

December 1, 2010

RE: MIIA Board Approves \$2.5M in Additional Participation Credits for Fiscal Year 2011

Dear MIIA Member:

It is our pleasure to inform you that the MIIA Property & Casualty Board voted to award \$2,500,000 in additional Participation Credits for fiscal year 2011. Participation credits were initiated several years ago as a way of rewarding Members for long-term commitment to the principles of risk management and loss prevention that are the foundation of the MIIA programs. The longer a member participates, the higher the credit. Recognizing the difficult fiscal environment facing cities and towns, the MIIA Board and management are committed to providing needed financial relief to our members while maintaining the long-term financial stability of the program. MIIA's actuaries undertook a thorough analysis and the release of these credits is consistent with sound financial targets for the program. A credit statement will be sent to you shortly indicating your share of the overall participation credit.

We are also pleased to announce funding for a second round of loss control grants. The Board approved \$225,000 in funding for the current fiscal year. The program is designed to encourage members to engage in loss prevention and risk management practices. This latest round of funding will emphasize loss control activities in the DPW departments and include funding for organization development activities. Look for more details on the program in a forthcoming mailing.

At MIIA, we continually look for ways to provide our members with tools to manage costs, and we constantly examine ways to better manage the costs of the services that we offer to our members. To that end, we recently undertook a review of the EAP services to determine if we could provide those services in a more effective manner. Currently, employees can avail themselves of up to six face-to-face visits with an EAP provider at no cost to either the employee or the member. MIIA will continue to offer the services at no cost to the member, however, we will be changing how individuals access the EAP service provider beyond the initial three sessions. Individuals will be able to access additional visits with approval of AllOne, your EAP service provider, if it is determined that a limited number of additional visits will benefit the individual. We will be sending information on this change under a separate mailing.

We are pleased to provide you with these additional benefits and cost-saving tools at a time when so many of you are in need of additional resources. We greatly appreciate your support and continued commitment to MIIA.

Sincerely,



Geoff Beckwith
President



Stanley Corcoran
Executive Vice President