



ANNUAL REPORT

Exceptional Service. Long-Term Stability.

2024

BOARD OF TRUSTEES

2024



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Additional Information:

This annual report is designed to provide a general overview of the Comp Alliance's activities and financial condition for those interested. Questions concerning any of the information provided in this report or requests for additional information should be directed to:

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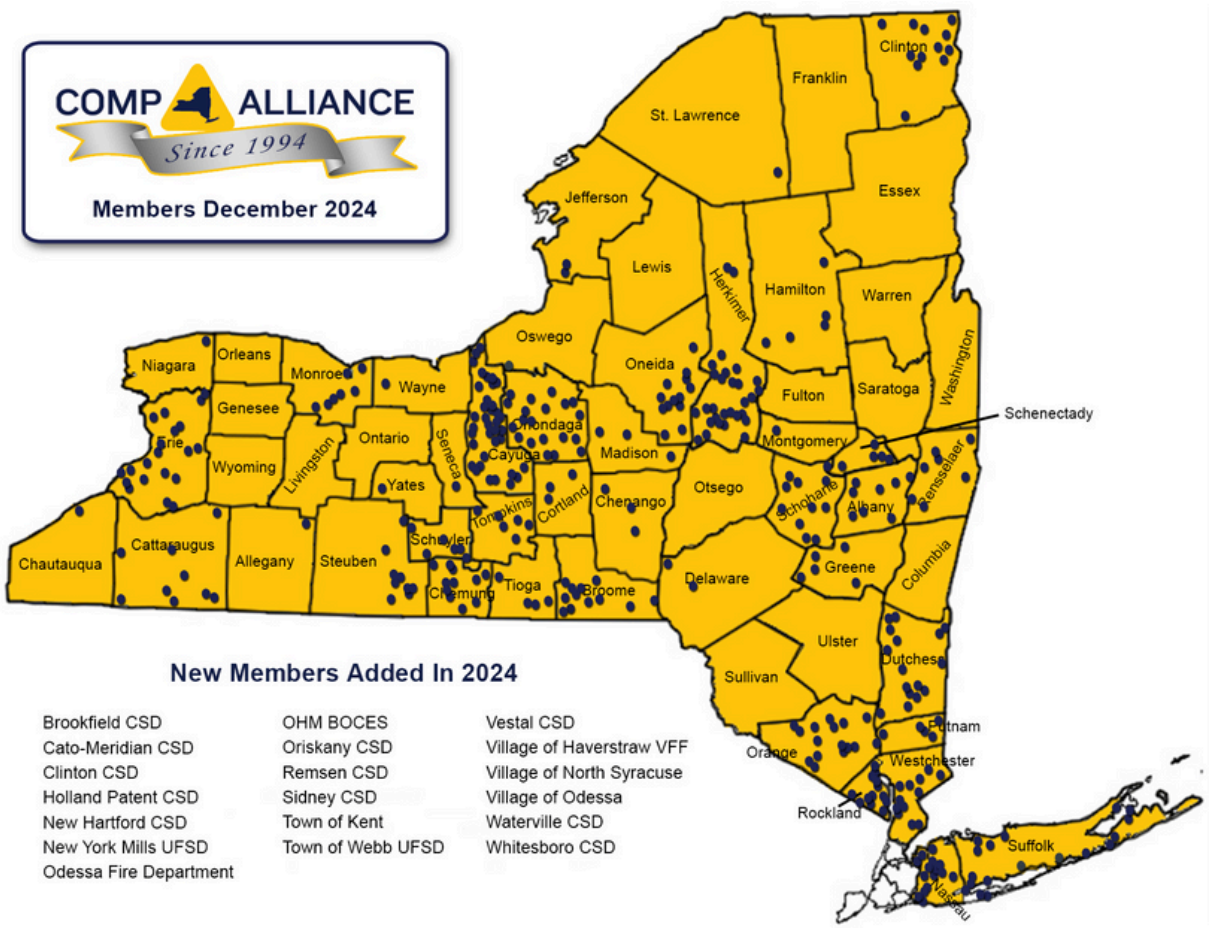
ABOUT THE COMP ALLIANCE

The Comp Alliance is a workers' compensation group self-insurance program – a network of municipal employers that have joined and contractually agreed to assume the workers' compensation liabilities of each associated member. By participating in the Comp Alliance, a municipality pools its resources with other municipalities in New York State to obtain workers' compensation coverage for employees.

The Comp Alliance is governed by a Board of Trustees that includes representatives from its members and two statewide local government associations, the New York Association of Towns (NYAOT) and the New York State Conference of Mayors (NYCOM). The Board of Trustees is responsible for the overall governance, administration and oversight of the Comp Alliance, and is responsible for establishing rates, entering contracts, overseeing all investments, maintaining all bank accounts and oversight of the management company.

Since 2014, the Board of Directors has appointed an Executive Director to perform the day-to-day activities on behalf of the Board. The Executive Director works directly for the Board of Trustees and is responsible for implementing the policies and decisions made by the Board of Trustees. This includes oversight of all contractual relationships of the Comp Alliance, including the management company, actuary, investment manager, auditor, excess broker and excess insurer. In addition, the Executive Director regularly interacts with members to address their questions and promote the Comp Alliance.

