

The logo features the word "ALICAP" in a bold, white, sans-serif font. The letter "i" is replaced by a stylized pencil icon, oriented vertically with the tip pointing downwards. A thin white horizontal line is positioned just below the letters "A", "L", and "I".

ALICAP

**ALICAP 2021-2022
ANNUAL REPORT**

LETTER FROM YOUR BOARD PRESIDENT

Dear ALICAP Members,

Financial conditions in the insurance marketplace in 1990 were creating havoc for some Nebraska schools seeking to acquire Workers' Compensation coverage. The only option was the Assigned Risk Workers' Compensation Program, a very expensive and heavily surcharged option. This situation was addressed by NASB forming the NASB Workers' Compensation Pool, a self-insurance pool for this essential coverage. An eleven-member board was formed to govern the pool with 32 districts forming the initial group of schools acquiring coverage. In 1996 the workers' comp pool became ALICAP - All Lines Interlocal Cooperative Aggregate Pool expanding coverages to include Property, General Liability, Automobile, School Board Errors and Omissions, Crime and Employee Dishonesty.

ALICAP has continued to grow since 1996 by providing additional services and new coverages to assist school districts with risk management. One of the newest coverages is Cyber as schools have become an attractive target for bad actors.

The newest service provided to participating districts will help streamline worker compensation reporting. This feature is a "Clinical Consultation" or "Nurse Line" service that became available to ALICAP members on September 1, 2022.

A long-standing service to members is the Loss Control Program. This endeavor hires former school administrators and trains them in risk management and controlling losses. ALICAP employs six loss control specialists who visit every member district throughout the year. Additionally, members have access to online training courses through Safe Schools.

The Loss Control Program lowers the cost of insurance by preventing incidents and accidents. This is a quantifiable fact by ALICAP's experience modifier for workers compensation. The ALICAP overall average experience modifier is below .95, where 1.00 is the average experience for K-12 education.

ALICAP continues to be one of the great success stories for NASB and public K-12 education in Nebraska. A total of 183 school districts and ESUs are now participants. For the past school year, ALICAP insured \$8.6 billion in school property, provided coverage for 26,208 employees, \$1.3 Billion in payroll and 3,600 vehicles.

A central tenet of ALICAP's operating plan is the return of unused premiums to the membership rather than retained as profit like a private insurance company. ALICAP returned \$2.75 million to members during the 2021 – 2022 insurance year, \$2.6 million was returned at the start of the 2022 – 2023 year.

Respectfully,



WILLIAM KNAPPER
ALICAP BOARD PRESIDENT

BOARD MEMBER
ESU 13
ALICAP TRUSTEE SINCE 1995



ADDITIONAL PROGRAMS AND MEMBER SERVICES

ALICAP was formed in 1990, by the Nebraska Association of School Boards.

That first year, there were 32 members and the coverage included only Workers' Compensation. Our membership has grown to 183 school districts and ESUs, and since 1995-1996 the coverage expanded from just Workers' Compensation to include Property, Liability, Auto, Crime and Errors and Omissions.

Take a look at ALICAP's current membership and insured values.

WE ARE PROUD TO BE ALICAP

183 NEBRASKA SCHOOLS AND ESUs

OVER \$1.3 BILLION IN PAYROLL INSURED

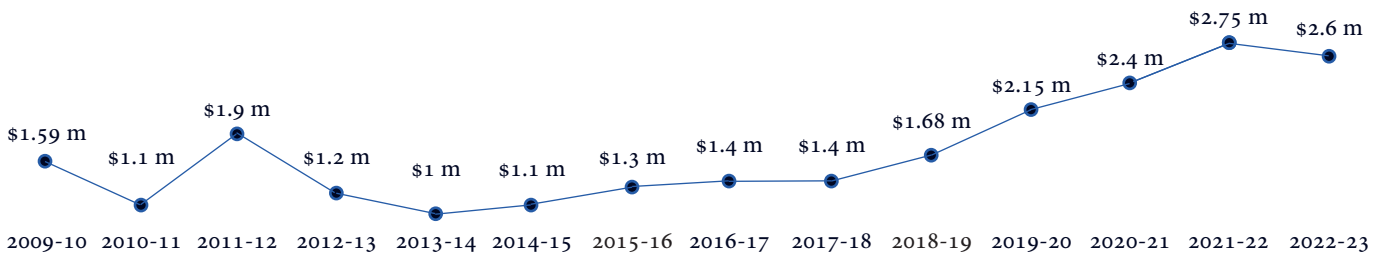
\$8 BILLION IN PROPERTY VALUES INSURED

28,000 EMPLOYEES COVERED

3,600 VEHICLES ON SCHEDULE

1,100 CLAIMS HANDLED ANNUALLY

OVER \$28 MILLION GIVEN BACK IN DIVIDENDS SINCE 1990



MANY THANKS TO ALL ALICAP MEMBERS FOR THEIR TRUST, LOYALTY & DEDICATION

2021-2022 RECOGNITION PROGRAM AWARD WINNERS

LOSS RATIO AWARD WINNER
HARVARD PUBLIC SCHOOLS

ALICAP WOULD LIKE TO CONGRATULATE THESE MEMBERS ON EARNING THIS YEAR'S SAFETY AWARDS.

