

## **Member Vote to approve APEI and AMLJIA Consolidation**

The non-profit public entity insurance pools in Alaska formed a committee to explore the feasibility of consolidating the two pools into a single state wide pool. The committee, over the last year has explored the legalities of consolidating Alaska Public Entity Insurance (APEI) and Alaska Municipal League Joint Insurance Association.

Both pools were formed in the 1970s to by AASB and AML, at that time entities in Alaska could not individually find or afford insurance coverage. The pools provided group purchasing power that has served all members well over the years.

The committee voted to recommend the consolidation to both boards, the boards met with the consolidation committee on Sept. 26<sup>th</sup> and reviewed the consolidation plan and the recommendations of the committee. The APEI and AMLJIA boards both voted to approve the consolidation plan to move forward with a vote of the membership on Sept. 27<sup>th</sup>.

The new entity will be called Alaska Public Risk Alliance (APRA) the website is [alaskarisk.org](http://alaskarisk.org), Information on the committee work, FAQ's, the merger plan and associated documents and member update meeting recordings can be found on the website.

### **APRA's mission:**

***The Alaska Public Risk Alliance (APRA) empowers member communities by pooling resources and expertise to meet their unique risk management and coverage needs, ensuring long-term sustainability and value.***

## Benefits of the Merger

*In short:*

- *Merging will increase the benefits of risk pooling by spreading the risk over more members and creating more stability in rates.*
- *It reduces administrative costs by eliminating duplication of effort and expenses.*
- *The larger size of the pool increases the pool's purchasing power, be it for reinsurance coverage or service contracts.*
- *It expands and enhances the services available to all members by combining the two pools' service programs and their staff's talents and expertise.*

## Coverage

*In short:*

- *New and simplified coverage documents have been developed for property, liability, and workers' compensation coverage.*
- *Committee objective: offer members the "best" of the two pools' coverage, keeping in mind price and sustainability.*
- *Although many provisions have changed to some degree, all pool members will see some expansion of coverage, compared with what they now have.*
- *Two options for property coverage developed; final decisions to be made in Spring, once reinsurance costs are available.*
- *Ensuring accurate property valuations will be important to controlling reinsurance cost and promoting fairness among members over both the short and the long run.*

Both boards adopted new and simplified coverage documents so even if the merger is not adopted by the membership the new coverage language will be in effect going forward.

Spreading the risk over a larger group will increase stability of the pool and mitigate future increases dependent on global losses.

Management recommends LPSD vote to for the merger, Superintendent and Business Manager are the designated voting officials.