



Member Owned. Member Driven.

We **Are** You.



STEWARDSHIP REPORT

2025





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MESSAGE FROM OUR OUTGOING CEO

Dear Valued Member-Owner:

As I prepare to retire and embark on new adventures, I look back fondly over my 33 years in working with the cities and towns in the great state of Montana. I am extremely proud of the work that the MMIA has done all these years, and even more proud of the work that you all do for the citizens of your communities.

As you read through the pages of this report, whether you study it intently, or merely scan it, I hope that you come away with the same feeling that has produced the fire that has motivated my career with this organization, and that is “this MMIA experiment” that was started 39 years ago by your predecessors, has worked better than anyone could have imagined. The magic behind the overwhelming success of this organization lies in the simple truth that we all know, and that is local control works best. You own this organization, and you have had, and continue to have, the ability to control your own destiny on behalf of your citizens, and it works!!!

This report clearly demonstrates time and again that paying yourselves collectively through the MMIA to cover your risks and help manage them is the absolute best investment in your citizens’ tax dollars that you could ever make. Let me just point out a few examples:

In 2019 your colleagues on the MMIA Board of Directors made the strategic decision to invest Liability Program surplus to form a reinsurance captive. This was a long-term investment to create a hedge against reinsurance market volatility and disruption. We started small with a \$2M capital infusion but in a little over 6 years that company which is owned solely by the MMIA Liability Program has capital and surplus of over \$5M.

For years the MMIA has been limited in how we invest your money, falling under the same restrictions as local government even though we use capital differently. So, in 2023 we found a sponsor and brought a bill to the legislature to allow us to invest like an insurance company. HB 291 went into effect in October 2023, and your Board has since made very calculated strategic decisions to redeploy assets in your portfolio. By taking short-term losses and reinvesting that capital in longer term higher return assets, we now have an additional \$3.9M in investment income coming into the organization, without increasing our risk profile. This additional income ensures directly to your benefit.

As I ready to depart this organization, I know that it has been a tremendous investment for local governments, and I believe in my heart it is in good hands and will continue to thrive for years to come.

Sincerely,

Alan W. Hulse

Retired Chief Executive Officer

ABOUT MMIA



The Montana Municipal Interlocal Authority (MMIA) is Montana’s trusted provider of municipal risk pooling. Since 1986, we’ve partnered with cities and towns across the state to provide specialized coverage in property, liability, workers’ compensation, and employee benefits. In addition to administering these coverages we provide tailored risk management services, as well as municipal-specific training throughout the year. As a member-owned and member-driven organization, our strength lies in local decision-making. Our member-owners don’t just receive coverage, training, and services, they help shape them. With representation at the board table, member-owners have a voice in guiding the future of MMIA, ensuring we evolve to meet the unique needs of the membership. **We Are You.**

MMIA MISSION, VISION, CORE VALUES

MISSION

Pooling resources to provide quality, cost-effective self-funded coverage and risk management services including outreach, education and training for all Montana cities and towns.

VISION

To be a proactive and adaptive risk management leader in coverages and risk management practices by collaborating with members and key partners, providing overall stability and advocacy for Montana cities and towns.

CORE VALUES

- **Leadership** – Through integrity, accountability, and transparency
- **Teamwork & Collaboration** – Customer-focused service and programs
- **Adaptability** – Through continuous development and improvement
- **Financial Stewardship**

FOUNDATIONAL PILLARS

Municipal Owned, Unique Services, Open and Transparent, Stable and Consistent

BRINGING EXPERTISE TO YOU:

MMIA EVENTS ACROSS MONTANA

MMIA offers a robust calendar of events designed to help our member-owners sharpen their skills and stay ahead of emerging municipal risk trends. Our team brings expertise directly to communities across the state, ensuring that learning is accessible, relevant, and impactful.

»» EXECUTIVE FORUM

Tailored for Mayors, City Managers, Chief Executives, and City Administrators, the Executive Forum is a three-day event typically held in late February or early March. The location rotates annually to reach different regions, except during legislative years, when it's hosted in Helena. This event is a collaborative effort with the Montana League of Cities and Towns (League) and the Montana State University Local Government Center Extension (LGC), offering high-level insights and peer exchange on leadership, governance, and risk management.