EXPERIENCE MODIFIER AWARD WINNERS
BENNINGTON PUBLIC SCHOOLS & DAVID CITY PUBLIC SCHOOLS

A STRONG SAFETY PROGRAM BEGINS WITH A SUPPORTIVE LEADERSHIP TEAM AND IS ACTED OUT BY EVERY STAFF MEMBER, EVERY DAY.

SAFESCHOOLS AWARD WINNER
PLATTSMOUTH COMMUNITY SCHOOLS

KEEP UP THE GOOD WORK!

YOUR BOARD OF TRUSTEES



PATTY BENTZINGER
SCHOOL BOARD MEMBER
NORRIS SCHOOL DISTRICT 160
ALICAP TRUSTEE SINCE 2001
CLAIMS COMMITTEE



TED DETURK
ESU ADMINISTRATOR
ESU 2
ALICAP TRUSTEE SINCE 2019
FINANCE & AUDIT COMMITTEE



WILLIAM KNAPPER
SCHOOL BOARD MEMBER
ESU 13
ALICAP TRUSTEE SINCE 1995
FINANCE & AUDIT COMMITTEE
INVESTMENT COMMITTEE



TROY LOEFFELHOLZ
SUPERINTENDENT
COLUMBUS PUBLIC SCHOOLS
ALICAP TRUSTEE SINCE 2021
FINANCE & AUDIT COMMITTEE
INVESTMENT COMMITTEE



