



May 27, 2025

Lisa Rien
Scotts Bluff County Management Acct.
1825 10th St, Suite 6
Gering, NE 69341

RE: NIRMA/NIRMA II 2025-26 Billing Statement

Dear Lisa,

On behalf of the NIRMA Board of Directors, this letter is to present Scotts Bluff County with its 2025-26 NIRMA/II renewal costs and to explain how these amounts are determined. Despite the continuing challenges in the current insurance marketplace you can be assured it remains the focus of the NIRMA Board to provide the broad coverages and comprehensive services our members need at a competitive, stable cost.

It likely comes as no surprise that losses are once again the driving factor in determining rates and what NIRMA needs to collect from our membership. Keep in mind projected losses represent the largest portion of what NIRMA bills out each year, this billing cycle reflecting almost 55 percent of the total amount. Unfortunately, our actuaries are projecting members' losses will increase again the coming year as they have each year since 2020, marking this the sixth consecutive year with a projected increase. For 2025-26 the projected losses of our members total nearly \$10 million, a \$770,000 or 8.5 percent increase compared to the current year, and a noteworthy 60 percent increase in these losses since 2020. This is a reflection of ever more frequent and severe storm events, escalating auto, building and equipment repair costs, a deteriorating legal environment where public entities have become an ever more attractive target and with costly jury verdicts, judgments and settlements driving law enforcement, employment practices, public officials and other liability costs higher too, and continued growth of our pools.

Also impacting this renewal are NIRMA's own insurance costs. While NIRMA has over time self-insured a growing level of each members' claims loss, we still must purchase reinsurance to protect members against larger catastrophic losses. This coming year the price NIRMA will have to pay for this reinsurance coverage is increasing once again, including up more than 27 percent for liability and 7 percent for property, and for the first time ever, along with premium taxes paid to the State, totals more than \$5 million. Taken together, the projected losses calculated by our actuaries combined with the reinsurance tax NIRMA has to pay account for a full 82 percent of the premium contribution NIRMA bills out to its members so represents the lion's share of each members' billing.

Taking all of this into account, **Scotts Bluff County's annual contribution amount for 2025-26 is \$975,289.** This represents a \$130,296, or 15.42 percent increase from last year.

Enclosed you will find your county's NIRMA/II billing statement which details the individual coverages and costs for the July 1, 2025 to July 1, 2026 policy period. Please remember that in arriving at these contribution amounts, each member is uniquely impacted by and can directly influence two critical components which affect their coverage costs:

- Claims "experience" or losses—has a measurable impact on your premium contribution billing. Here's the simple truth: the fewer and smaller the losses a member experiences, the lower their coverage costs tend to be. Conversely, the larger those losses, the larger those costs. Sure, accidents and claims happen, and sometimes you can do little about it such as when a hailstorm hits. Still, there are many types of claims, an employment practices claim as a case in point, that represent a substantial risk for

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many of our members, and not only disrupt operations but can cost a lot to resolve when they arise, which are largely preventable if handled correctly.

- The other major component is “exposure”, which essentially means how much risk a member is exposed to. This includes the number and value of a members’ buildings and contents, the number and kinds of vehicles and other equipment, or other factors like payroll. These are all generally within a members’ control to determine, and understanding this helps in planning for and managing future insurance coverage expenses.

Scotts Bluff County has already taken a step of its own to help control its insurance costs by belonging to a public entity risk management pool such as NIRMA. Such public entity pools have consistently proven over the long-term to lower the insurance costs for their members compared to private carriers. Pools like NIRMA were created on the shared premise and belief that all members are in this together, and that by working individually and collectively to keep claims down, we all share in the savings, understanding as well that when claims costs rise, there is a shared cost. Which is why working closely with our members, NIRMA devotes a great deal of time, attention, and resources towards many training and educational efforts designed to reduce and limit claims and losses, thereby lowering costs. I continue to encourage all members to take advantage of the many loss prevention and other risk management programs NIRMA offers, and to invest time and resources on such initiatives of their own.

We also take steps to mitigate these insurance coverage costs in other ways. One of those ways is through the issuance of dividends. Over the years NIRMA has returned \$27 million in dividends to its members, including \$1,181,597 to Scotts Bluff County. Although dividends cannot be guaranteed, NIRMA has been able to issue one or more dividends for 29 consecutive years, which speaks to the financial strength of the pools, the ability, in partnership with our members, to effectively manage and resolve claims, and the commitment by the NIRMA Board to return equity to our member-owners.

Finally, you will once again have another way to further reduce the contribution you are being invoiced. **With your July 1, 2025 renewal we continue to offer our members an opportunity to choose higher property deductibles.** The enclosed Alternate Property Deductible Levels exhibit shows in table format what your reduced billed contribution for a particular coverage will be if you choose a higher deductible. It also provides direction on how to communicate your intentions to NIRMA and the June 13, 2025 deadline for doing so.

As always, please contact our office if you have any questions concerning this billing statement or any other aspects of the NIRMA program. As it has since 1988, NIRMA stands with our members as a long-term reliable partner no matter the insurance challenges we face and Scotts Bluff County remains a valued and valuable member, and owner, of NIRMA.

Sincerely,



Craig L. Nelson
Executive Director

Enclosure

cc: County Board Chair w/enclosure

Emailed to other designated officials