»» JIM TILLOTSON SERVICE PROGRAM

Designed specifically for City and Town Attorneys, the Tillotson Program spans three days and is generally held in early May. MMIA co-hosts this event with the League, in conjunction with the LGC's Municipal Institute. It provides legal professionals with targeted education and networking opportunities to support their critical roles in municipal operations.

»» MUNICIPAL SUMMITS

These one-day events are open to all municipal staff and elected officials and are held in 8–10 locations across the state each year, generally May–July. Coordinated with the League and LGC, the Summits offer practical, actionable content, and are designed to be both accessible and informational, no matter what your role is in local government or where you're located.



MEMBER ATTENDANCE

EXECUTIVE FORUM			
YEAR	2025	2024	2023
ATTENDANCE	54	35	50

JIM TILLOTSON SERVICE PROGRAM			
YEAR	2025	2024	2023
ATTENDANCE	51	51	49

MUNICIPAL SUMMITS			
YEAR	2025	2024	2023
ATTENDANCE	145	129	134

MMIA: YOUR RISK MANAGEMENT TEAM, WHEREVER YOU ARE

A strong, proactive risk management team benefits everyone in the pool. It helps reduce the frequency and severity of liability claims, lowers workplace injuries and illnesses, cuts claim costs, improves productivity, and ultimately leads to lower assessments for our member-owners. At MMIA, we're committed to helping our member-owners identify, understand, and mitigate risk within their operations. Our approach is hands-on, collaborative, and tailored to your unique needs. We don't take a one-size-fits-all approach. Whether a member-owner is large or small, our team travels across the state to deliver specialized support where it's needed. We take the time to understand each member's operations, challenges, and goals, working to become an extension of your staff. This partnership allows us to offer meaningful guidance and practical tools for your operations.

RISK MANAGEMENT TRAINING			
YEAR	FY 25	FY 24	FY 23
INDIVIDUALS TRAINED	708	744	665
MAN HOURS*	2,641	2,249	1,918

*Number of individuals trained x length of training.

MEMBER ENGAGEMENT INTERACTIONS

In FY 25, we recorded **more than 280** risk management-specific interactions with member-owners ranging from meet and greet drop-in visits to direct support with technical consultation and/or providing training. These meaningful connections help strengthen relationships with our member-owners and reinforce our commitment to a collaborative risk management approach.



PROACTIVELY SUPPORTING LAW ENFORCEMENT

In FY 24 and FY 25 we successfully secured a federal VALOR grant from the Bureau of Justice Assistance to bring the Law Enforcement Agency and Officer Resilience Training Program to Montana. Over the course of two years, the program trained **34 law enforcement officers** that represented **14 of our member-owner agencies** as well as staff from the Montana Law Enforcement Academy (MLEA), with tools to strengthen resilience and wellbeing. This training was offered free of charge, reinforcing our commitment to supporting those who serve our communities.

Since that first program, the MLEA has revised the curriculum for the Law Enforcement Officer Basic to include 8 hours of resilience training beginning in April 2024. The Public Safety Officer Basic now includes 2 hours of resilience training. The Correction and Detention Officer Basic offers 4 hours of resilience training as an elective while MLEA is working to incorporate the resilience training as a core component. These are important changes that will benefit incoming law enforcement officers and their agencies now and into the future.

LEXIPOL SUBSCRIPTION SUPPORT

In FY 25, **34 member-owner police agencies** utilized the Lexipol subscription service, which we provided at no cost. To further support implementation, we also covered Tier 1 assistance—custom onboarding support from Lexipol that helps agencies complete the first 20% of their policy manual, focusing on foundational and high-risk policies. This service ensures our members have access to consistent, legally sound policy guidance tailored to their operational needs.