STEVE KOCH
SCHOOL BOARD MEMBER
HERSHEY PUBLIC SCHOOLS
ALICAP TRUSTEE SINCE 2019
UNDERWRITING & MARKETING COMMITTEE



TOM MENKE
SCHOOL BOARD MEMBER
CHADRON PUBLIC SCHOOLS
ALICAP TRUSTEE SINCE 2017
LOSS CONTROL COMMITTEE



JEFF RIPPE
SUPERINTENDENT
BELLEVUE PUBLIC SCHOOLS
ALICAP TRUSTEE SINCE 2012
CLAIMS COMMITTEE



KEN SCHROEDER
BUSINESS MANAGER
GRAND ISLAND PUBLIC SCHOOLS
ALICAP TRUSTEE SINCE 2021
UNDERWRITING & MARKETING COMMITTEE



AMY SINES
SCHOOL BOARD MEMBER
CAMBRIDGE PUBLIC SCHOOLS
ALICAP TRUSTEE SINCE 2020
LOSS CONTROL COMMITTEE



SANDY NOFFSINGER
NASB BOARD REPRESENTATIVE
DUNDY COUNTY STRATTON PUBLIC SCHOOLS
UNDERWRITING & MARKETING COMMITTEE



JOHN SPATZ
NASB EXECUTIVE DIRECTOR
ALICAP TRUSTEE SINCE 2012
INVESTMENT COMMITTEE

YOUR TEAM



MEGAN BOLDT
NASB - DIRECTOR OF ALICAP
LOSS CONTROL COMMITTEE
UNDERWRITING & MARKETING CMTE



RACHEL HORSTMAN
NASB - BUSINESS MANAGER
FINANCE & AUDIT COMMITTEE
INVESTMENT COMMITTEE



MAKENZIE BARRY
NASB - DATA & FINANCIAL
SPECIALIST
LOSS CONTROL COMMITTEE



PAT RYAN
PRM - MANAGING PARTNER
FINANCE & AUDIT COMMITTEE
CLAIMS COMMITTEE



SHERI SHONKA
PRM - MANAGING PARTNER
LOSS CONTROL COMMITTEE
UNDERWRITING & MARKETING CMTE



DANIEL SHONKA
PRM - ACCOUNT EXECUTIVE
UNDERWRITING & MARKETING CMTE



CARL DIETZ
LOSS CONTROL AGENT
ALICAP



MATT FISHER
LOSS CONTROL AGENT
ALICAP



sedgwick®



JAMIE ISOM
LOSS CONTROL AGENT
ALICAP



DAN KEYSER
LOSS CONTROL AGENT
ALICAP



DOUG LEWIS
LOSS CONTROL AGENT
ALICAP



KEN NAVRATIL
LOSS CONTROL AGENT
ALICAP



MICHELLE BOCK
SUPERVISOR
SEDGWICK CMS



JENNIFER CHEEVER
EXAMINER
SEDGWICK CMS



SARAH LOFTUS
EXAMINER
SEDGWICK CMS



MAURICE ANDERSON
FIELD ADJUSTER
ANDERSON CLAIM SERVICE

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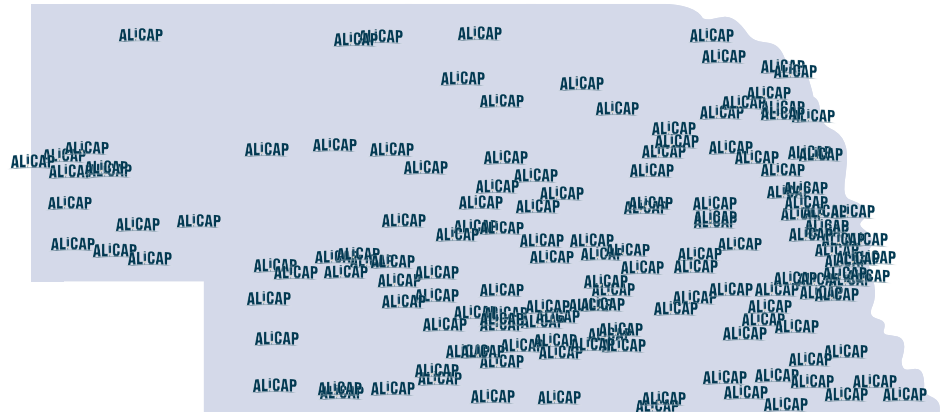
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ALICAP OWNERS AS OF AUGUST 31, 2021

Adams Central Public Schools	Crete Public Schools	Gothenburg Public Schools
Ainsworth Community Schools	Cross County Community Schools	Grand Island Public Schools
Amherst Public Schools	David City Public Schools	Gretna Public Schools
Anselmo-Merna Public Schools	Diller-Odell Public Schools	Hartington-Newcastle Public Schools
Ansley Public Schools	Douglas County West Comm. Schools	Harvard Public Schools
Arapahoe Public Schools	Dundy County Stratton Public Schools	Hastings Public Schools
Arcadia Public Schools	Elba Public Schools	Heartland Community Schools
Arlington Public Schools	Elgin Public Schools	Hemingford Public Schools
Arthur County Schools	Elkhorn Valley Schools	Hershey Public Schools
Ashland-Greenwood Public Schools	Elm Creek Public Schools	Hitchcock County Schools
Axtell Community School	Elmwood-Murdock Public Schools	Holdrege Public Schools
Bancroft-Rosalie Community School	Elwood Public Schools	Howells-Dodge Consolidated Sch. Dist.
Banner County Schools	Emerson-Hubbard Public Schools	HTRS Public Schools
Battle Creek Public Schools	ESU 2	Hyannis Area Schools
Bayard Public Schools	ESU 3	Johnson County Central Public Schools
Beatrice Public Schools	ESU 5	Kearney Public Schools
Bellevue Public Schools	ESU 6	Kenesaw Public Schools
Bennington Public Schools	ESU 7	Keya Paha County Schools
Bertrand Community School	ESU 9	Kimball Public Schools
Blair Community Schools	ESU 10	Lakeview Community Schools
Blue Hill Public Schools	ESU 13	Lewiston Consolidated Schools
Brady Public Schools	ESU 15	Lexington Public Schools
Broken Bow Public Schools	ESU 16	Leyton Public Schools
Burwell Public Schools	ESU 17	Litchfield Public Schools
Callaway Public Schools	Eustis-Farnam Public Schools	Logan View Public Schools
Cambridge Public Schools	Fairbury Public Schools	Loomis Public Schools
Cedar Bluffs Public Schools	Falls City Public Schools	Louisville Public Schools
Centennial Public Schools	Fort Calhoun Community Schools	Loup City Public Schools
Central City Public Schools	Franklin Public Schools	Loup County Public Schools
Chadron Public Schools	Friend Public Schools	Lyons-Decatur Northeast
Chase County Schools	Fullerton Public Schools	Malcolm Public Schools
Clarkson Public Schools	Garden County Schools	Maxwell Public Schools
Cody-Kilgore Unified Schools	Gering Public Schools	McCook Public Schools
Columbus Public Schools	Gibbon Public Schools	Medicine Valley Public Schools
Cozad Community Schools	Giltner Public Schools	Meridian Public Schools

ALICAP OWNERS AS OF AUGUST 31, 2021

Milford Public Schools
Minatare Public Schools
Minden Public Schools
Mitchell Public Schools
Morrill Public Schools
Mullen Public Schools
Neligh-Oakdale Schools
Newman Grove Public Schools
Norris School District 160
Northwest Public Schools
Oakland-Craig Public Schools
Ogallala Public Schools
Omaha Nation Public Schools
O'Neill Public Schools
Ord Public Schools
Osceola Public Schools
Osmond Community Schools
Overton Public School
Palmer Public School
Papillion La Vista Community Schools
Pawnee City Public Schools
Paxton Consolidated Schools
Pender Public Schools
Perkins County Public Schools
Pierce Public Schools
Plattsmouth Community Schools
Pleasanton Public Schools
Ponca Public Schools
Potter-Dix Public Schools
Ralston Public Schools
Randolph Public Schools
Ravenna Public Schools
Rock County Public Schools
Sandhills Public Schools
Sargent Public Schools



Scottsbluff Public Schools
Shelton Public Schools
Sidney Public Schools
Silver Lake Public Schools
South Central NE Unified System 5
South Sioux City Community Schools
Southern School District 1
Southern Valley Schools
Southwest Public Schools
Springfield Platteview Comm. Schools
St. Paul Public Schools
Stanton Community Schools
Stapleton Public Schools
Sterling Public Schools
Summerland Public Schools
Sumner-Eddyville-Miller Schools
Superior Public Schools
Sutherland Public Schools
Tekamah-Herman Community Schools
Thedford Public Schools
Tri County Public Schools
Twin River Public Schools