Management of the Comp Alliance is contractually provided by Wright Risk Management (WRM). The management contract requires WRM to provide overall program management services such as claims administration, accounting, underwriting, risk management and marketing of the Comp Alliance.



MESSAGE FROM THE CHAIRMAN

Christopher A. Koetzle

I am pleased to report that the Alliance is strong, steady, vibrant and growing. This past year, we added 20 new municipalities and had a retention rate of 99% of our current members. As we continue to grow, we do so mindful of keeping premiums steady and stable for our existing members while also continuing to support their safety efforts. We're proud of the Alliance's accomplishments over the many years that we have served municipalities across New York and we're excited for what's ahead.



First, let me congratulate my colleagues for celebrating 30 years of services this past year. The Comp Alliance started in 1994 with just 6 members and about \$500,000 in funding. We have grown since to 369 members and more than \$45 million in annual funding contributions. Even better, our discipline and focus on municipal needs in the early years has allowed us to return more than \$10 million to our members over the past five years through our Loyalty and Safe Workplace awards programs. These programs recognize and reward our members for their commitment to our program and the impactful steps they have taken to make their workplace safer for their employees.

Another great accomplishment over the years has been the introduction of and commitment to enhanced online and in-person resources that help support employee safety. Our educational programming is second-to-none and has provided countless municipalities across New York with the tools they need to invest in safer work environments.

I am proud to celebrate 30 years of service to our local governments, 30 years of partnership with NYAOT and 10 years with NYCOM, but the best is still to come. For example, in our long tradition of supporting our members, we returned \$2.1 million to our members just in 2024 alone. Our investment income has grown to \$6.5 million, giving us a stable base that ensures our longevity for years to come. We held rates steady in 2024 and decreased them in 2025. I am pleased to report that our financials are strong and have posted a \$44.7 million surplus.

Clearly, our history is impressive and our future is very bright, thanks to the collaborative effort of our Board of Directors, NYAOT and NYCOM, and all of our service providers. I want to thank Wright Risk Management Sound Actuarial Consulting, who have been with us since the beginning. I'd also like to thank Nuveen Asset Management, MMB+Co., Guy Carpenter, and Midwest Employers Casualty for their continued service to and support of the Comp Alliance and all of its initiatives. Lastly, I'd like to thank our Executive Director Michael Kenneally and our dedicated Board of Trustees for all their hard work and tremendous teamwork.

Most importantly, I thank you, our members, for allowing us to provide your Workers' Compensation insurance needs and look forward to our continued work together.

A handwritten signature in black ink that reads "Chris Koetzle". The signature is written in a cursive, slightly slanted style.

FROM THE ROOTS TO RESULTS – 30 YEARS OF COMP ALLIANCE

Michael Kenneally, Executive Director

2024-25 marks the 30th Anniversary of the Comp Alliance, and in that time the program has evolved from a handful of members pooling their resources to cover their workers' compensation claims to a sophisticated, full-service workers' compensation insurance program with 369 members and more than \$45 million in annual funding contributions. The following pages provide an excellent synopsis of where we stand as we enter 2025, and as Chris mentions in his Chair Message, the future looks very bright. But I'd like to take a moment to provide a brief (not really) recap of how the Comp Alliance achieved its success. The journey was not always smooth, straightforward, or easy; there were many challenges that we had to face along the way.

The early years presented the Comp Alliance with the challenge of breaking into a new market and attracting members. As the new kids on the block and a relatively unknown brand in the workers' compensation space, the struggle was to attract enough new members and maintain a sufficient funding stream to ensure its continued existence.



The question was, how would the Comp Alliance distinguish itself in the marketplace? The answer was provided by G. Jeffrey Haber, then Executive Director of the Association of Towns and first Chair of the Board of Trustees of the Comp Alliance, who, from his days as Town Supervisor of the Town of Schodack, recalled the havoc that unknown and/or unexpected expenses could wreak on municipal budgets.

Hidden in this report are the names of 12 bands or artists that harken back to the early years of the Comp Alliance. If you can find all 12, post them on our Facebook page with the name of your municipality. The first member to correctly name all 12, and only the 12 intended, will receive a small prize. Hint: "No Payroll Audits" and "Budgetary Stability" were not popular bands of the nineties.

Jeff was adamant that the Comp Alliance would not bill its members to capture payroll growth during the course of the policy, and "No Payroll Audits" became the founding principle and unofficial tagline of the Comp Alliance. Budgetary stability became the foundation upon which the Comp Alliance was built.

Over time, more and more municipalities understood and appreciated the benefit of this, and with a little TLC the program grew steadily through the 90s and into the new millennium. Until the next challenge presented itself. In actuality, it was the combined effect of two distinct challenges in 2007: a Financial Crisis and Legislative Reform.

Folks who follow insurance (aka "insurance nerds") or pensions understand the importance of investment-income as a useful tool when calculating long-term liabilities. Over a long-period of time, investment returns reduce the amount of, or discount, the expected liability. The greater the assumed amount of interest, the lower the liability, and vice-versa.

In spring 2007, fed-funds rates were sitting around 5 percent. By the fall of 2008, they were between 0 and 0.2 percent. The consequence on the Comp Alliance's portfolio and rates that followed was, in professional terms, un-good.