THE VALUE OF MEMBERSHIP: YOUR DOLLARS AT WORK

A Financial Overview of Member Program Net Positions and Assessment Allocation

LIABILITY PROGRAM

NET POSITION (IN 000S)	FY 25	FY 24	FY 23
CASH AND INVESTMENTS	\$68,039	\$60,355	\$51,454
NET RESERVES FOR UNPAID LOSSES & LOSS ADJUSTMENT EXPENSES	\$33,896	\$29,046	\$27,681
MEMBERS' EQUITY	\$34,960	\$31,513	\$24,172
MEMBERS COVERED	126	126	126

For every dollar you gave us in FY 25, this is what we did with it:



The Board of Directors sets premium assessments annually at levels designed to ensure the Liability Program is adequately funded to address uncertainty in loss estimates, catastrophic claims, and reserve adequacy. When unrestricted surplus is available, the Board may declare a retrospective dividend to members or use surplus to reduce the funding level for the upcoming program year.

PROPERTY PROGRAM

NET POSITION (IN 000S)	FY 25	FY 24	FY 23
CASH AND INVESTMENTS	\$17,760	\$10,319	\$15,041
NET RESERVES FOR UNPAID LOSSES & LOSS ADJUSTMENT EXPENSES	\$2,560	\$2,470	\$3,349
MEMBERS' EQUITY	\$16,121	\$14,260	\$12,442
MEMBERS COVERED	118	118	117

For every dollar you gave us in FY 25, this is what we did with it:



TOTAL INSURED VALUES (IN 000S)	FY 25	FY 24	FY 23
AUTO TIV	\$357,598	\$337,574	\$320,755
CONTRACTOR EQUIPMENT TIV	\$134,077	\$130,409	\$119,698
PROPERTY TIV	\$3,518,760	\$3,218,361	\$2,890,123

▶▶▶ As of July 1, 2025 MMIA is covering **12,938** municipal assets. Which include **4,950** real & personal property assets, **4,091** vehicles, and **3,897** equipment assets.

The Board of Directors sets rates to fund the Property Program in amounts to ensure the program is adequately funded to account for uncertainty in loss estimates, catastrophic claims and inaccurate claim reserves. Unrestricted surplus (amounts in excess of the target surplus ratio) could be used by the MMIA at the Board's discretion within the Program for initiatives or investments designed to result in cost savings to the Program, Program or coverage expansion, rate stabilization, or capital asset acquisition.

WORKERS' COMPENSATION PROGRAM

NET POSITION (IN 000S)	FY 25	FY 24	FY 23
CASH AND INVESTMENTS	\$66,798	\$67,348	\$64,636
NET RESERVES FOR UNPAID LOSSES & LOSS ADJUSTMENT EXPENSES	\$38,015	\$39,439	\$42,075
MEMBERS' EQUITY	\$30,737	\$30,088	\$25,319
PAYROLL COVERED (IN 000s)	\$240,049	\$359,694	\$380,141
MEMBERS COVERED	104	108	109

For every dollar you gave us in FY 25, this is what we did with it:

\$0.49

Used member equity* in addition to the dollar you gave us

\$0.12

Paid reinsurance



\$1.19

Paid claims & claims processing costs

\$0.18

Paid risk management & administrative expenses

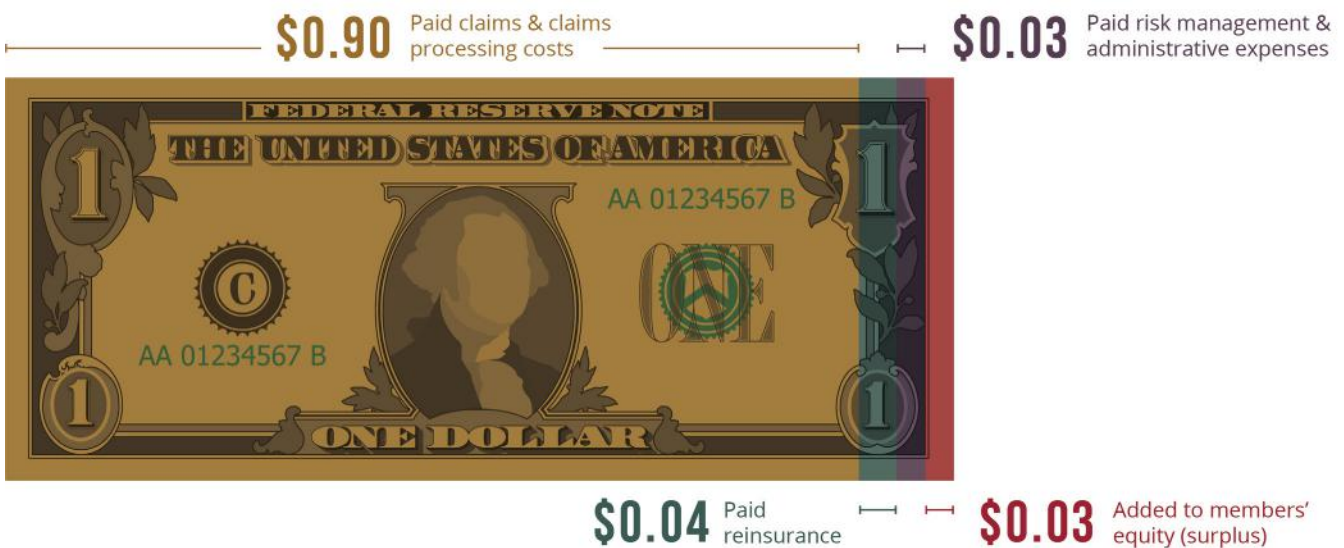
*Due to a decrease in membership over the last three years assessment volume has dropped while expenses have remained consistent.

