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## Member Counties See Insurance Savings

Members of CTSI's three county-owned pools, County Health Pool (CHP), County Workers Compensation Pool (CWCP) and Colorado Counties Casualty and Property Pool (CAPP), repeatedly see savings in insurance costs. Let's look at five-year averages.

### County Health Pool

The healthcare industry regularly posts double digit annual increases of more than 20% for health insurance. Conversely, the CHP has kept increases to a minimal average 8% rate increase over a five-year period. This difference in rates translates to more than \$6 million in annual savings for CHP members - a remarkable achievement in the current costly healthcare environment.

CHP equity is used to offset rate increases. CHP members retain \$4.8 in equity.

### County Workers Compensation Pool

Workers compensation is greatly impacted by ever increasing medical costs with medical expenses accounting for 57% of CWCP claim costs. With this impact, one would expect the CWCP to raise contributions at a similar rate as the healthcare industry. In fact, over a five-year period, the CWCP kept average contribution changes to .47% while the industry raised rates by 1.24% - \$76,000 in savings.

In addition to savings over industry rates, an average of these five years of \$600,000 was returned to members each year in the form of a credit toward future contributions. CWCP members retain \$16.7 million in equity.

### Colorado Counties Casualty and Property Pool

The property and casualty market remained steady over the past five years. CAPP members enjoyed an average (1%) change in contributions. Average industry increases were about 1.24% - a \$300,000 savings for CAPP member counties.

On average, each year CAPP member contributions were credited with \$3.5 in interest income and equity. CAPP retains \$17.5 million in equity.

### CTSI's Closed Loop Cash Flow Model

In addition to saving counties insurance costs and distributing earned equity, CTSI uses a closed loop cash flow model to give pool members the biggest "bang for their buck". Contributions are expended and invested in such a way that each dollar contributed is used several times to benefit the membership.

- Members pay insurance contributions to their county-owned pools for county-owned claims administration and risk management services.
- Funds for future claims liability are deposited in banks throughout the state; thereby increasing the local banks' financial holdings and ability to provide personal and business loans to the community.
- Interest income from local banks is returned to pool members as a credit toward contributions, saving local tax dollars.
- The pools are required to fully fund losses each policy year. An actuary makes an estimate of what those losses will be and contributions are collected based on that estimate.
- Excess funds not used to pay claims, member equity, are returned to pool members as a credit toward contributions.
- Pools share equity in CTSI assets including the Grant St. office building.
- Pools pay their own county-owned, not-for-profit, organization, CTSI, for administrative services at cost, which includes the cost for Grant St. office space.

### What This Means For Counties

Supporting your county-owned pools and CTSI does not go unrewarded. Members reap benefits over and above cost savings through the full-service risk management services provided by CTSI.

You can't get more local than ownership!

For more information contact CTSI at 303-861-0507