Compounding this was legislative reform enacted in 2007 that incrementally increased the amount of indemnity benefits payable to workers' compensation claimants, with the maximum indemnity benefit ultimately being indexed to 2/3 of the state-wide average weekly wage in 2013, more than doubling the maximum award. While there were benefits to employers and carriers in the legislation, those benefits would not be realized for more than a decade later. →

FROM THE ROOTS TO RESULTS *(cont.)*

Between 2008 and 2013, the Comp Alliance was faced with the continual challenge of diminished investment income and increasing expenses and was forced to make some difficult decisions. Its modest surplus eroded, and by 2012, it faced a significant hole that would require double-digit rate increases to climb out of. Nevertheless, the Board understood that all of its members were experiencing similar fiscal pain. The Board stuck to its principles and developed a plan that balanced the necessary rate increases, maintained disciplined underwriting and ratcheted down the assumed interest rates to address the deficit over time, easing the pain for its members.



Executive Director Michael Kenneally presenting at the 30th Anniversary Celebration

It took some time, but ultimately its plan (with some help from a regulatory change on how municipal employers are assessed certain expenses) worked and the Comp Alliance eliminated its deficit and posted a surplus in 2015, its first in five years. In the years that followed, the surplus continued to grow to the point where the Comp Alliance, in 2019, had a different, much better problem: How does it let its members share in its success? From this, the Loyalty Award and Safe Workplace Award programs were born in October 2019. The Comp Alliance was finally in a position to start giving back to its members. The worst was behind us and it would be smooth sailing from there – we achieved nirvana. At least for the next six months.

March of 2020 presented the Comp Alliance, along with the rest of the world, with its next challenge, and it was a biggie.



The COVID-19 global pandemic presented an array of unique challenges across all spectrums of life, but as it pertains to the Comp Alliance, the greatest challenge was uncertainty. How long was the shutdown going to last? How do our members continue to provide essential services (police, fire, garbage) during this time? How can they do so safely?

The Comp Alliance immediately responded and within a week of the Governor's Executive Order requiring face masks for essential employees who deal with the public, the Comp Alliance secured and sent more than 37,000 disposable face masks for its members.

As the pandemic wore on, we provided reusable face masks for our members (there are still a handful left if anyone wants; while en vogue at the time, personally, I hope I never have to wear one again).

Delivering face masks addressed only the initial challenge of keeping our members' employees safe while performing essential services. There was still much uncertainty about how long the pandemic would last and how to address the resulting reductions in workforce. To assist our members, the Comp Alliance developed an offspring of its award programs – a "Workforce Reduction Credit" that credited our members for the reduced payroll and exposure to provide some fiscal relief to our members during this time. As municipal workforces returned to full strength, the credits were phased out.

Through each of these challenges, the Comp Alliance emerged a better program, having done more for its members and bolstering its resolve to continually improve. As we enter our next phase, I am excited to discover what enhancements we can deliver to our members next. I have no doubt that the future will present new and unique challenges. I am also confident that the Comp Alliance will be able to tackle them head-on, leaving it, and its members, stronger.

FINANCIAL REPORT

FY2024 saw inflation come down meaningfully and fixed income yields were the highest that the market has seen in 15 years. Short-term rates are expected to remain higher by historical standards but are expected to progressively decline in the second half of 2024 and throughout 2025. Longer-term interest rates are also expected to remain high and continue to offer compelling investment opportunities. The key investment themes that impacted the performance of the Comp Alliance’s investment performance and portfolio positioning throughout the fiscal year were:

1. Fixed income yields were the highest they’ve been in a generation.
2. Short-term interest rates remained higher for longer than expected.
3. Longer-term interest rates remained high, in the 4% to 4.5% range, throughout the year.

Since the Comp Alliance is a cash-positive operation, as new cash flows come in, they can be invested at higher yields and produce more income for the portfolio. The portfolio is positioned to take advantage of the “higher for longer” interest rate environment by focusing on high-quality investments and managing its duration to increase the total return on the portfolio.