The Board of Directors elected to use unrestricted, undesignated member equity to set rates for the Workers' Compensation Program FY 25 year at a level such that member equity was anticipated to be decreased for this year. The Board may also use unrestricted undesignated surplus for initiatives or investments designed to result in cost-savings to the Program, provide for Program or coverage expansion, or to declare retrospective dividends.

EMPLOYEE BENEFITS PROGRAM

NET POSITION (IN 000S)	FY 25	FY 24	FY 23
CASH AND INVESTMENTS	\$18,990	\$18,469	\$21,307
NET RESERVES FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES	\$3,832	\$4,293	\$4,245
MEMBERS' EQUITY	\$14,864	\$13,619	\$16,168
MEMBERS COVERED	88	88	88

For every dollar you gave us in FY 25, this is what we did with it:



PARTICIPANTS COVERED AT 6/30	FY 25	FY 24	FY 23
MEDICAL/RX	4,650	4,541	4,504
DENTAL	3,814	3,710	3,603
VISION	3,139	3,099	3,004

WELLNESS PARTICIPATION	FY 25	FY 24	FY 23
HEALTH SCREENING	1,990	1,910	1,853
HSR CALL*	1,632	1,599	1,544
EDUCATION	1,807	1,645	1,537

*Health Screening Review call

COST SAVING INITIATIVES

- ProAct+ savings: \$4,357,658 for 3 years
- 340B Drug Pricing Alignment Program savings: \$411,000 in year one
- CRx International prescription mail order savings: \$200,000 per year
- Reference-Based Pricing savings: \$1,000,000 per year

