

# CARING COMMUNITIES



# TOP DRAWER



## Summer 2015

- Member Spotlight: Lifespace Communities
- 2015 Caring Communities Spring Education Series
- Incident Reporting as a Risk Management Tool
- Risk Management by Design: Strengthening a Culture of Safety from Bedside to Boardroom
- The Importance of Strong Reinsurer Relationships
- Financial Summary
- Upcoming Events



G. James Caldwell  
President & Chief Executive Officer

## On the Cover

Left: Laura Lamb, Executive Vice President, Episcopal Retirement Homes

Right: Steve Rinkle, General Counsel, Pacific Retirement Services

## DEAR CARING COMMUNITIES' MEMBERS AND FRIENDS,

Caring Communities began creating risk management resources nearly 15 years ago, and we continue to develop, improve and implement these resources in close concert with our Members.

Our development work has always been enhanced by the participation of our Members and their representatives on our Board and Committees. The commitment to risk management by everyone associated with Caring Communities is extraordinary.

We started our risk management efforts by gaining a thorough understanding of what is meant by a "Culture of Safety." This element of organizational culture is so crucial that it needs to become natural, or "second nature," for a risk management system to succeed.

Today, the composition of comprehensive risk management resources—combined with organizational and individual commitment, leadership and daily practice—constitute an effective system: a set of interdependent resource components, each for a purpose, each supporting the other, and each part forming an integrated whole.

However, numerous responsibilities can sometimes cause us to lose sight of the many interdependencies of our actions and the fact that most of what we do is part of an "ecology." That is, we may at times be drawn to focus solely on the distinct parts: filling out forms, entering data, answering e-mails, scheduling and attending meetings, and so on.

Therefore, Caring Communities has adopted a theme called "Risk Management by Design." Over the years, we have recognized that our many risk management resources have indeed become more than just a "program." "By Design" means directing resources and support to Members so that their maturing risk-management "systems" continue to advance, ultimately transforming into an "ecology."

In the coming months, Caring Communities' Management and Board will continue working to advance our strategy: Growing our core business and developing new models for ***growth in related areas that draw upon our skills and resources***. We are best at evaluating, underwriting and managing risk, and at preventing and managing claims. Still, ***we will develop more precise internal and external performance measures***, not only to improve our abilities, but also to reveal opportunities for improving. Our most important measures will positively impact the value Members receive by their association with Caring Communities.

In closing, we all extend our appreciation and gratitude for your time and commitment to Caring Communities. We look forward to seeing you soon!

Sincerely,

A handwritten signature in black ink that reads "G. James Caldwell". The signature is written in a cursive, flowing style.

## LIFESPACE COMMUNITIES

## CREATING A SENSE OF HOME BY FOCUSING ON HOSPITALITY

Visitors entering a Lifespace community are likely to feel at home immediately. The surroundings are elegant but comfortable; the enthusiastic greetings are genuine. However, look and listen more closely: You'll likely see and hear things that will make you wonder if you're in a senior-living community—or a five-star hotel.

This "hotel feel" is deliberate. To Sloan Bentley, President and CEO of Lifespace Communities, hospitality is a critical component of the resident experience in senior living. Although the trend is not a new one, it has become magnified—in large part because of residents' expectations.

"Residents and future residents are and will be looking for so much more than housing and care and a meal plan," Bentley says. "Life is about the experiences you have, and we're here to create memorable experiences. A hospitality emphasis enhances those experiences."

In the past several months, Lifespace has hired two executive directors whose educational and professional experiences are hospitality-related. David Miller, Executive Director at Friendship Village of Bloomington in the Minneapolis metropolitan area, and Steve Miller (no relation), Executive Director at Harbour's Edge in Delray Beach, Florida, spent decades managing top-tier hotels. Both decided to make a career switch because they felt their experiences would translate seamlessly to senior living.

David Miller managed the renowned Saint Paul Hotel. "The premise is the same," he says, "but a primary difference between hotel management and senior living is that our guests don't leave, so it's even more critical to provide that exemplary level of service."

"If you have a hotel guest who's not satisfied, you do everything you can to make things right, and then you make sure the same mistakes don't happen with the next person. But when we have a resident who isn't satisfied, we are impacting that person's home. It's even more critical that we get things right the first time, and that we keep getting them right."

Steve Miller, who managed an international chain of restaurants and resorts, calls senior-living management "hospitality on steroids."

"If your background and personality are suited to hospitality, senior living is the perfect venue in which to practice what you love, because the need to create a great experience is there 24/7; it's about attention to detail, but it's also about having a heart for what you do," Miller says.

"What it really comes down to is that this isn't just a guest experience. It's a home to hundreds of people, so the stakes are much higher. It's a tremendous responsibility, but if we do things right, the rewards for the residents are tremendous as well." ■

To learn more about Lifespace Communities, its culture of hospitality and the vibrant, active seniors it serves, visit [lifespacecommunities.com](http://lifespacecommunities.com).

