

NEBRASKA COMMUNITY COLLEGE INSURANCE TRUST

Central • Metropolitan • Mid-Plains • Northeast • Southeast • Western

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October 17, 2025

Board of Governors:

On July 1, 2025, the Nebraska Community College Insurance Trust began its 31st year of operations. The Trust operates as a governmental risk management pool and was created in 1995 by and for the Community Colleges of Nebraska under the provisions of the Nebraska Intergovernmental Risk Management Act for member Colleges to self-insure on a group basis coverage for property, liability, errors and omissions, and workers' compensation claims. Only Nebraska Community Colleges are eligible to participate in the Trust, and all six Community College Areas in Nebraska are members and owners of the Trust.

The officers of the Trust are as follows:

President: Mike Steele, Mid-Plains
Vice President: Scott Gray, Northeast
Secretary: Vacant - TBD
Treasurer: Amy Jorgens, Southeast

Other Board members:

Joel King, Central
Lynne Koski, Western
Kathryn (KT) Nelson, Metro

As it has since 2012, the Trust continues to contract with the Nebraska Risk Management Association, Inc. (NRMA) to administer the program. NRMA's primary business is pool administration in Nebraska. They provide the Trust with a full range of pool administrative services including but not limited to day-to-day pool management, financial/budget/investments, required filings/ communications with the Nebraska Department of Insurance, billing/invoicing, setting of annual contribution levels, scheduling and notice of Board and committee meetings and general member communications. NRMA has also administered all of the Trust's claims service needs since 2007. Other services being provided on a regular basis involve contract review, coverage interpretations, and coordination of broker services. All broker services continue to be provided by Arthur J. Gallagher Risk Management Services, Inc., as has been the case since the Trust's inception.

NRMA also provides the Trust with safety and loss prevention services including, but not limited to, providing experience and expertise to assist College safety committees and offering presentations and workshops to colleges for the purpose of creating a safer working environment as well as promoting safety for employees, students and the public. NRMA staff have met with each Trust member's safety personnel to familiarize them with the safety and loss prevention services that are available to them, and training has been provided to various members. When a major security event occurs at any of the Trust member sites, a contact is made to ensure emergency protocols are followed. NRMA staff is available to respond to the questions and concerns of your college's safety and security personnel too.

Effective July 1, 2012, the Trust established a committee structure for governance, operation and oversight of the Trust's business. The Trust has 4 committees with 3 Trust Board members serving on each committee. These committees and their current membership are as follows:

Finance and Audit Committee

- h Amy Jorgens, Southeast, Chairperson
- h Joel King, Central, Vice-Chair
- h Vacant - TBD

Claims Committee

- h Joel King, Central, Chairperson
- h Amy Jorgens, Southeast, Vice-Chair
- h Mike Steele, Mid-Plains

Loss Prevention and Safety Committee

- h Lynne Koski, Western Nebraska, Chairperson
- h Mike Steele, Mid-Plains, Vice-Chair
- h Scott Gray, Northeast

Policy Coverage and Review Committee

- h Lynne Koski, Western Nebraska, Chairperson
- h Scott Gray, Northeast, Vice-Chair
- h Vacant - TBD

The committee structure provides additional opportunities for involvement by all members of the Board in the governance, operation and oversight of the Trust's business.

Throughout the history of the Trust, whenever the Trust has been involved in a bidding situation with commercial carriers, the Trust's coverage has been broader and at a lower cost than competing bids of commercial carriers. As evidence of the breadth of coverage provided by the Trust, effective with the July 1, 2013, policy period, we added Cyber Liability coverage to the extensive list of coverages provided to our members. Effective July 1, 2016, the Trust changed from an individual contract-year accounting basis to a consolidated accounting basis similar to what other pools in Nebraska have previously done. The pool no longer must maintain separate accounts for each open contract year and this added flexibility helps to maintain cash flow, pay claims, and issue dividends. Accounting, reporting and investing procedures are streamlined in the process.

The July 1, 2025, renewal was once again difficult. The property market is very challenging in terms of cost and coverage, and multiple Trust members have experienced significant weather-related property losses in recent years which adds to the challenge. To assure the accuracy of property values, the Trust continues to have newly added, constructed or altered property inspected and appraised by its chosen appraisal firm, HCA Asset Management LLC. HCA also adjusts the values of property not specifically inspected and appraised utilizing industry accepted trend factors. When including the reported auto physical damages values, that process resulted in an increase of 6.6 percent in overall property values. A \$25,000 maintenance deductible per member applies for each property loss. In addition, a maximum deductible of 2 percent of the affected structure's insured value is associated with wind/hail losses.