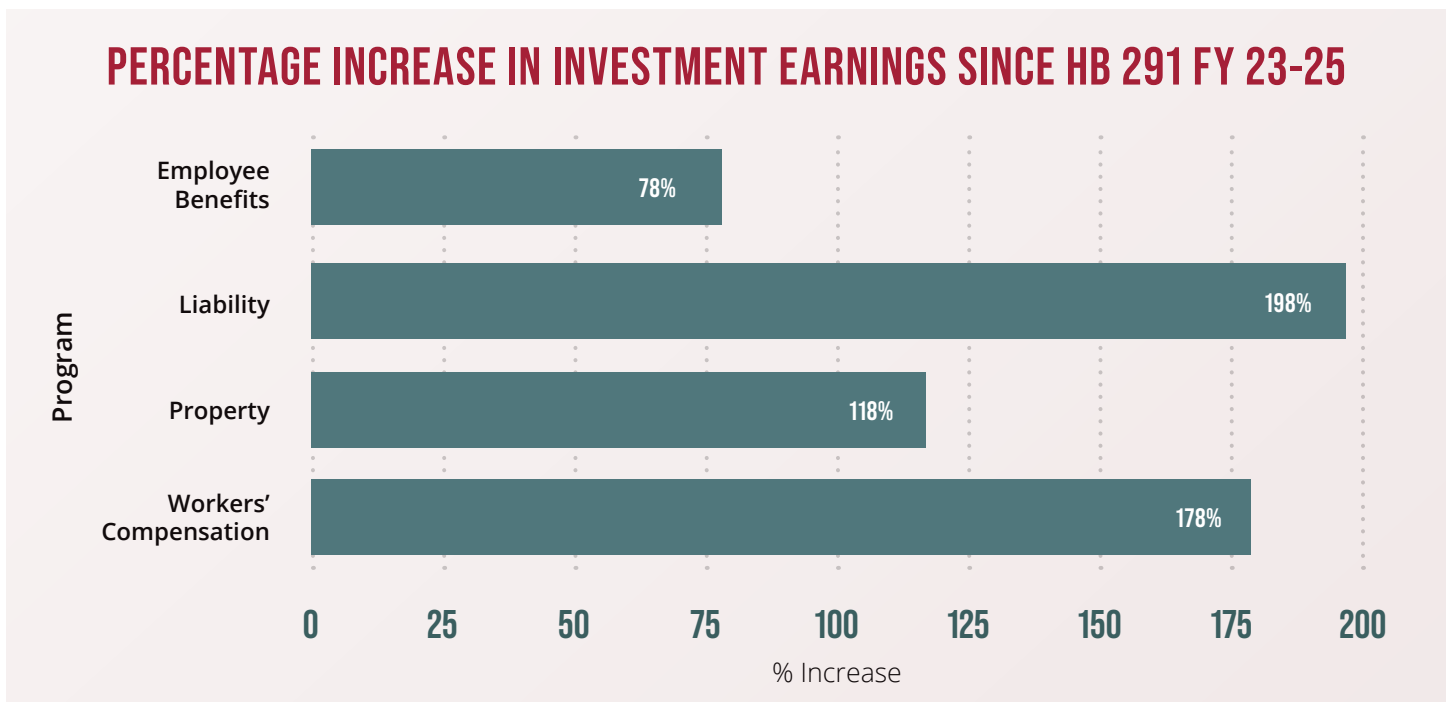
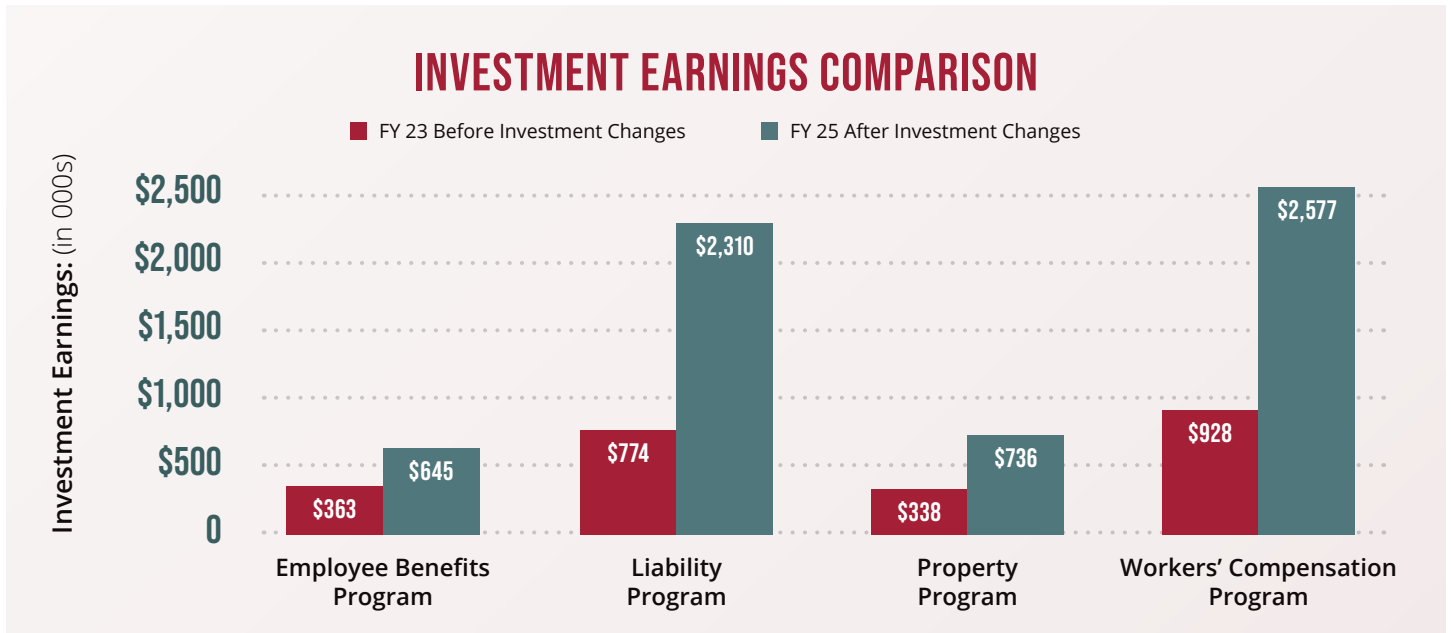
To give an idea of the scale of these savings – with the size of our current membership – \$1 million in savings equates to a 3% reduction in premium. So, for every \$1 million in savings, had we not instituted these programs, the rates would be 3% higher.