LIFESPACE  
COMMUNITIES

*Sloan Bentley, President & CEO of Lifespace, visits with residents during one of their many social activities*

## 2015 CARING COMMUNITIES SPRING EDUCATION SERIES

by Mimi McCahill, JD, RN, Vice President of Risk Management, Caring Communities



The theme of the 2015 Caring Communities Annual Spring Education Series was “Risk Management by Design: Root Cause Analysis Boot Camp—Skills for Stronger Risk and QAPI Processes.”

The boot camp was offered to help Members develop and practice professional and organizational skills in order to make better decisions through systems-based root cause analysis (RCA). A hands-on, interactive roundtable training, the boot camp was created to provide Members with the tools and experience to conduct thorough and effective RCAs. These skills will assist Members to move beyond symptom management and instead institute system-wide prevention-focused performance improvement.

The Spring Education Series is consistently attended by a diverse group of Caring Communities and Peace Church Risk Retention Group Members, coming from various management and clinical backgrounds, all of whom share their unique experiences, challenges and successes within the aging services field. This year more than 215 Member attendees, ranging from Campus Risk Managers to Directors of Nursing, attended the two-day sessions held in San Francisco, Chicago and Plymouth Meeting, PA.



On the first day, attendees had a brief overview of the organizational building blocks necessary for a thorough RCA, including *Just Culture*; *Error Prevention Processes*; *Effective Monitoring and Reporting*; and *Unbiased Event Investigation*. Next, the focus turned to the four essential elements of a thorough RCA, including: the role of the facilitator; effective event management and investigation; event analysis techniques and tools; and developing and monitoring corrective actions.

The second day included break-out sessions where attendees were given case studies—derived from actual events—and the opportunity to complete a root cause analysis. Each group completed an event analysis that included an investigation, problem statement, root causes and contributing factors, improvement recommendations and measures of effectiveness. Through these case study exercises, attendees learned to identify human errors that contribute to adverse events, develop strategies to mitigate an identified cause of the event, and understand the critical impact of RCAs to the long-term performance of each Member’s organization.

Tremendously well received, evaluations of this year’s series included many positive and enthusiastic comments about both the first day’s RCA education session and the second day’s roundtable breakout sessions. Signifying a successful Spring Education Series, the common theme from the evaluations was that Members felt they could take the RCA training and implement the practice as a part of their Risk Management System. ■

# NATIONAL AGING SERVICES RISK MANAGEMENT (NASRM) CONFERENCE

October 7-9, 2015 | Chicago, IL  
DoubleTree by Hilton™ | Chicago—Magnificent Mile



## ABOUT NASRM

The annual National Aging Services Risk Management (NASRM) conference educates attendees on quality, risk management, and culture of safety in long-term care, senior care and housing, and aging services organizations. Caring Communities Reciprocal Risk Retention Group (CCrRRG) and the Peace Church Risk Retention Group (PCRRG), in conjunction with ECRI Institute, explore and disseminate best practices for aging services providers in identifying and managing risks, becoming a high-reliability organization, and fostering a culture of safety.

## NASRM 2015

This year's National Aging Services Risk Management (NASRM) conference will be held October 7-9, 2015 in Chicago, IL and the conference theme is **Risk Management by Design: A systems perspective on risk, quality, and a culture of safety.**

Presentations will spotlight contemporary risk management, quality assurance and performance improvement (QAPI), and culture of safety topics influencing today's senior housing and aging services providers.

**\*NEW Addition to the 2015 NASRM Conference—concurrent sessions will be added on Thursday afternoon! Information will be included with the conference registration later this summer.**

### Pre-conference workshops on Wednesday, October 7, 2015 include:

- ▷ Risk and Claims Management 101—prerequisite for new risk managers if not previously taken
- ▷ Writing a QAPI Plan **\*New Workshop\***
- ▷ Data to Information: Analyzing data with Excel Pivot Tables and Creating Effective Reports

### Main conference topics on October 8-9, 2015 include:

- ▷ Just Culture: non-punitive and accountable organizational cultures
- ▷ Independent Living Discussion Panel: Duty of Care in Senior Housing and Independent Living
- ▷ Emerging Risks in Health Information Technology (HIT) and EHRs
- ▷ Alzheimer's research update
- ▷ Falls Management
- ▷ Managing your CMS 5-Star Rating
- ▷ **Closing Keynote: Culture of Safety**

To Learn More Contact Mary Spencer at:

#### MAIL:

1850 W. Winchester Road  
Suite 109  
Libertyville, IL 60048

#### EMAIL:

m Spencer@caringcomm.org  
Subject: NASRM 2015 Annual Conference

#### FAX:

(847) 549-8095  
Attn: Mary Spencer  
Subject: NASRM 2015 Annual Conference







Early reporting allows the Risk Manager to use his or her unique skills to address the incident in question and to work to prevent further incidents.

## INCIDENT REPORTING AS A RISK MANAGEMENT TOOL

by Laura Lally, JD, Vice President & Chief Claims Officer, Caring Communities

The Members of Caring Communities and Peace Church Risk Retention Groups (RRGs), along with Caring Communities Claims and Risk Management staff, have developed a reporting philosophy calling for the early identification and reporting of incidents.

