



MICHIGAN MUNICIPAL  
RISK MANAGEMENT  
A U T H O R I T Y

RECEIVED

JUN 25 2018

June 22, 2018

Melissa Bowerman, Director of Administrative Services  
Mid-Michigan District Health Department  
615 North State Road, STE 2  
Stanton, MI 48888-9702

Dear Ms. Bowerman:

Thank you for your recent renewal with the Michigan Municipal Risk Management Authority (MMRMA). On behalf of the MMRMA Board of Directors, I am very pleased to provide the Mid-Michigan District Health Department with the enclosed check for \$18,478. This represents your share of the distribution of excess net assets to Members, which was declared by the Board in January 2018.

This distribution is based on the most recent analysis of net asset adequacy at June 30, 2017. Each year, the Board determines whether to declare a net asset distribution. This year, the Board declared a net asset distribution to eligible Members of \$29 million. MMRMA's ability to declare this distribution is a direct reflection of our consistently strong performance results. Many factors contribute to these results, including better than expected loss trends, good risk management practices, responsiveness to risk control recommendations, and solid investment income. Since a new analysis is performed each year, there is no guarantee of future distributions.

However, the essential and most important factor allowing MMRMA to distribute excess net assets is the long-term commitment of its Members. A majority of MMRMA Members enjoy over 20 years of continuous membership, and several have more than 25 continuous years with our organization. The method used to calculate the distribution of excess net assets recognizes and rewards those municipalities with sustained longevity. In addition to the years of continuous membership, the calculation method considers General Fund contributions and claim loss history in excess of your self-insured retention (SIR) layer over the past five years. The ultimate recognition of the success of our organization goes to you – the MMRMA Members. Without your ongoing participation, such distributions would not be possible. The Board and I sincerely thank you for your loyal support of MMRMA.

Warmest regards,

Michael L. Rhyner  
Executive Director

Enclosure

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615 North State Road, STE 2  
Stanton, MI 48888-9702

Dear Ms. Bowerman:

Thank you for your recent renewal with the Michigan Municipal Risk Management Authority (MMRMA). On behalf of the MMRMA Board of Directors, I am pleased to provide the Mid-Michigan District Health Department with the enclosed check in the amount of \$8,386. This represents your share of the distribution of excess net assets from the State Pool Loss Fund to current renewing State Pool Members.

This distribution is based on the most recent analysis by our actuary of net asset adequacy of the State Pool Loss Fund at June 30, 2017. Each year, the Board determines whether to declare a distribution of excess net assets from the State Pool Loss Fund. Based on a recommendation from the State Pool Committee, the Board declared a distribution of \$1.5 million in excess net assets from the State Pool Loss Fund at its February 2018 meeting. Many factors contribute to the ability of the Board to declare a distribution, including better than expected loss trends, good risk management practices, responsiveness to risk control recommendations, and solid investment income. Since a new analysis is performed each year, there is no guarantee of future distributions.

However, the essential and most important factor allowing MMRMA to distribute excess net assets is the long-term commitment of its State Pool Members. The method used to calculate the distribution of excess net assets recognizes and rewards those municipalities with sustained longevity. The calculation also considers a State Pool Member's self-insured retention (SIR) loss history within the State Pool's retained risk layer and their Retention Fund contributions to the State Pool Loss Fund over the past five years. Without your ongoing participation, such distributions would not be possible. The Board and I sincerely thank you for your loyal support of MMRMA.

Warmest regards,

Michael L. Rhyner  
Executive Director

Enclosure