The Travelers coverage includes what is referred to as a margin clause which makes insuring to replacement cost value a priority.

Travelers also imposes a \$1,500,000 Annual Aggregate Excess Policy Retention (Annual Aggregate Deductible) in any one policy year. No loss will be paid under this excess property coverage until this annual aggregate is eroded. This same provision was first presented in the 7/1/2022-2023 Travelers coverage.

The Trust continues to provide members with a \$6,900,000 limit of liability over its \$100,000 self-insured retention for a total of \$7,000,000 each occurrence limit of liability. A \$15,000 maintenance deductible is applied to all general liability claims.

In addition, one must also include the dividends paid and future potential dividend payments to member Colleges. Even with the return of dividends, the Trust remains in a strong financial position to consider future dividends.

As of September 30, 2025, some significant facts regarding the Trust are as follows:

1. The Trust has earned \$3,764,187 in investment income which has been used for the benefit of the Trust members.
2. The Trust has been able to close the 1996 - 2003, 2005, 2006, 2008-2020 insurance years as all claims arising during those years have been resolved. For the 7/1/2024-2025 coverage period, the Trust has incurred a total of 140 property, liability, and workers' compensation claims with a total incurred (paid plus reserves) of \$2,502,140.98 for that one-year period. Those amounts compares to a total of 181 claims and a total incurred of \$1,161,136.56 in losses for the one year 7/1/2023-2024 period. Both coverage periods have open claims and are valued as of 6/30/2025. These numbers can and will change as claims develop further.
3. The Trust has returned \$6,943,329 in dividends to its members as follows:
 - a. \$120,000 in July 2003
 - b. \$160,000 in July 2005
 - c. \$500,000 in July 2008
 - d. \$500,000 in July 2009
 - e. \$500,000 in July 2010
 - f. \$700,000 in July 2011
 - g. \$263,329 in July 2013
 - h. \$300,000 in July 2014
 - i. \$300,000 in July 2015
 - j. \$300,000 in July 2016
 - k. \$300,000 in July 2017
 - l. \$300,000 in July 2018
 - m. \$300,000 in July 2019
 - n. \$600,000 in July 2020
 - o. \$300,000 in July 2021
 - p. \$900,000 in July 2022
 - q. \$300,000 in July 2023
 - r. \$300,000 in July 2025

4. The Trust had a net gain for the year ending June 30, 2025, of \$1,291,814. Much of this year's gain is attributed to solid investment income because of higher rates.
5. Consequently, the member fund equity/surplus for the Trust increased from \$11,348,205 as of June 30, 2024, to \$12,640,019.10 as of June 30, 2025.
6. On February 29, 2024, the Trust received notice dated February 14, 2024, from the Nebraska Department of Insurance of the Adopted Financial Examination Report for the Trust, an examination involving the four years ending June 30, 2022. No changes were made to the financial statements as a result of the examination. Fund balances as stated by the Trust as of June 30, 2022, were accepted for this examination. The Trust received similar positive reports from the Department of Insurance for the periods ending June 30, 2018; June 30, 2014; June 30, 2010; June 30, 2006; and June 30, 2002. This is in addition to the annual financial audit the Trust retains the auditing firm of Thomas, Kunc & Black, L.L.P., to complete each year.
7. Beginning with the June 30, 2004, insurance year, the Trust phased in a contribution allocation method that includes actual claim experience as well as exposures. Thus, those Colleges with below average claim experience pay less and Colleges with above average claim experience pay more.
8. The primary package layer of property insurance is experience rated, meaning the allocation of property premium per member was based on the individual members' loss experience. Excess property insurance cost beyond the package policy was not experienced rated. The Board decided effective 7/1/2023 to utilize experience rating for allocating the excess property premium per member based on the member's most recent five-year loss data.

The Trust has been successful, provides coverage and services tailored to the needs of Community Colleges in Nebraska, and has saved the Colleges money. Thank you for your continuing support.



Michael D. Steele

President

Nebraska Community College Insurance Trust