Valentine Community Schools
Verdigre Public Schools
Wakefield Community School
Wallace Public School District 65R
Walthill Public Schools
Wauneta-Palisade Public Schools
Waverly School District 145
Weeping Water Public Schools
West Holt Public Schools
West Point Public Schools
Westside Community Schools
Wilber-Clatonia Public Schools
Wilcox-Hildreth Public Schools
Winnebago Public Schools
Wisner-Pilger Public Schools
Wood River Rural Public Schools
Wynot Public Schools
York Public Schools
Yutan Public Schools

YOUR FINANCE & AUDIT COMMITTEE



WILLIAM KNAPPER
SCHOOL BOARD MEMBER
ESU 13
ALICAP TRUSTEE SINCE 1995



TED DETURK
ESU ADMINISTRATOR
ESU 2
ALICAP TRUSTEE SINCE 2019



TROY LOEFFELHOLZ
SUPERINTENDENT
COLUMBUS PUBLIC SCHOOLS
ALICAP TRUSTEE SINCE 2021



RACHEL HORSTMAN
BUSINESS MANAGER
NASB



PAT RYAN
MANAGING PARTNER
PRM

ALICAP's Finance & Audit Committee was formed to enhance the financial expertise and oversight of your program's business decisions. The Committee analyzes and responds to the following 3 areas annually:

DIVIDEND PAYOUT OPTIONS

NASB MANAGEMENT REIMBURSEMENT OVERSIGHT

AUDITED FINANCIAL STATEMENT REVIEW

The Committee is also responsible for quarterly financial reviews, SOC1 disclose for third parties used within the program, Investment Policy updates, and any other financial topic needing addressed at any given time of the year. With every task at hand, the needs of the membership are held with high priority while these financial decisions are being made; part of what sets ALICAP apart from their competition in the insurance market.

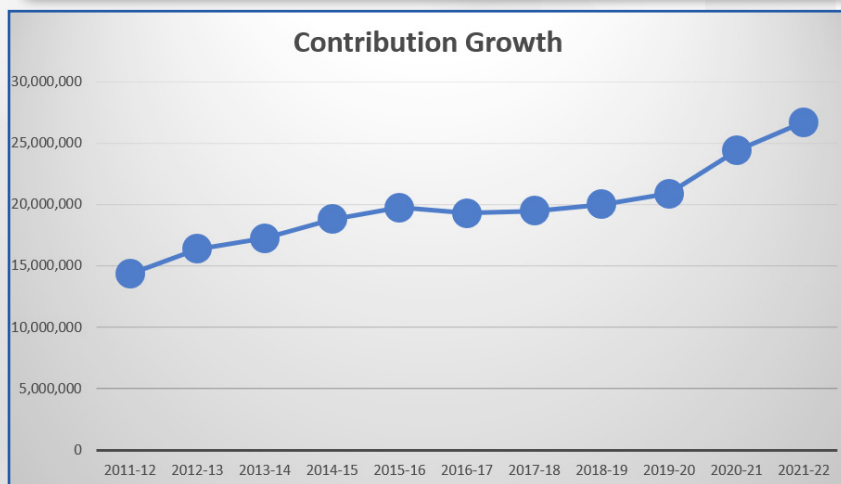
"THE FINANCE AND AUDIT COMMITTEE WORKS TO ENSURE ALICAP IS TRANSPARENT IN ITS OPERATION AND FINANCES. WE ARE COMMITTED TO MAKING DECISIONS WHICH WILL ALLOW ALICAP TO PROVIDE THE BEST SERVICE, PROTECTION, AND CLAIMS RESOLUTION AT THE BEST POSSIBLE COST. OUR GOAL IS TO KEEP OUR RATES LOW, COSTS CONTROLLED, AND FINANCES STABLE SO WE CAN RETURN DOLLARS BACK TO OUR MEMBERS."