As a self-funded health plan, it is necessary to maintain some claim fluctuation margin reserve in the event that claims plus expenses exceed premiums for a given year. The Board has set an established risk margin and determined amounts in excess of this margin may be declared - unrestricted surplus, which may be used for initiatives or investments that should result in cost savings to the program, operational resource investments that improve efficiency or quality of services, Program or benefit expansion, rate stabilization, or capital asset acquisition.

MMIA INVESTMENTS

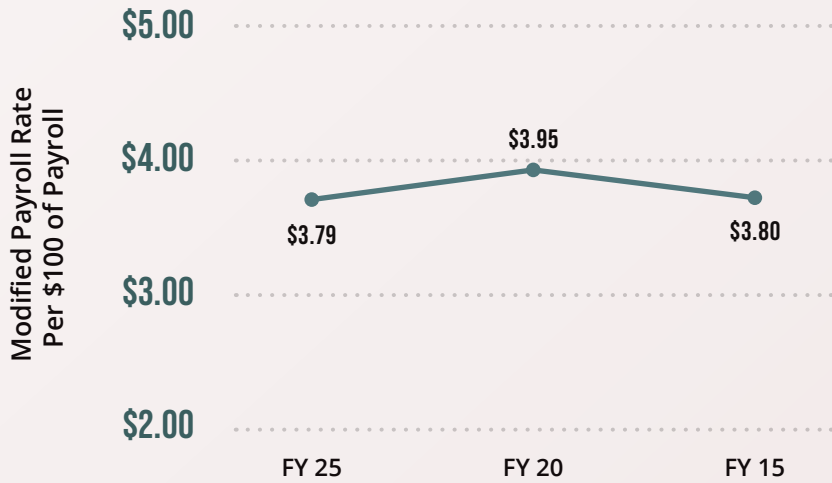
As mentioned earlier in this report, working to pass HB 291 displays a forward-thinking, financial stewardship approach with the best interest of the member-owners in mind.

The additional investment income created by the ability and willingness to rebalance your portfolios strengthens the financial stability of the pool, enabling MMIA to proactively mitigate substantial rate increases. It also empowers MMIA to offer valuable member-owner resources and services at no additional cost to the membership. In short, this income is working directly for our members, supporting stability, consistency, and the delivery of member services.



