Are You Ready To Start You're Own Reinsurance Company?
Why OPEEP?
Enterprise Risk Management exercise: #1 risk was reinsurance
League of Oregon Cities and Association of Oregon Counties desired to provide another benefit to members not with CIS

What is OPEEP?
Provide excess liability to CIS and self-insured local governments

Reinsurance
- Additional markets
- Reduce cost
- Better coverage
Broader Coverage

Long-Term Premium Stability

Build Equity
Board Participation & Knowledge Sharing

- Each member has a $1,000,000 SIR
- OPEEP - $1,000,000 Annual Aggregate Deductible
- Fully funded

Feasibility Study

- Self-insured cities
- Self-insured counties
- Pools
- Self-insured special districts
Spring 2012

Consultant: Beecher Carlson
Goal: Determine the market need for an alternative to insurance for large public entities
Outcome: Recommended exploration of an alternative risk financing mechanism due to eroding marketplace conditions

Spring 2013

Consultant: Bickmore Actuarial Risk Services
Goal: Determine the funding requirements for a pool at various retentions
Outcome: Provided the expected claims and funding requirement for each participating entity

Timeline

- **Nov/Dec 2013**: Reinsurance Indications
- **April 2014**: Meeting (with PRMA)
- **Aug. 2014**: First Monthly Meeting (Board of Directors)
- **Dec. 2014**: Approve IGAC
- **June 2015**: Select Broker (Determine for Reinsurance)
- **Jan. 2015**: Final Actuarial Evaluation
- **Jan. 2016**: Founding Documents Completed, etc.
- **June 2016**: General Committals
- **Nov. 2016**: First Monthly Meeting
- **Jan. 2017**: Comments due (April 2014)
- **June 2017**: Spring PRMA
- **Aug. 2017**: Board of Directors
- **Nov. 2017**: Start marketing for reinsurance
- **Dec. 2017**: Approve IGAC
- **June 2018**: Invoices Sent

Challenges

- Definition of Occurrence: In/In or In/Out
- Capital Contribution
- Claims Made Policies
- General Distrust of Other Governments
Internal Reinsurance Fund SIR Analysis

1. Liability
2. Property
3. Workers’ Compensation

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