- DOUG LEWIS - 2020 ALICAP PRESIDENT

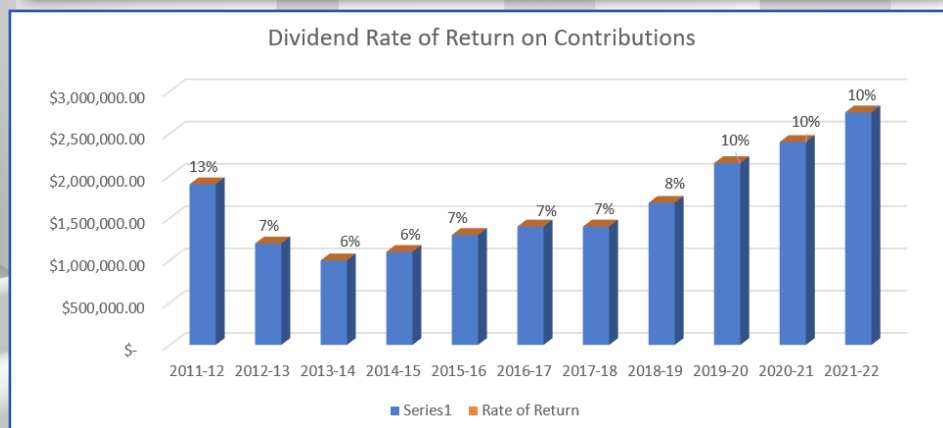
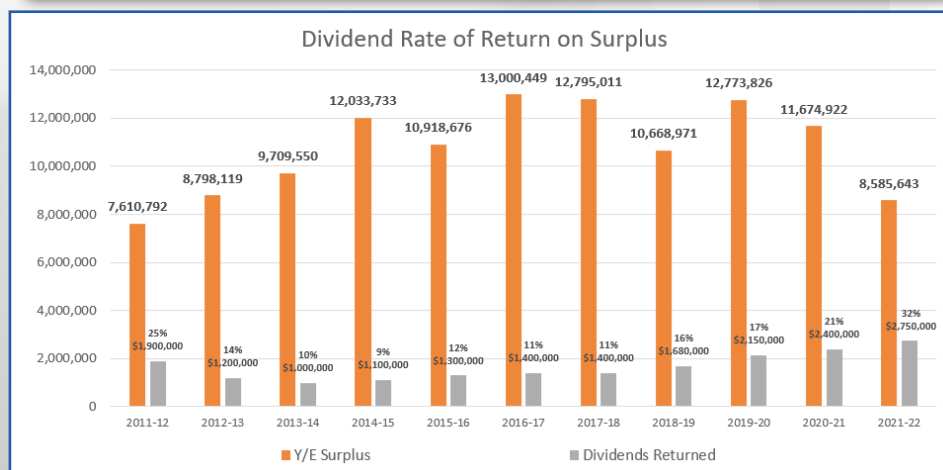
- FINANCIAL BUSINESS PARTNERS -

Select Actuarial Services - Cheryl White, FCAS, MAAA - Nashville, Tennessee
Thomas, Kunc, & Black, LLP - Lyndee Black, CPA, Partner - Lincoln, Nebraska

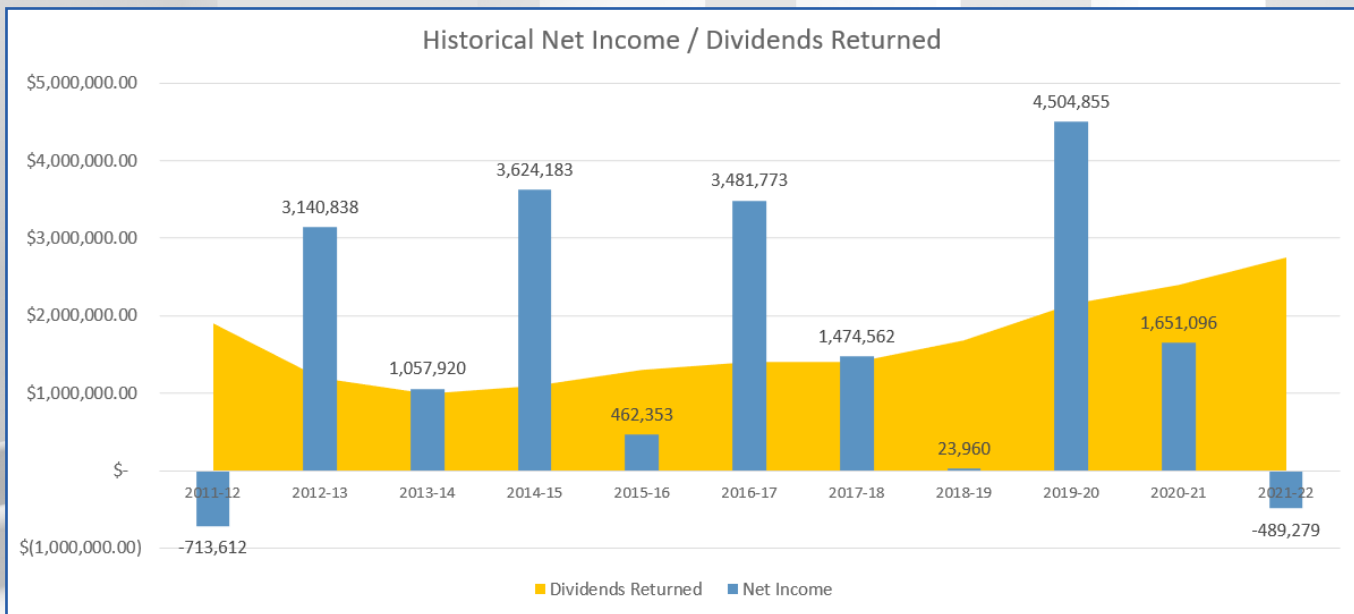
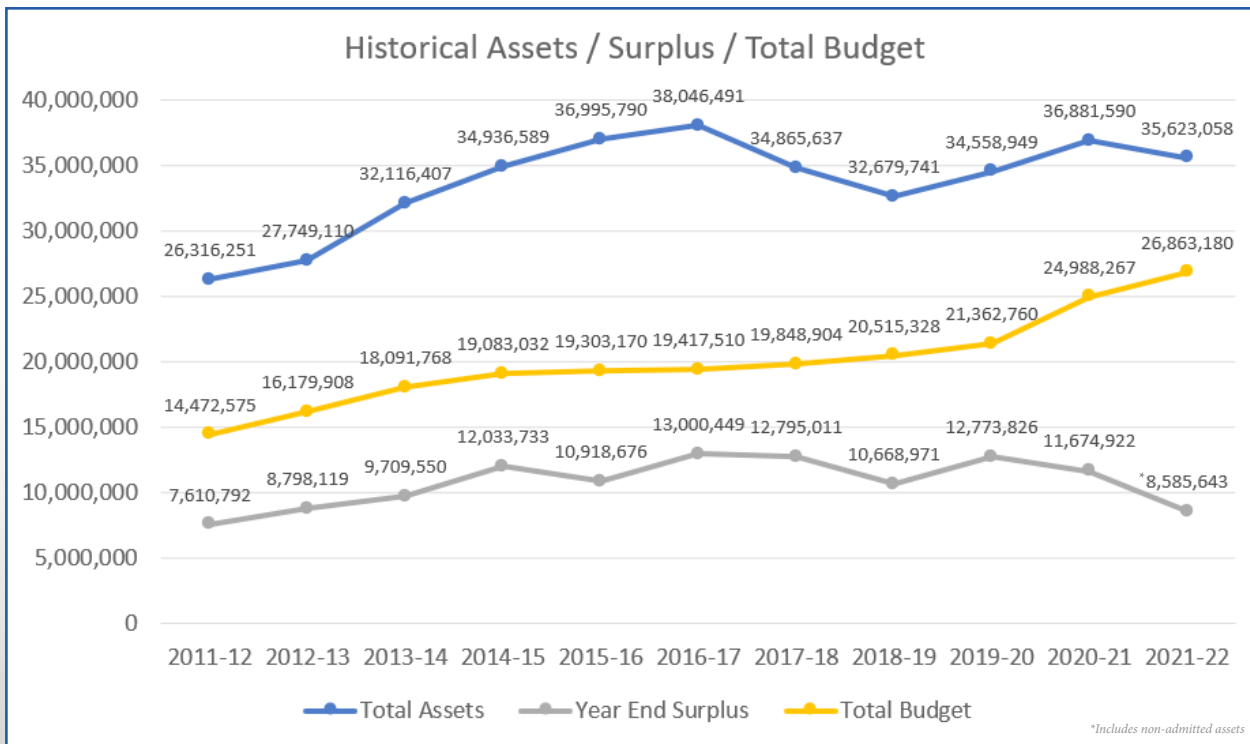
GROWTH