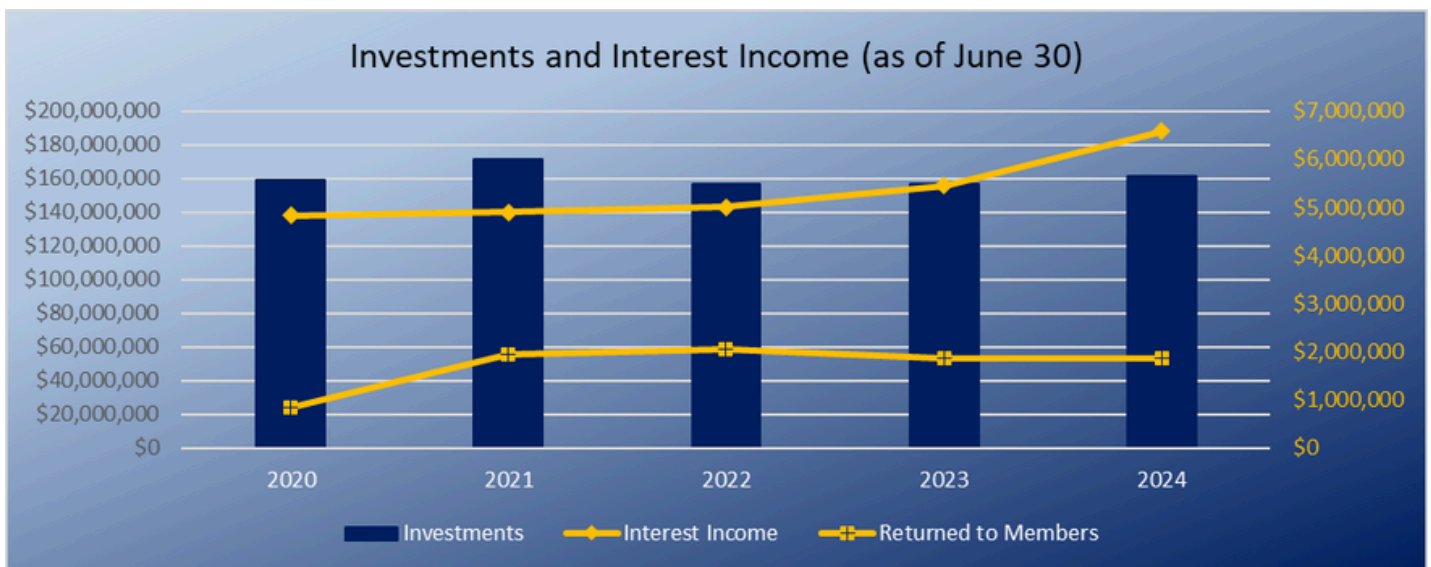
As its operations continue to generate new cash for investing, the Comp Alliance is able to invest its cash at higher interest rates that result from inflation, ultimately producing greater returns in the long term. The finance committee of the Comp Alliance continues to carefully monitor the inflationary risk to the operating portfolio and will continue to work with Nuveen to safeguard the

portfolio against risk while simultaneously maximizing potential returns. During FY 2024, the portfolio earned \$6.6 million in investment income over the year. Factoring in the investment fees (\$323,618) and net realized and unrealized losses (\$1.1 million) discussed above, the Comp Alliance had a net investment gain of \$5.2 million as of June 30, 2024. As interest rates begin to stabilize and a greater percentage of the Comp Alliance is invested at higher interest rates, the Comp Alliance expects its portfolio to continue to generate increased income.

The Comp Alliance “Surplus Management Policy” helps it evaluate its financial position and determine, in its judgment, the appropriate management strategy for determining its amount of surplus and the appropriate allocation of surplus funds. In so doing, priority is given to the following policy considerations, weighed in the judgement of the Finance Committee at the time of consideration:

1. Full funding of liabilities;
2. Consistency of funding contributions for our members, who have come to expect stability as the program has grown;
3. Balancing financial condition and overall surplus in light of current market conditions.

The Surplus Management Policy supports the Finance Committee’s allocations to the two award programs offered by the Comp Alliance – the Loyalty Award Program and the Safe Workplace Award program. These two programs were put into effect in FY2020 as a way to encourage members to make safety and minimizing workplace accidents a priority.



ANNUAL MEMBERSHIP REPORT 2024

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Balance Sheets As of June 30, 2024 and 2023

2024

2023

Assets

Cash and cash equivalents	\$ 7,107,639	\$ 6,730,983
Restricted cash – member assessments	429,926	626,324
Investments	161,484,120	156,453,978
Accounts receivable – members	32,892,122	31,914,380
Accounts receivable – WCB member assessments	589,801	459,023
Accounts receivable – other	541,036	436,895
Excess insurance recovery receivable	307,642	206,706
Accrued interest receivable	1,210,250	986,122
Total Assets	\$ 204,562,536	\$ 197,814,411

Liabilities

Liability – net case reserves for loss and DCCE	\$ 51,223,622	\$ 47,654,076
Liability – IBNR	68,049,750	65,017,857
Accounts payable and accrued expenses	208,476	142,078
Due to NYS Workers' Comp. Board – member assessments	1,019,727	1,085,347
Deferred revenue	39,355,405	39,628,386
Due to members (surplus)	44,705,556	44,286,667
Total Liabilities	\$ 204,562,536	\$ 197,814,411

Statement of Revenues and Expenses For the Year Ended June 30, 2024 and 2023

2024

2023

Revenues

Member assessments	\$ 43,995,926	\$ 42,245,643
Total Operating Revenue	\$ 43,995,926	\$ 42,245,643

Expenses

Incurred Loss And Loss Adjustment Expenses		
Paid losses and loss adjustment expenses	\$ 24,927,738	\$ 24,879,757
Change in case and loss adjustment expense reserves	3,569,546	1,699,671
Change in liability for incurred but not reported	3,031,893	1,751,822
Total Incurred Losses and Loss Adjustment Expenses	\$ 31,529,177	\$ 28,331,250
Operating Expenses		
Broker fees	\$ 2,415,689	\$ 2,560,231
Administrator fees	6,763,287	6,434,222
Liability insurance (Excess Insurance Cost)	3,527,666	2,912,297
Other administrative expenses	\$ 2,650,115	2,519,957
Total Operating Expenses	\$ 15,356,757	\$ 14,426,707
Total Expenses	\$ 46,885,934	\$ 42,757,957