RATE HISTORY

LIABILITY PROGRAM



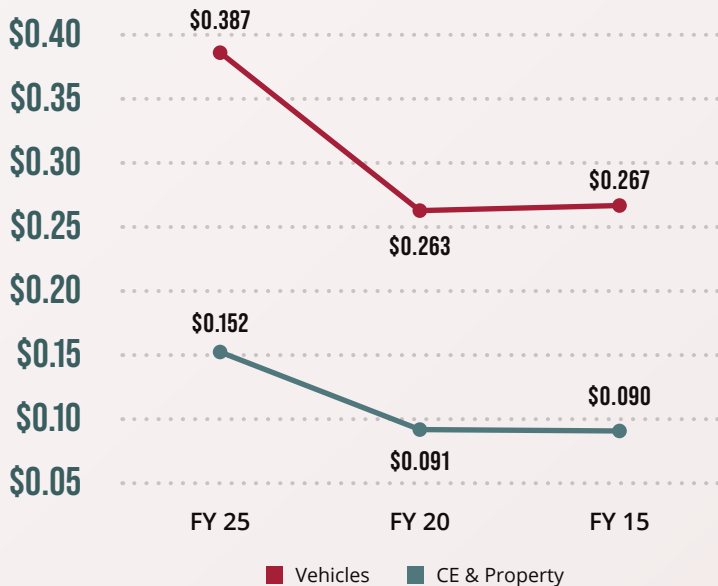
PERCENTAGE CHANGE

5 YEAR CHANGE	10 YEAR CHANGE
- 4.1%	- 0.3%

Please note all rates are aggregated.

PROPERTY PROGRAM

per \$100 Total Insured Value (TIV)



PERCENTAGE CHANGE

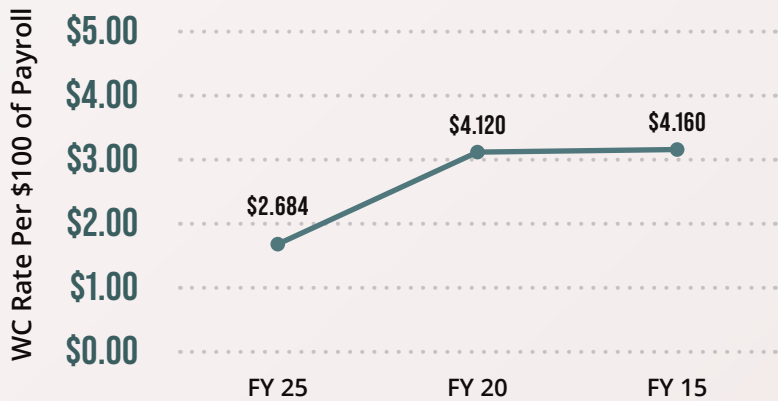
	5 YEAR CHANGE	10 YEAR CHANGE
VEHICLES	47.1%	44.9%
CE & PROPERTY	67.0%	68.9%

Over the past five years, Property Program rates saw significant increases due to exceptionally hard reinsurance market conditions. Fortunately, the program maintained sufficient surplus, allowing the Board to allocate a portion toward rate stabilization. This strategic use of surplus helped mitigate the impact of annual rate increases on our member-owners during a challenging market cycle.

Please note all rates are aggregated.
CE = Contractors Equipment

RATE HISTORY CONT.

WORKERS' COMPENSATION PROGRAM



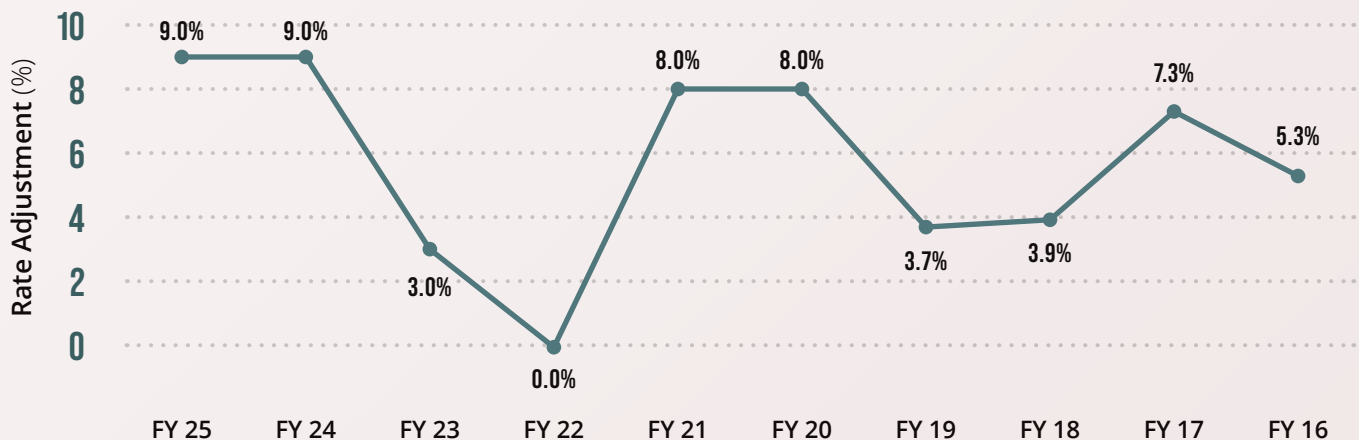
PERCENTAGE CHANGE		
	5 YEAR CHANGE	10 YEAR CHANGE
WC RATE PER \$100 OF PAYROLL	-35%	-35.5%