DIVIDENDS



FINANCIAL TRENDS



ALICAP FINANCIAL STATEMENTS & INDEPENDENT AUDITORS' REPORT

NASB ALL LINES INTERLOCAL COOPERATIVE AGGREGATE POOL

INDEPENDENT AUDITOR'S REPORT ON SUMMARY FINANCIAL STATEMENTS

To the Board of Directors:

Opinion

The accompanying summary financial statements, which comprise the summary balance sheets—statutory basis as of August 31, 2022 and 2021 and the summary statements of income and changes in surplus—statutory basis for the years then ended are derived from the audited financial statements of NASB All Lines Interlocal Cooperative Aggregate Pool as of and for the years ended August 31, 2022 and 2021. We expressed an unmodified audit opinion on those statutory basis audited financial statements in our report dated October 28, 2022.

In our opinion, the summary financial statements of NASB All Lines Interlocal Cooperative Aggregate Pool as of and for the years ended August 31, 2022 and 2021 referred to above are consistent, in all material respects, with the audited financial statements from which they have been derived, on the statutory basis.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the statutory basis financial reporting framework applied in the preparation of the financial statements of NASB All Lines Interlocal Cooperative Aggregate Pool. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of NASB All Lines Interlocal Cooperative Aggregate Pool and the auditor's report on them.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the statutory basis.

Auditor's Responsibility

Our responsibility is to express an opinion about whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with auditing standards generally accepted in the United States of America. The procedures consisted principally of comparing the summary financial statements with the related information in the audited financial statements from which the summary financial statements have been derived, and evaluating whether the summary financial statements are prepared in accordance with the statutory basis.