Excess (Deficiency) of Revenues Over Expenses (Before Investments and Award Programs)

\$ (2,890,008)

\$ (512,314)

Investments and Awards

Loyalty Award Program Expense	\$ (1,005,120)	\$ (916,289)
Safe Workplace Award Program Expense	(857,042)	(939,010)
Total Award Programs	\$ (1,862,162)	\$ (1,855,299)
Investment Income	\$ 6,584,562	\$ 5,454,467
Investment Fees	(323,618)	(386,605)
Net realized and unrealized losses on investments	(1,089,885)	(5,608,551)
Total Investment Income (Loss)	\$ 5,171,059	\$ (540,689)

Excess (Deficit) of Revenues Over Expenses

\$ 418,889

\$ (2,908,302)

Information taken from audited financial statements for years ended June 30, 2024 and 2023. Both years' financial statements audited by Mengel, Metzger, Barr & Co LLP. Copies of full financial statements are available to members upon request and at www.compalliance.org.

2024 INVESTMENT MARKET RECAP

David Wilson, Nuveen Asset Management

2024 Bond Market Recap

The U.S. and global economies remained healthy through the end of 2024. In the U.S., the pace of job creation picked up slightly, supporting continued resilience in consumption spending. Survey measures of business activity generally improved as well, with one gauge of services-sector activity hitting its highest level since mid-2022. Overseas, manufacturing activity in China rebounded a bit, with the official PMI reaching its highest level since April. Conditions in Europe remained tepid, with softening business surveys, though the consumer showed signs of renewed strength. On the inflation front, U.S. core prices continue to rise around 2.8% year-on-year, though there was further moderation in the areas such as housing.

The Federal Reserve cut interest rates by 25 basis points at each of their meetings in the fourth quarter, taking the policy rate range to 4.25-4.50%. Their updated rate forecasts showed only 50 basis points of cuts in 2025, down from 100 basis points previously. The European Central Bank also cut rates twice, while the Bank of England cut once. Separately, the Republican party swept the U.S. elections, winning control of the White House and both chambers of Congress.

U.S. Treasury yields increased in the fourth quarter, with the 10-year Treasury yield ending +77 basis points higher at 4.58%. That movement weighed on fixed income returns but supported shorter-duration segments like senior loans (+2.3% total return) and, to a lesser extent, high yield corporates (+0.2%).

2025 Bond Market Outlook

We continue to expect growth to moderate moving forward, to a below-trend pace. Job growth is likely to moderate further in the months ahead and presents upside risks to the unemployment outlook. Inflation has peaked but will remain “too high” relative to central banks’ targets in 2025. Nevertheless, policy will remain focused on downside risks to growth, rather than upside risks to inflation.

We expect the Federal Reserve to continue cutting interest rates, but at a slower pace. We forecast two more 25 bps cuts this year, taking the policy rate to around 3.75-4.00%. The ECB is set to cut rates further as well, and we forecast 100 bps of cuts through the middle of 2025. In China, policymakers are likely to continue with their fiscal policy support though substantial monetary easing is unlikely.

We continue to favor spread sectors and credit risk in asset allocation, with an up-in-quality bias within asset classes. We believe credit spreads are likely to widen in the coming months, presenting more attractive entry points for risk taking. That said, there are currently some attractive opportunities in the preferred market and in mid- to high-quality high yield and senior loans. The recent movement in rates has moved to levels in-line with our forecasts, and we expect long-end yields to be rangebound over coming months.



New York Workers' Compensation Alliance Investment Portfolio Recap and Outlook

The portfolio's book yield steadily increased throughout 2024, surpassing 4.5%, as interest rates remained high relative to historical averages. On a total return basis, the investment strategy returned +2.26% and outperformed its benchmark, the Bloomberg U.S. Aggregate Index, by 1.01% in 2024. The duration of the portfolio remains modestly shorter than benchmark, and the performance against the benchmark was influenced by an overweight in the spread sectors of the fixed income markets as well as a positive contribution from security selection. Since its inception, the investment strategy has outperformed the benchmark by 0.35% on an annualized basis.

Going forward, we remain defensively positioned while favoring the credit spread sectors of the fixed income markets. We expect the yield curve to flatten, as short-term rates will fall less than long-term rates, and credit spreads to modestly widen as economic growth declines throughout the year. We continue to maintain a high-quality portfolio and a high level of diversification. The portfolio's book yield should continue to rise throughout the year as cash flows from maturing bonds and new contributions will be invested at higher yields. We expect mid-to-high single digit returns from a diversified portfolio.

MANAGEMENT REPORT

Wright Risk Management, Program Manager

Management of the Comp Alliance is performed by Wright Risk Management (Program Manager), and is overseen by the Executive Director and three distinct committees of the Board of Trustees, as follows: Underwriting, Member Services (Loss Control and Marketing) and Claims. Each committee of the Board of Trustees establishes the policies, rules and procedures and receives regular reports on the progress. The Executive Director works with each unit of the Program Manager, and coordinates the joint activities of these units, to ensure that the policies and practices put in place are executed seamlessly for the benefit of our members. Below is a summary of the key services for 2024.

