



PERMA

2018 ANNUAL REPORT

Committed to your Community.

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Letter from the Interim Executive Director, Jerry Faiella

We entered the 2019 fiscal year with the PERMA Board participating in a two day strategic planning session to set out a five year program for organizational development and program growth. That session resulted in a series of goal statements and objectives that are guiding our administrative efforts to continually improve our product line and performance, maintaining PERMA as the leader in providing municipal worker's compensation service in New York.

The financial strength of PERMA continues to grow with our contribution level at \$62 million dollars and our total assets aligned to cover our claim reserve liability. The PERMA Board has set the goal of maintaining a 3:1 ratio of contribution to surplus and we anticipate meeting this goal at the end of our 2019 fiscal year. We continue to take a conservative approach to our long range investment planning and remain vigilant to monitor external economic conditions that may impact our returns.

PERMA's claims handling staff continue to set the benchmark for Worker's Compensation Board (WCB) compliance, exceeding the State average for the timely processing and payment of claims. PERMA continues to offer excellent training opportunities with on-site training scheduled throughout the state, our online PERMA Safety Institute and by webinar. With the demographic changes we see in our membership, we are looking at ways to improve our communication protocols and have a better presence on social media platforms to ensure everyone benefits from the information we disseminate. Our marketing team continues to advance PERMA's position in the field by aggressively pursuing new underwriting opportunities despite strong competition from the commercial market. What this is telling us is our membership remains loyal to PERMA and values the pro-active service benefits our long standing staff provide.

Our partnerships with the New York State Association of Counties (NYSAC), The New York State School Boards Association (NYSSBA) and the New York State Association of Fire Chiefs (NYS AFC) allow us to address the specific needs of our members and customize our service delivery protocols. This year, in partnership with NYS AFC, we received 24 applications for a PERMA sponsored grant program to assist fire departments and companies procure life safety equipment to reduce work related injuries.

Moving forward, PERMA reaffirms its commitment to our membership by providing a level of service unmatched by any competing organization in the State, thereby defining what makes us stand apart. We look forward in the coming year to increasing our engagement with our members, partners, and industry leaders and encourage you to participate in the new initiatives we are offering.

Jerry Faiella

Interim Executive Director

Balance Sheets May 31, 2018 and 2017

Assets	2018	2017
CURRENT ASSETS		
Cash and cash equivalents	\$8,381,295	\$7,818,559
Accrued interest receivable	592,549	525,564
Investments, at fair value	20,958,920	12,776,649
Other assets	1,054,138	853,561
Total current assets	<u>30,986,902</u>	<u>21,974,333</u>
NON-CURRENT ASSETS		
Investments, at fair value	158,428,169	141,209,474
Reinsurance recoverable on paid claims	2,378,218	3,397,663
Other assets	561,867	561,867
Capital assets, being depreciated	3,964,788	4,192,826
Capital assets, not being depreciated	1,400,000	1,400,000
	<u>166,733,042</u>	<u>150,761,830</u>
Total assets	<u>\$197,719,944</u>	<u>\$172,736,163</u>
Liabilities and Net Position		
CURRENT LIABILITIES		
Reserve for unpaid loss and loss adjustment expense, net	\$31,046,000	\$31,665,000
Unearned contributions	24,084,155	19,702,385
Accounts payable and accrued expenses	1,303,470	1,197,659
Total current liabilities	<u>56,433,625</u>	<u>52,565,044</u>
NON-CURRENT LIABILITIES		
Reserve for unpaid loss and loss adjustment expense, net	123,280,100	118,973,831
Total non-current liabilities	<u>123,280,100</u>	<u>118,973,831</u>
Total liabilities	<u>179,713,725</u>	<u>171,538,875</u>
NET POSITION		
Investment in capital assets	5,364,788	5,592,826
Unrestricted	12,641,431	(4,395,538)
Total net position	<u>18,006,219</u>	<u>1,197,288</u>
Total liabilities and net position	<u>\$197,719,944</u>	<u>\$172,736,163</u>

**Statements of Revenues, Expenses and Changes in Net Position
Years Ended May 31, 2018 and 2017**

Operating Revenues	2018	2017
Net earned contributions	\$62,016,917	\$58,922,002
Other income	335,363	457,182
Total operating revenues	<u>62,352,280</u>	<u>59,379,184</u>
Operating Expenses		
Provision for loss and loss adjustment expenses, net	34,472,251	36,999,711
Management fees	8,753,000	8,192,459
Agent commission expenses	3,030,844	2,911,570
Depreciation expense	452,597	599,720
Other general and administrative expenses	1,477,102	2,413,854
Total operating expenses	<u>48,185,794</u>	<u>51,117,314</u>
Operating gain	14,166,485	8,261,870
Non-Operating Revenues		
Net investment income	2,642,445	6,200,687
Total non-operating revenues	<u>2,642,445</u>	<u>6,200,687</u>
Change in net position	16,808,930	14,462,557
Net position, beginning of year	1,197,288	(13,265,269)
Net position, end of year	<u>\$18,006,219</u>	<u>\$1,197,288</u>

Statements prepared by Grant Thornton, LLP. Complete financial statements and accompanying notes are an integral part of the financial statements and are available from PERMA upon request.



P E R M A™

PUBLIC EMPLOYER RISK MANAGEMENT ASSOCIATION, INC.
P.O. Box 12250, Albany, NY 12212-2250

BOARD OF DIRECTORS

As of May 31, 2018

Stephen Altieri, Chair and President
Administrator, Town of Mamaroneck

Beth Hunt, Vice Chair
Treasurer, Hamilton County

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Deputy Clerk/Treasurer (retired),
Village of Kings Point

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Treasurer, City of Tonawanda

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Marcus Serrano
Administrator, City of Rye

Jack Wheeler
Manager, Steuben County

Stephen Acquario, Executive Director
New York State Association of Counties

Timothy Kremer, Executive Director
New York State School Boards Association

MANAGEMENT STAFF

Jerry Faiella
Interim Executive Director

Nick Gorgievski
Chief Financial Advisor

Karen G. Braman, CISR
Senior Director, Member Services

Alfred G. Campney
Senior Director, Underwriting & Marketing

Rich Hayes, WCP
Senior Director, Claims

Debbie Stickle
Senior Director, Data Analytics

Genie Mayo, RN, CCM, LNCC
Director, Medical Services

PERMA is a non-profit group self-insured workers' compensation provider for municipalities in New York State.

A roster of active members is available to PERMA members upon request. Individual member contributions are underwritten utilizing New York Compensation insurance Rating Board (NYCIRB), recommended loss costs, an experience modification factor (EMF), individual rates and surcharges, and are adjusted as appropriate to fund expected costs, including anticipated losses and administrative expenses. PERMA members benefit from a well-managed investment portfolio, which policy is approved annually by the PERMA Board of Directors.

PERMA is managed and staffed by Northeast Association Management, Inc.

Public Employer Risk Management Association, Inc. (PERMA), the largest self-insurance pool for public entities in New York State, has been administered by Northeast Association Management Inc. (NEAMI) since 1995. NEAMI, with its staff of approximately 80 professionals, provides claims management services, as well as nurse case management, risk management, coverage underwriting, and general member services. NEAMI was acquired by York Risk Services Group in 2017.