Thomas, Kunc and Black, LLP

Lincoln, Nebraska
October 28, 2022

NASB ALL LINES INTERLOCAL COOPERATIVE AGGREGATE POOL

Balance Sheets—Statutory Basis

	<u>Assets</u>	
	August 31, 2022	August 31, 2021
Cash on deposit	\$ 25,157,330	1,696,884
Short-term investments	8,770,225	33,696,209
Long-term investments	1,000,000	-
Accrued interest	5,729	22,692
Accounts receivable - premiums	-	17,954
Accounts receivable - reinsurance recoverable	689,625	1,447,851
Subrogation in transit	149	-
Total assets	\$ 35,623,058	36,881,590

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ALICAP FINANCIAL STATEMENTS & INDEPENDENT AUDITORS' REPORT

NASB ALL LINES INTERLOCAL COOPERATIVE AGGREGATE POOL

Balance Sheets—Statutory Basis (Continued)

Liabilities and Surplus

	August 31, 2022	August 31, 2021
Accounts payable	\$ 48,340	83,939
Loss reserves	14,911,453	13,377,369
Loss adjustment expense payable	1,924,924	1,471,924
Unearned premiums	8,791,732	8,177,807
Dividends declared but unpaid	1,871,729	1,915,629
Other accrued liabilities	188,800	180,000
Total liabilities	27,736,978	25,206,668
Surplus	7,886,080	11,674,922
Total liabilities and surplus	\$ 35,623,058	36,881,590

Statements of Revenue and Expenses—Statutory Basis

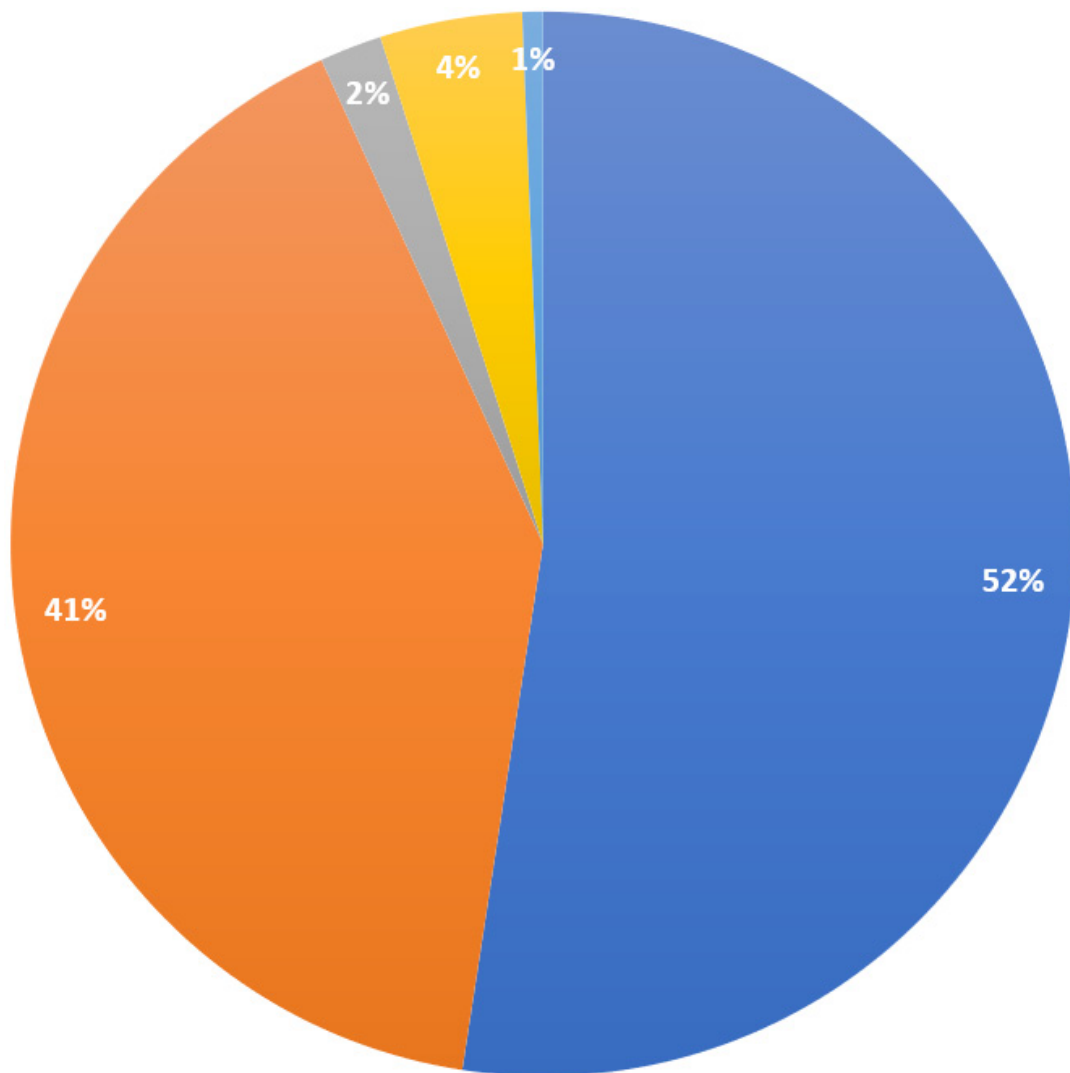
	2022	2021
Revenues:		
Premiums earned, direct	\$ 26,705,309	24,396,631
Premiums earned, ceded	(10,627,118)	(9,420,172)
Net premiums	16,078,191	14,976,459
Expenses:		
Losses incurred, direct	18,861,739	9,914,568
Losses incurred, subrogation and salvage	(156,842)	(38,524)
Losses incurred, excess insurance recovery	(5,450,359)	845,968
Net losses	13,254,538	10,722,012
Loss expenses incurred	1,817,509	1,451,694
Other underwriting expenses incurred	1,588,066	1,220,128
Total expenses	16,660,113	13,393,834
Net underwriting gain	(581,922)	1,582,625
Net investment income earned	92,157	68,471
Other income	486	-
Net revenues over expenses		
- statutory basis	\$ (489,279)	1,651,096