Underwriting

The disciplined and tailored underwriting services serve as the foundation of its financial strength, rate stability, member growth and extraordinary member retention rate. The focus of our underwriting department is two-fold: 1) to ensure that every member carries its own weight to ensure that there will always be funds on hand to pay future benefits to their employees; and 2) to make the costs of workers' compensation as stable and predictable as possible for our members. This is often made challenging by the inherent volatility of workers' compensation, and compounded by recent changes to the calculation of the experience modification factor (or simply, "mod") that were adopted by New York State in October of 2022.

The changes to mod calculations continue to result in unpredictable experience swings for our members. We've witnessed mod factors for members increase as much as 120 points and decrease as much as 70 points. As each point of mod swing represents roughly 1 percent of annual premium, swings this large can have devastating impacts on members while creating a windfall for others. Yet even the beneficiaries of such large swings (decreases) will be set up to pay exponentially more with even just a single workplace accident.

To help combat the increased volatility, at the outset of the changes the Board of Directors approved additional Underwriting tools to help maintain stability in our pricing while also recognizing the intent of changes, which is to help ensure that employers pay their fair based on their loss experience. These tools continue to assist in providing stable contributions to help in the budgeting process, leading to our continued success in 2024.

The Underwriting Committee continuously reviews its guidelines and amends them as warranted, adding resources, programs and tools necessary to navigate each renewal cycle. The continual monitoring of the guidelines and disciplined implementation of these programs drove a member retention rate of 99 percent for 2024. Across the 2024 renewal cycles of January, June and July:

- 20 new members joined the program with \$1.4 million in annual premium;
- The expansion of our 3-year membership option has added \$577K in annual funding;
- Overall Funding for existing members increased by 2.2 percent;
- \$ 2 million was returned to our members through our award programs



The Board's implementation of two award programs in 2019 has been an ideal use of the surplus. These programs return a portion to members to share in the success and growth of the program, totaling over \$10 million to date. The Loyalty Award rewards members for their loyalty to the program and returns funds upon renewal. The Safe Workplace Award acknowledges members who recognize the importance of maintaining a safe workplace and have fewer claims. →

MANAGEMENT REPORT *(cont.)* *Wright Risk Management, Program Manager*

In 2024, the Comp Alliance rolled out an enhancement to the existing Safe Workplace Award (SWA). Historically, this program has awarded members who have had a positive loss experience and contributed to the financial well-being of the program from a statistical standpoint. The recent update now allows our members to give feedback in their own words through a questionnaire.

This development offers participating members the possibility to increase the amount of their award total in addition to the existing criteria. The questions touch on topics including, but not limited to, the confirmation of existing or added safety programs and practices, completed training, accident investigation processes, and equipment available to employees. The survey also gives our members a chance to highlight examples of the positives implemented to enhance their individual safety culture.

The first time our members could view and use the questionnaire occurred during the recent evaluation of the January 2023 policy period. During this rollout, we received responses from 69 out of the 175 eligible members. This participation resulted in an added \$243,612 awarded on top of the \$395,533 given based on prior award guidelines. The response rate of our first survey for the new SWA questionnaire was a strong 40% (69 out of 175); we strive for all our members to get the opportunity to receive increased awards for their efforts. In 2025, we will work to improve this response rate.

While this advancement in the Safe Workplace Award Program has given our members the ability to increase their award amount, it has also provided other benefits. The responses welcome further discussions with our Loss Control department on any safety concerns members have, and what existing training may be available to address in-house needs. Ultimately, this platform for self-assessment shines a light on the challenging work that is being done to create a safe workplace by our members for our members.

Information for the Safe Workplace Award Program can be found by visiting the Comp Alliance website. This includes updates on when surveys will be posted for January and June/July members, as well as the success of prior award cycles. Should you have any other questions, please do not hesitate to contact your Loss Control or Marketing Representative.

- In 2024, the Comp Academy had 934 registrants and nearly 3,000 courses completed.
- Last year, the risk management department completed 380 inspections and attended 88 safety committee meetings.
- In 2024, we administered 134 training sessions. This includes an expanded offering of Reasonable Suspicion regional training, certifying over 100 municipal supervisors. In addition, we presented 12 times at conferences across the state on varying topics from Managing Stress in the Public Sector to Drug and Alcohol Testing.
- We received 2,195 new claims and closed 423 of them before year-end.
- We processed 45,260 medical billings totaling over \$21M in charges from which we paid only \$7M, a savings of \$14M.

Member Services

In 2024, the Comp Alliance grew to 366 members and an annual funding contribution of more than \$45 million. Our high retention rate benefits from our members taking advantage of our multi-year membership programs, allowing them to lock-in their costs for up to three years, providing budgetary stability.

For the third straight year, school districts made up the majority of our new members. The turbulence of the excess insurance market pricing and the inconsistencies of individual self-insured programs have led these districts to the Comp Alliance for our stability and savings. Towns, Villages and Special Districts round out the remainder of our growth. →

MANAGEMENT REPORT *(cont.)*

Wright Risk Management, Program Manager

In 2024, the Comp Alliance took advantage of a change in law that allows for a greater class of public entities to be eligible for Comp Alliance Membership. Library Systems, Community Colleges and Public Authorities are among the classes of public entities not previously eligible for membership but are going forward. We will continue to wade carefully in these new waters to bring new members into the Comp Alliance without compromising the existing risk profile of our program.

