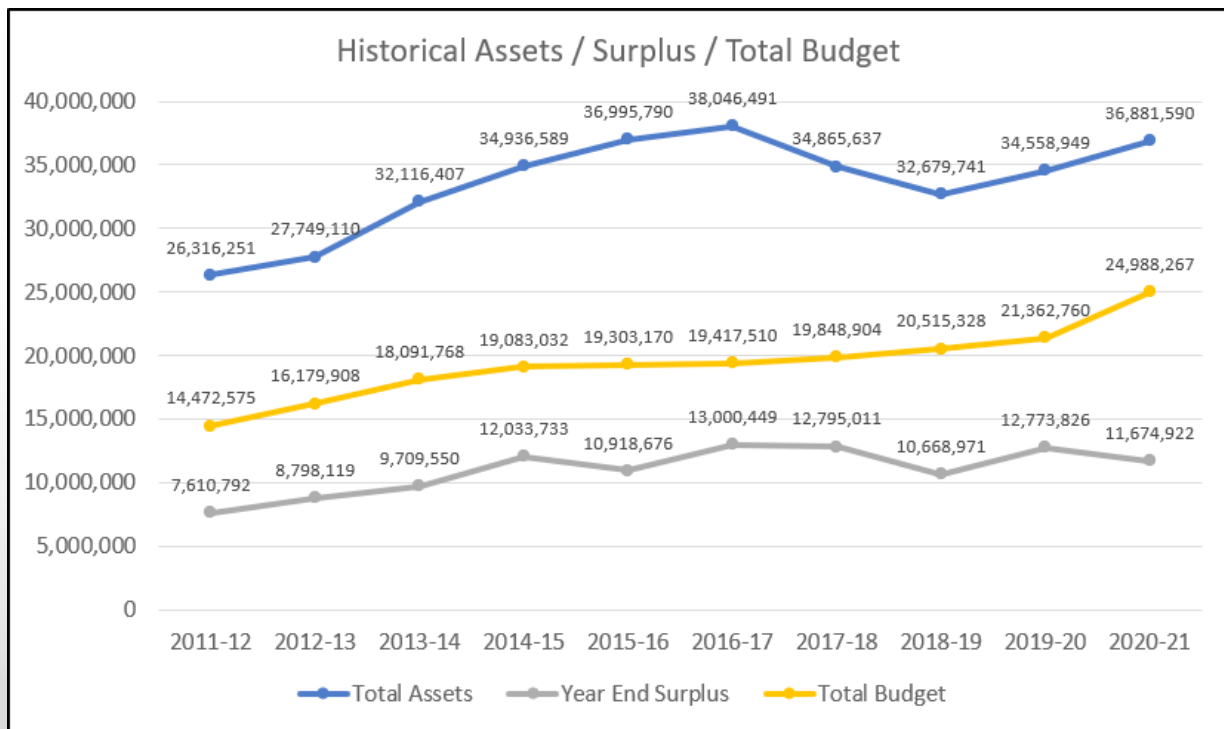
GROWTH



DIVIDENDS



FINANCIAL TRENDS



ALICAP FINANCIAL STATEMENTS & INDEPENDENT AUDITORS' REPORT

NASB ALL LINES INTERLOCAL COOPERATIVE AGGREGATE POOL

INDEPENDENT AUDITOR'S REPORT ON SUMMARY FINANCIAL STATEMENTS

To the Board of Directors:

The accompanying summary financial statements, which comprise the summary balance sheets—statutory basis as of August 31, 2021 and 2020 and the summary statutory statements of revenue and expenses for the years then ended are derived from the audited financial statements of NASB All Lines Interlocal Cooperative Aggregate Pool as of and for the years ended August 31, 2021 and 2020. We expressed an unmodified audit opinion on those audited financial statements in our report dated October 29, 2021.

The summary financial statements do not contain all the disclosures required by the statutory basis financial reporting framework applied in the preparation of the financial statements of NASB All Lines Interlocal Cooperative Aggregate Pool. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of NASB All Lines Interlocal Cooperative Aggregate Pool.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the statutory basis.

Auditor's Responsibility

Our responsibility is to express an opinion about whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with auditing standards generally accepted in the United States of America. The procedures consisted principally of comparing the summary financial statements with the related information in the audited financial statements from which the summary financial statements have been derived, and evaluating whether the summary financial statements are prepared in accordance with the statutory basis.

Opinion

In our opinion, the summary financial statements of NASB All Lines Interlocal Cooperative Aggregate Pool as of and for the years ended August 31, 2021 and 2020 referred to above are consistent, in all material respects, with the audited financial statements from which they have been derived, on the statutory basis.

