

CEO's Corner:

Fall is arriving, but at work it is the season of the employee. Our team is focusing on being passionately curious by challenging the status quo, showing up for the OneNLC family, and looking for ways to have a positive impact on our Mutual and RISC communities.

New in this edition, we've asked Dan Smereck from SAA, our investment advisor, to share his thoughts on the economy and investing environment.

For those that will be attending, we look forward to seeing you in October at the NLC-RISC Staff Conference in Austin!

Underwriting & Actuarial

Our newly expanded Underwriting team has hit the ground running with a series of new projects and a review of our processes. In addition to improving and streamlining our internal procedures, we are updating our applications for renewal and new business, investigating property valuation tools to bring to our members, and exploring the possibility of a Property retrocession. In the meantime, if there are any opportunities to expand our partnership or participation with your pool, please don't hesitate to let us know!

Technology

Work on our new claims, accounting, and UW system continues. It allows the company to examine legacy workflows and re-engineer processes in a more efficient manner, allowing us to better serve our members. The NLC Mutual Insights program also welcomed Nebraska as the 21st participant! The unique approach to data analytics that each new state brings enhances the overall environment. In addition, newly developed "Member Scorecards" and geographical analyses with Flexmap continue to grow this program and be a valuable benefit to the membership.

Economy & Investments

Current investment markets are challenging! Stripping away aggravating supply chain issues, the world continues to adapt to the ongoing effects of the pandemic. While supply chains will resolve themselves over time, the impact of persistent inflation remains a significant global concern.

With the Federal Reserve's aggressive stance and actions thus far to quash inflation (i.e. reduce aggregate consumer demand), it's shaping up for fixed income investors to experience back-to-back years of negative total returns. For perspective, the most recent period when this occurred was 1958-59. Equity markets remain volatile and sensitive to headline risk even though corporate earnings growth has been positive for 2021/2022. Falling equity market values are driven by declining price-to-earnings multiples as markets grapple with the likelihood of recession (technically, we're in one) and the impact higher yields have overall on economic growth.

However, rising yields will benefit fixed income investors (such as Mutual) as new monies and maturities are reinvested at higher yields producing more investment income to support liability coverage pricing longer-term.

Racial Equity Spotlight

The **NLC Mutual & NLC-RISC Racial Equity Advisory Group (REAG)** continues to work on new projects to advance racial equity within public entity pooling.

A survey was recently sent out to analyze existing racial equity programs and initiatives within our membership. Results from the survey will help us build resources to better serve our member organizations.

Racial Equity Resources have now been added to both the [NLC-RISC](#) and [NLC Mutual](#) websites. If you or your organization has resources that you would like to share, please contact Lena Scarpulla.

Finally, a **Racial Equity Workshop** will be hosted by Rochelle Rosato, Inclusion, Diversity and Belonging Leader at Marsh McLennan at the NLC-RISC Staff Conference on Monday, October 17th.



2021 Annual Report

Our 2021 Annual Report has been delivered! If you haven't received a copy or would like additional ones, please let us know. If you have suggestions or comments about the Report, this newsletter, or any topic, please reach out. We always look forward to hearing from you!