Our recent efforts to expand our digital presence through online training and resources continue to be received favorably by our members. Upgrades to our website and social media create more opportunities for our members to interact with us digitally. The Comp Alliance website is widely utilized by our members to access the Comp Academy, our online training school, as well as our claims portal and access to important updates, newsletters and bulletins. In 2024 we focused on improving accessibility and adding to our already impressive offerings, including a Risk Management Question & Answer resource featuring videos from our Loss Control department answering Frequently Asked Questions. We look forward to announcing additional improvements to our website and the Comp Academy, and encourage all of our members to follow us on social media at the links below:



One of the key differentiators of the Comp Alliance is the resources it devotes to keeping public employees safe. Part of injury prevention is awareness. To that end, we conduct risk management training annually to increase employee knowledge surrounding workplace injuries. Every year, we provide a tailored risk assessment for our members. This may include inspection of facilities for hazards, evaluation of specific exposures, and sharing individualized workplace injury data with municipal administrators.

Thank you, Aaron!

We are sad to announce that Aaron Reader, who served most of 2024 as the Director of Member Services for the Comp Alliance, has accepted an exciting new opportunity with another firm. Aaron has been a valuable member of our team for more than 10 years, and we are deeply grateful for his hard work and dedication in shaping our program over that time. Please join us in wishing Aaron all the best as he pursues the next chapter of his career.

At the same time, we are thrilled to welcome back a familiar face to lead our members services team, John Triessl. Many of you already know John, who previously served for four years as a Comp Alliance regional marketing representative and assumed the role of Director of Member Services. John's experience with, and knowledge of, public entities and the Comp Alliance operations help ensure a smooth transition and a continued focus on the needs of our members.

Our risk management team will offer recommendations for accident prevention and employee safety and participate in safety committee meetings, providing additional assistance to our members. Last year, the risk management department completed 380 inspections and attended 88 safety committee meetings.

The department continues to produce safety content in varying formats for members throughout the year. We created monthly topical safety bulletins, safety tips focused on high-hazard work functions, quarterly newsletters, and safety articles. Our focus in 2024 was on creating professional and safe workplace cultures and highlighting the importance of mental health and well-being in the workplace, themes we expect to continue to focus on through the first half of 2025.

Additionally, we recognized three of our members for their exceptional leadership and accomplishments in maintaining and providing a safe workplace. →

MANAGEMENT REPORT *(cont.)*

Wright Risk Management, Program Manager

The Village of Westbury, the Town of Cato, and the Town of Penfield were recognized for their persistence and commitment to safety and received our G. Jeffrey Haber Leadership Award. These awards were presented at the NYCOM Fall Training School and the New York State Association of Towns Annual Meeting.



Pictured (L-R): Gerry Geist, former Executive Director, NYAOT, Michael Kenneally, Executive Director, Comp Alliance, Jeff Leenhouts, Supervisor, Town of Penfield, Charles Ray, Supervisor, Town of Cato for the presentation of the 2024 G. Jeffrey Haber Leadership Award

Claims

All of the above risk management resources and initiatives are intended to prevent workplace accidents in the first instance. Unfortunately, the nature of workers' compensation is that workplace accidents will happen. When an accident occurs, our priority shifts to ensuring the injured employee gets the medical care and attention they need and returns to work as soon as possible. Throughout the claims process, we maintain efforts to support medical needs, replace interim wages, and close out claims for the program's benefit.

Our claims team continues to meet the challenges of the program's growth by identifying injury trends and working with our members to discuss claims. With the addition of new members to the program, and by extension additional claims, the Claims Department continues to be aggressive in our review and attention to detail in processing claims. Ultimately, the goal of the claims department is to work with the employer and medical care providers to help restore the injured employee to the same condition they were in pre-accident and returned to work as expeditiously as prudent. In 2024, we successfully closed 1,930 claims during the year.

Simultaneously, our claims unit protects the integrity of the program by protecting our members from paying more than necessary on claims. Medical bills are reviewed for compliance with medical billing guidelines, and all claims are reviewed for claims or injuries that are unassociated with the claimant's employment, or on subsequent injuries unrelated to an initial workplace injury. When there is not sufficient evidence of a causal relationship between an injury and the workplace, or additional conditions and the initial injury, the Comp Alliance claims team will controvert the claim and represent the employer at all associated hearings. The decision to controvert a claim is not made lightly and goes through several levels of review before a claim is controverted. During 2024, only 33 claims were controverted out of 2,195 new claims filed, representing 1.5 percent of total claims.

2025 & Beyond

In 2024, the rules of membership for public group self-insured programs like the Comp Alliance were expanded, making other types of public entities eligible to participate. Looking ahead to 2025, our team will work diligently with our Association Partners, NYAOT and NYCOM, and our agents and brokers to identify and seek out these entities.

We'll continue to offer the benefits that make us the premier option for workers' compensation insurance for public entities in New York State. Entities that join the Comp Alliance can expect superior service, consistent pricing with no payroll audits, multi-year policy options, varying safety resources, exceptional loss control services, and award programs that give back. We look forward to servicing a larger population of public entities in New York State.

