RPA
RISK PROGRAM ADMINISTRATORS

POOLING 101

What is a pool?

When the marketplace does not have insurance options to meet a group's specific needs (no willing insurer, sky-high premiums, meager coverage, terrible service, etc.), the group can come together to form a risk-sharing arrangement to finance and pay claims in a shared risk pool.

The pool contains and stabilizes long-term costs, reduces risks, and increases member safety. In short, the pool provides holistic risk management, not just insurance as a commodity.

Benefits of Pooling

Financial stability

- Predictable, sustainable contributions for coverage year-over-year, not the dramatic price swings more common in the profit-driven commercial insurance market.
- Potential to accumulate surplus for members (not private shareholders). Surplus can protect against catastrophic losses, help keep rates low, and fund special risk reduction programs.
- Permitted to invest resources to produce additional income.

Tailored coverage

- Access to coverages, term limits, and services needed for critical business functions. Often includes less-typical risks not covered favorably by traditional carriers.
- Innovations for evolving risks to help members manage operations.
- Specialized claims handling and service when coverage is triggered.

Risk management collaboration

- Member-created, member-owned, and member-focused. In short, members have a powerful voice in determining what the program does.
- Help create, foster, and manage safe environments among members in order to minimize personal, physical, and property damages and losses.
- Invest in loss prevention and member education rather than just paying claims.

Let's Connect

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