Thomas, Kunc and Black, LLP

Lincoln, Nebraska
October 29, 2021

NASB ALL LINES INTERLOCAL COOPERATIVE AGGREGATE POOL

Balance Sheets—Statutory Basis

	<u>Assets</u>	
	August 31, 2021	August 31, 2020
Cash on deposit	\$ 1,696,884	7,948,416
Short-term investments	33,696,209	13,311,763
Long-term investments	-	12,003,714
Accrued interest	22,692	54,955
Accounts receivable - premiums	17,954	-
Accounts receivable - reinsurance recoverable	1,447,851	1,240,101
Total assets	\$ 36,881,590	34,558,949

ALICAP FINANCIAL STATEMENTS & INDEPENDENT AUDITORS' REPORT

NASB ALL LINES INTERLOCAL COOPERATIVE AGGREGATE POOL

Balance Sheets—Statutory Basis (Continued)

	<u>Liabilities and Surplus</u>	
	August 31, 2021	August 31, 2020
Accounts payable	\$ 83,939	99,913
Loss reserves	13,377,369	10,155,009
Loss adjustment expense payable	1,471,924	1,322,608
Unearned premiums	8,177,807	8,517,101
Dividends declared but unpaid	1,915,629	1,551,292
Other accrued liabilities	180,000	139,200
Total liabilities	25,206,668	21,785,123
Surplus	11,674,922	12,773,826
Total liabilities and surplus	\$ 36,881,590	34,558,949

Statements of Revenue and Expenses—Statutory Basis

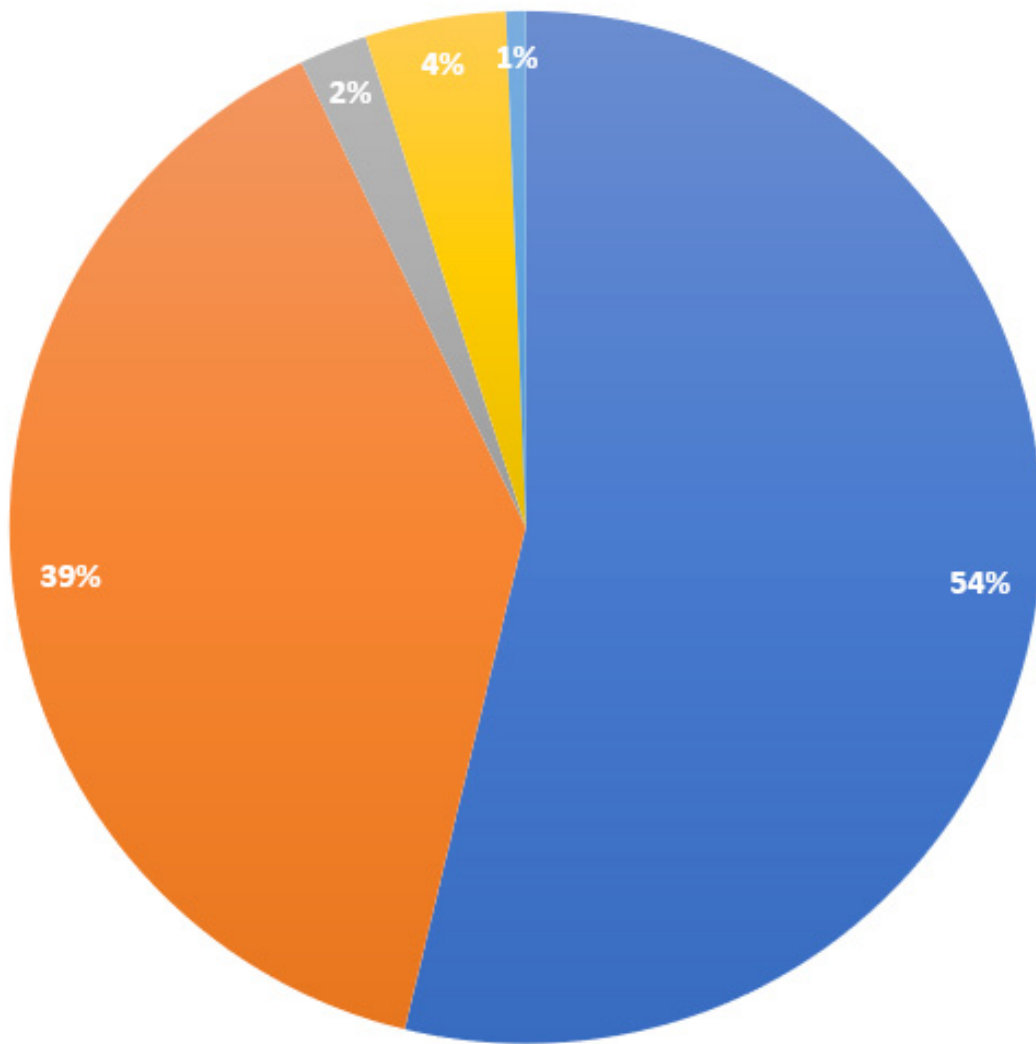
	2021	2020
Revenues:		
Premiums earned, direct	\$ 24,396,631	20,897,587
Premiums earned, ceded	(9,420,172)	(7,631,213)
Net premiums	14,976,459	13,266,374
Expenses:		
Losses incurred, direct	9,914,568	10,729,640
Losses incurred, subrogation and salvage	(38,524)	(161,429)
Losses incurred, excess insurance recovery	845,968	(3,425,342)
Net losses	10,722,012	7,142,869
Loss expenses incurred	1,451,694	748,074
Other underwriting expenses incurred	1,220,128	1,327,340
Total expenses	13,393,834	9,218,283
Net underwriting gain	1,582,625	4,048,091
Net investment income earned	68,471	456,674
Other income	-	90
Net revenues over expenses		
- statutory basis	\$ 1,651,096	4,504,855



