

## CEO's Corner:

As we close the 1st Quarter, we are proud of our 2022 results and have begun the year focused on internal processes and member services. We are coming into the home stretch with our new internal system, called 'Maverick', which we are all very excited about. Our cyber pilot is close to kicking off as a co-branded Mutual & RISC offering and we continue to offer policy reviews to our members.

We have been in close contact with our investment advisors regarding the recent banking failures and remain comfortable with the deposit quality and funding flexibility of our bank holdings at this time.

Thank you for your support, we look forward to continue working with you!

## Actuarial & Underwriting

The Underwriting team is hard at work implementing more efficient technologies, processes, and procedures. This includes testing the Underwriting module of our new proprietary software, a new internal Property valuation tool, and reviewing our standard coverage language to ensure contract certainty. We have also enhanced our pricing framework for liability over the past few months, with a new exposure rating model that allows us to capture exposure and experience pricing that is specific to certain risks, rather than taking a one-size-fits-all approach across sub-lines. As an additional service for our members, we are offering to have your pools' Memorandum of Coverage reviewed by a national law firm. Several members have already taken advantage of this. If you are interested and would like to learn more, please reach out!

## Technology

Mutual staff is heavily involved to ensure the successful first quarter launch of "Maverick", the new claims and underwriting system. This system was custom developed from the ground-up for NLC Mutual. Maverick is a major technological leap forward and will continue to be enhanced to grow with the company. In NLC Mutual Insights news, there are now 21 participating members which represent 232 users. 174 Domo cards were created in the 1st quarter with 22 virtual meetings between members and our Mutual data strategy team.

## Economy & Investments

Nothing like a good 'ole bank run to move the spotlight briefly away from inflation. Silicon Valley Bank (SVB) had already been a regulatory concern since their demand deposit base tripled over the past three years and was largely comprised of highly volatility, venture capital operating funds. SVB management then invested much of these deposits into longer-maturity securities creating an asset/liability mismatch made sharply acute by 2022 rate increases that ultimately led to the bank's failure on March 10th and subsequent actions of the US Treasury, the Fed and the FDIC on March 12th to address the crisis and broader systemic concerns emerging across the banking sector. Since March 10, the S&P 500 is down 5%, but remains up almost 4% YTD.

Looking ahead: unless there is a material change in the data driving Fed policy, expect the Fed to remain committed to inflation-fighting rate hikes.

## Racial Equity Spotlight

The **Racial Equity Advisory Group (REAG)** continues to work on projects to advance racial equity within public entity pooling. A new survey to analyze existing racial equity programs and initiatives within our membership was shared. We hope to share results by mid-June.

**Racial Equity Resources** are available on the [NLC-RISC](#) and [NLC Mutual](#) websites. Please contact Lena if you have resources to share!

A **Racial Equity** session focused on diversity in the insurance industry will be at the 2023 NLC-RISC Trustees Conference. We hope to see you in Portland this May!

### Need something new to watch?

[Watch films that celebrate Black America.](#)

### Need something new to read?

[Explore the Racial Justice, Racial Equity, and Anti-Racism Reading List from the Harvard Kennedy School.](#)



## [NLC-RISC Trustees Conference](#)

Please be sure to register and secure your hotel reservations prior to the **April 18th** deadline. The conference will be held in Portland, Oregon from May 10 - 12 at the Marriott Portland Downtown Waterfront Hotel. To learn more about the conference, explore the event page [here](#).