2025



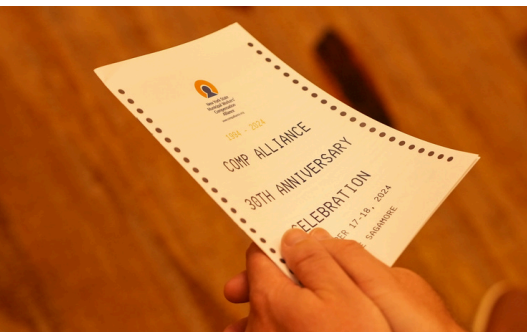
30TH ANNIVERSARY CELEBRATION

2024 marked the 30th anniversary of the Comp Alliance, and to commemorate this milestone, we invited our members to take part in a two-day training and member appreciation celebration. The theme of the event was building safe workplace cultures in our members' communities.

The event kicked off with a moving and impactful keynote address by Eric Giguere, who relayed to an enraptured audience his first-hand experience of not taking safety in the workplace seriously. In Eric's case, taking shortcuts on the job left him buried alive in a collapsed trench for 10 minutes. He re-lived the event, taking the audience through not just the emotional, mental and physical impacts the accident had on him, but also on his wife, family and co-workers.

The training continued with a presentation on the importance of building a culture of safety in the workplace, drawing on Eric's experience and the experience of the Comp Alliance risk management team and excess insurance partner. Following the training, our members were able to enjoy a celebratory dinner and have fun despite the Yankees' and Mets' best efforts to ruin the evening.

On Friday morning, we walked our members through the multitude of resources the Comp Alliance makes available to them to implement and create safety initiatives and wrapped up with a panel discussion of Comp Alliance members who, based on their questionnaire responses, received Safe Workplace Awards. Our panelists shared their best practices and innovations with the audience, helping all in attendance to improve safety in their workplace.



OUR PARTNERS

Throughout 2024, the Comp Alliance made a concerted effort to enhance its performance by leveraging its primary strength: Its relationships with its partners. Our partnerships are the foundation of our success, and the benefits derived therefrom directly impact our members.

The involvement of the Association of Towns of the State of New York (NYAOT) and the New York State Conference of Mayors (NYCOM) as sponsors and in governance of the Comp Alliance ensures that the Comp Alliance will always be in the best position to address the needs of its members. Through their participation in governance, both associations are actively involved in crafting the policies and decisions that drive our success. The application of the knowledge and experience that NYAOT and NYCOM have acquired is reflected in all aspects of the Comp Alliance's operations, and our members are well-served by the dedication that these two associations put into our program.

Since its inception, day-to-day operations of the Comp Alliance have been managed by Wright Risk Management, a company with a proven track record of meeting municipal and school insurance needs. Through a dedicated unit of marketing, loss control, underwriting and claims professionals, the Comp Alliance strives to offer superior service to its members.

While NYAOT, NYCOM and Wright Risk Management are the most visible of our partners, they are not our only ones. Our excess carrier (Midwest Employers Casualty Company), actuary (Sound Actuarial Consulting), auditors (Mengel, Metzger, Barr & Co. LLP), excess broker (Guy Carpenter) and asset manager (Nuveen Asset Management) all work diligently behind the scenes to make sure members of the Comp Alliance receive the best services and results possible.

Lastly, our long-standing relationships with the agents and brokers with whom we partner on a daily basis is a significant factor to our success. The brokers and agents ensure that the services discussed in this report are made available to all of our members, and that our members' needs are satisfied promptly.



CONGRATULATIONS

In April 2024, Association of Towns (NYAOT) Executive Director Gerry Geist retired following 12 years of service. As Executive Director, Gerry was a vocal advocate for New York State's 933 towns. His tenure as Executive Director was the culmination of a distinguished career in public service, which included serving 24 years as a Councilman in the Town of North Castle and as President of the Association of Towns in 2007.

Gerry was a long-standing Trustee of the Comp Alliance, joining the Board in 2011 and serving as its Chair from 2013 until his retirement in 2024. During this time, he oversaw the Comp Alliance as it grew its membership by more than 50 percent, introduced multi-year policies and strengthened its financial position. Most significantly, Gerry led the creation of the Comp Alliance's two award programs, which have returned over \$11 million in funding contributions to its members since 2019.

The Comp Alliance congratulates Gerry on his distinguished career in public service, and is appreciative of his contributions to Board of Trustees.



We are also pleased to welcome Christopher A. Koetzle to our Board of Trustees. Chris was appointed as a Trustee in January 2024 and subsequently as Chair of the Board upon the retirement of Gerry Geist.

Chris has spent a considerable portion of his career working in local government, serving the Town of Glenville for 17 years, including 15 years as Town Supervisor. An ardent supporter of Home Rule and fierce advocate for local governments, he served on the Association of Towns Executive Committee for seven years and was named Executive Director on May 1, 2024.

With Chris at the helm, the Comp Alliance looks forward to continuing its strong growth and fiscal stability while pursuing new and innovative initiatives to best serve the Comp Alliance's 370 members.