In January 2021, the Board made the strategic decision to reduce rates in response to aggressive tactics by outside insurers targeting our members. This reduction was made possible by leveraging surplus funds. As external pressure has persisted, the Board has continued to maintain lower rates to help preserve the long-term viability of the pool.

Please note all rates are aggregated.

EMPLOYEE BENEFITS PROGRAM

MMIA EB Base Rate Adjustment History



»» AVERAGE ANNUAL RATE INCREASE OVER TEN YEARS 5.7%
 Medical trend is about 10% per year

MESSAGE TO THE MEMBERS

From the Incoming Interim CEO

As we look ahead, I want to reaffirm MMIA's unwavering commitment to our member-owners. For decades, MMIA has stood as a trusted steward of municipal resources, delivering financial strength, stability, and tailored risk management solutions that meet the unique needs of Montana's cities and towns. That legacy of sound stewardship and member-focused service will continue, even as municipal needs evolve, and the pooling landscape changes.

I would also like to take this opportunity to recognize Alan's exceptional leadership and dedication throughout his years of service. His contributions have been vital in shaping MMIA's success and impact across Montana. We are profoundly grateful for his service and wish him the very best in his well-earned retirement.

At MMIA, our mission remains clear: to provide quality, cost-effective self-funded coverage and risk management services. Our team is deeply committed to supporting our member-owners, working with you to protect your interests today and in the future.

We welcome your continued engagement and invite you to reach out at any time. Together, we will navigate what's next with confidence, collaboration, and a shared commitment to the strength of our cities and towns.


Sincerely,

Amanda Clark

Interim CEO



ABOUT THE BOARD



The MMIA Board of Directors consists of fifteen individuals representing member entities of the MMIA as a whole. Members with a population exceeding 20,000 appoint seven of the board seats. Seven of the board seats are elected to represent the members with a population less than 20,000 and the 15th seat (At-Large Seat) is selected by the seated 14 directors. All board terms are two years. The board meets five to six times per year; meetings are generally held on Fridays in Helena. The MMIA board is charged with directing the activities of MMIA, who provides essential pooling and risk management services to Montana cities and towns. Through regional and national training, board members obtain a broad understanding of the varied aspects of the liability, workers' compensation, property and employee benefits pooling industries.

BOARD MEMBERS – FY 25

Renee McMahon, Chair
Human Resources Director, City of Helena

Paige Fetterhoff, Vice Chair
Director of Finance, City of Livingston

Sherri Baccaro, Secretary
Human Resources Director, City of Whitefish

Ed Meece, Treasurer & Member at Large
City Manager, City of Polson

Kevin Iffland, (appointed)
Assistant City Administrator, City of Billings

Mike Brady, (appointed)
Risk and Safety Manager, City of Missoula

Greg Doyon, (appointed)
City Manager, City of Great Falls

Cassandra Tozer, (appointed)
Human Resources Director, City of Bozeman

Jim Kambich, (appointed)
Chief of Staff, Butte-Silver Bow County

Johnna Preble, (appointed)
City Attorney, City of Kalispell

Joe Purcell, (elected)
Mayor, City of Hardin

Doug Kaercher, (elected)
Mayor, City of Havre

Tammy Comer, (elected)
Finance Officer, Town of Fairfield

Bob Michalson, (elected)
Mayor, Town of Stevensville

Greg Tryon, (elected)
Assistant City Manager, City of Belgrade



Member Owned. Member Driven.

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MMIA CONTACT INFORMATION

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