LYNDEE BLACK, CPA, PARTNER
THOMAS, KUNC, & BLACK, LLP
LINCOLN, NEBRASKA

Lyndee Black is a founding partner of Thomas, Kunc & Black, LLP and has over 30 years of experience in accounting. Her services include Audits, Accounting Services, Consulting, and Tax Planning and Preparation. Her focus is working with non-profit organizations and insurance entities, specifically pool accounting. Lyndee is a member of the American Institute of Certified Public Accountants and the Nebraska Society of Certified Public Accountants. She has been auditor for ALICAP since its inception in 1991.

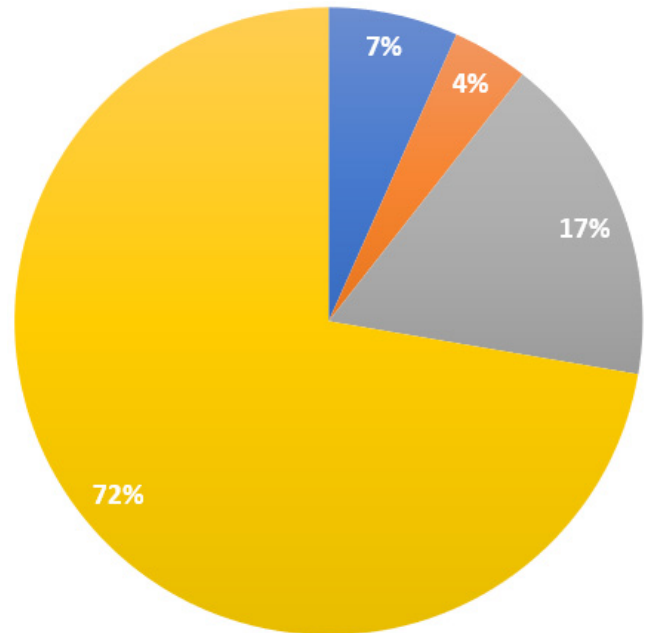
TOTAL COST OF RISK | 2020-2021



- LOSS FUND/DIVIDENDS
- EXCESS INSURANCE
- CLAIMS ADMINISTRATION
- ALL OTHER ADMINISTRATION
- PROVISIONAL TAXES

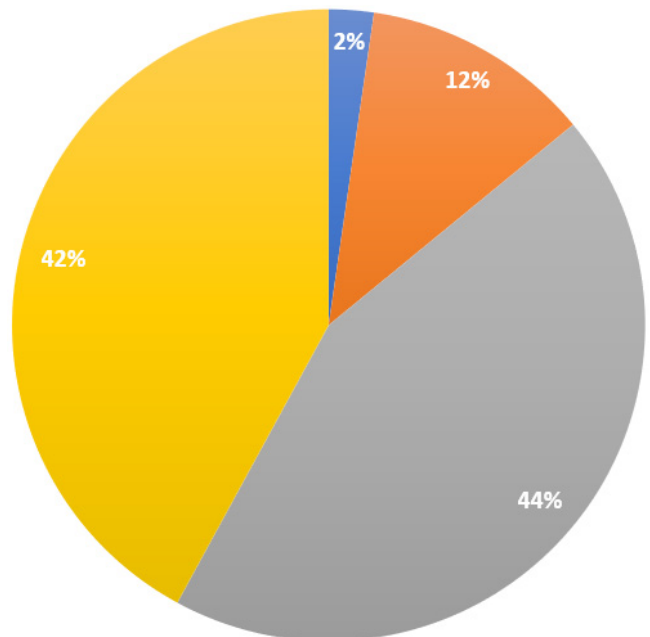
NUMBER OF CLAIMS BY LINE OF COVERAGE | 9-1-11 TO 8-31-21

- AUTO LIABILITY
- GENERAL LIABILITY
- PROPERTY
- WORKERS COMPENSATION



CLAIMS DOLLARS INCURRED BY LINE OF COVERAGE | 9-1-11 TO 8-31-21

- AUTO LIABILITY
- GENERAL LIABILITY
- PROPERTY
- WORKERS COMPENSATION



SIX PILLARS OF ALICAP

A STABILIZED MARKETPLACE

ENHANCED COVERAGE

CUSTOMIZED LOSS CONTROL PROGRAM

CLAIMS MANAGEMENT AND DISTRICT INPUT

COMPETITIVE PRICING

RETURN OF SURPLUS TO THE OWNER DISTRICTS/ESU'S

WWW.ALICAP.ORG



1311 STOCKWELL STREET | LINCOLN, NE 68502
LOCAL: 402-423-4951 | TOLL FREE: 800-422-4572
WWW.NASBONLINE.ORG | [@NASBONLINE](https://twitter.com/NASBONLINE) | [#LIVENASB](https://facebook.com/LIVENASB)