LYNDEE BLACK, CPA, PARTNER
THOMAS, KUNC, & BLACK, LLP
LINCOLN, NEBRASKA

Lyndee Black is a founding partner of Thomas, Kunc & Black, LLP and has over 30 years of experience in accounting. Her services includes Audits, Accounting Services, Consulting, and Tax Planning and Preparation. Her focus is working with non-profit organizations and insurance entities, specifically pool accounting. Lyndee is a member of the American Institute of Certified Public Accountants and the Nebraska Society of Certified Public Accountants. She has been auditor for ALICAP since its inception in 1991.

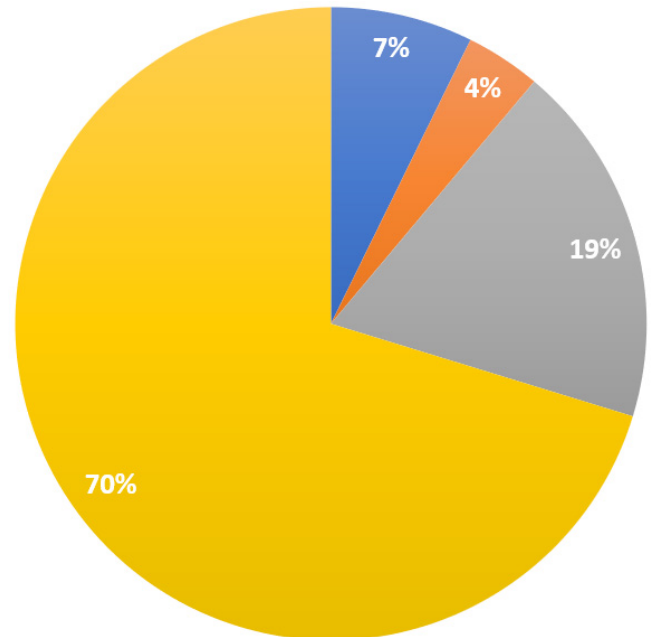
TOTAL COST OF RISK - 2021-2022



- LOSS FUND/DIVIDENDS
- EXCESS INSURANCE
- CLAIMS ADMINISTRATION
- ALL OTHER ADMINISTRATION
- PROVISIONAL TAXES

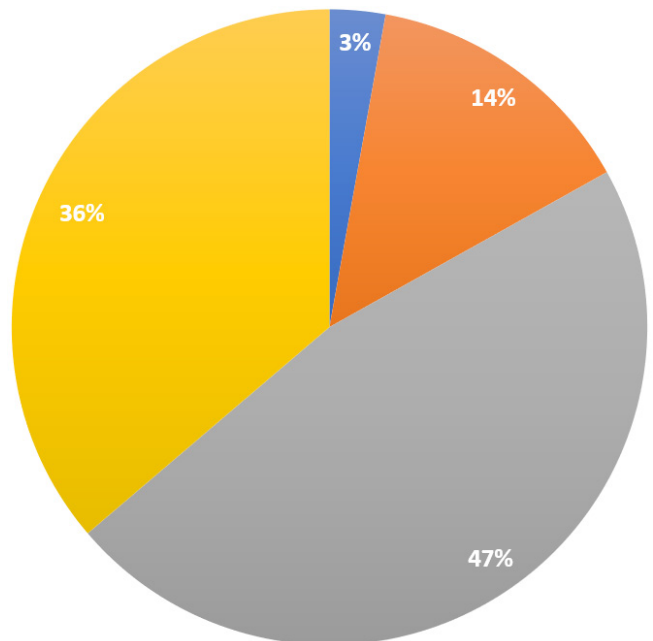
NUMBER OF CLAIMS BY LINE OF COVERAGE - 9-1-12 TO 8-31-22

- AUTO LIABILITY
- GENERAL LIABILITY
- PROPERTY
- WORKERS COMPENSATION



CLAIMS DOLLARS INCURRED BY LINE OF COVERAGE - 9-1-12 TO 8-31-22

- AUTO LIABILITY
- GENERAL LIABILITY
- PROPERTY
- WORKERS COMPENSATION



SIX PILLARS OF ALICAP

A STABILIZED MARKETPLACE

ENHANCED COVERAGE

CUSTOMIZED LOSS CONTROL PROGRAM

CLAIMS MANAGEMENT AND DISTRICT INPUT

COMPETITIVE PRICING

RETURN OF SURPLUS TO THE OWNER DISTRICTS/ESUs

WWW.ALICAP.ORG



1311 STOCKWELL STREET - LINCOLN, NE 68502

LOCAL: 402-423-4951 - TOLL FREE: 800-422-4572

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