This philosophy has been embraced by both the Board of Directors and Caring Communities staff. Reporting incidents notifies the Claims and Risk Management staff of potential litigation and emerging trends. It validates that each Member's Risk Manager is aware of the incident and helps identify potential areas for additional education.

Reports should be made within seven days of the occurrence of the incident. There are several purposes served through early reporting. Early reporting requires the Member's Risk Manager to review and evaluate incidents as they are occurring. The goal is to allow the Risk Manager to use his or her unique skills to address the incident in question and to work to prevent further incidents.

Early involvement of the Member's Risk Manager allows the Risk Manager to assist with the investigation. The Risk Manager typically has the benefit of training on incident stabilization and investigation. He or she may wish to interview witnesses, examine the scene or sequester the equipment involved in the incident.

Risk Managers frequently become involved when there is a widespread concern, the injury is serious or the resident/family becomes upset. Early involvement and reporting conveys to the resident, the family, the staff, and to Caring Communities' Risk and Claims Management that the Member is aware of untoward events and is working to remedy them.

Submitted incidents are reviewed daily by both the Caring Communities' Claim and Risk Management staff. Advice,

concerns and trends are frequently conveyed to Members based upon these reports. This advice may be as simple as explaining how to comply with a records request or discussing the organization's response to a particular incident. Repeated trends are evaluated for potential educational opportunities for that particular Member.

The incident reports can also be used by each Member's Risk Manager to identify trends, e.g., at the location/campus, time of day, level of care, etc. Members are able to search the incidents submitted through Trinisys or can request loss runs that are completed each quarter. A regular review of the submitted incidents is one way to obtain an overarching view of the challenges faced by each Member's organization.

Incident reports do not result in punitive action against Members making the reports. There is no penalty for frequent reports. Reserves are not set on a reported incident unless there is a demand for compensation, a lawsuit or attorney involvement. Likewise, premiums are not calculated using reported incident data. Incidents are closed after one year if there is no further activity on them.

Incidents to be reported include:

- Falls, medication events or unusual occurrences resulting in serious injury or death
- All elopements
- All suicides
- Stage III and IV decubitus ulcers that develop on site



A regular review of the submitted incidents is one way to obtain an overarching view of the challenges faced by each Member's organization.

- Regulatory violations citing clinical care or service violations of a level F and above
- Requests for medical records addressing the care of a resident
- Accidents with injury, to visitors or contract employees, requiring medical treatment
- Demands for compensation
- Lawsuits
- Unusual occurrences that the Member believes could potentially lead to a demand for compensation

Incident reports are submitted electronically. A claim number is assigned for each report submitted. Once an incident has been

submitted, the Risk Manager updates its Caring Communities' claim professional regarding the incident. Updates might include results of an investigation, a significant change in the resident's condition or involvement of an attorney. These updates are sent by email and reference the claim number assigned when the incident was reported.

Submitting timely incident reports helps both the Member and Caring Communities' Claims and Risk Management staff evaluate and respond to current incidents and emerging trends. The Members of Caring Communities and Peace Church Risk Retention Group have agreed to implement proven risk management practices. Timely, thorough incident reporting helps to further this goal. ■

Safety cultures can realize better and more consistent performance by including all vested stakeholders—board members, employees, residents, families and visitors.

## RISK MANAGEMENT BY DESIGN

### STRENGTHENING A CULTURE OF SAFETY FROM BEDSIDE TO BOARDROOM

by Victor Lane Rose, MBA, NHA, CPASRM

Operations Manager, PSRQ—Aging Services, ECRI Institute

A culture of safety can be difficult to define, let alone create. However, there are steps that aging services Risk Managers can take to help develop and reinforce strong organizational cultures that promote safety-centric behaviors.

#### Include all stakeholders

While many aging services providers emphasize safety behaviors with employees, these efforts often achieve limited results. Safety cultures can realize better and more consistent performance by including all vested stakeholders—board members, employees, residents, families and visitors. A safety culture regularly encourages safe—and discourages unsafe—acts when the culture is shared among all vested stakeholders.

#### Expand your definition of leader

While today's safety literature often identifies the important role that formal leaders play, it sometimes overlooks the equally vital role that informal organizational leaders play in shaping and maintaining an organization's culture.

Informal leaders are leaders others follow because they have earned personal power, even without a designated position of authority within the organization. Personal power can come from one's personality, expertise, job experience or a combination of these factors that earns the respect of others.

Remember, informal leaders can exist in all stakeholder groups. Their participation in planning and implementation efforts can help overcome resistance to change, increase ownership and accountability, and help to operationalize new behaviors into daily organizational life.

#### Design organization practices for success

Begin with your organization's mission, vision and core values. Identify direct links between safety and purpose, describing these connections tangibly and demonstrating benefits to all stakeholders—individual and organizational.

Benefits include:

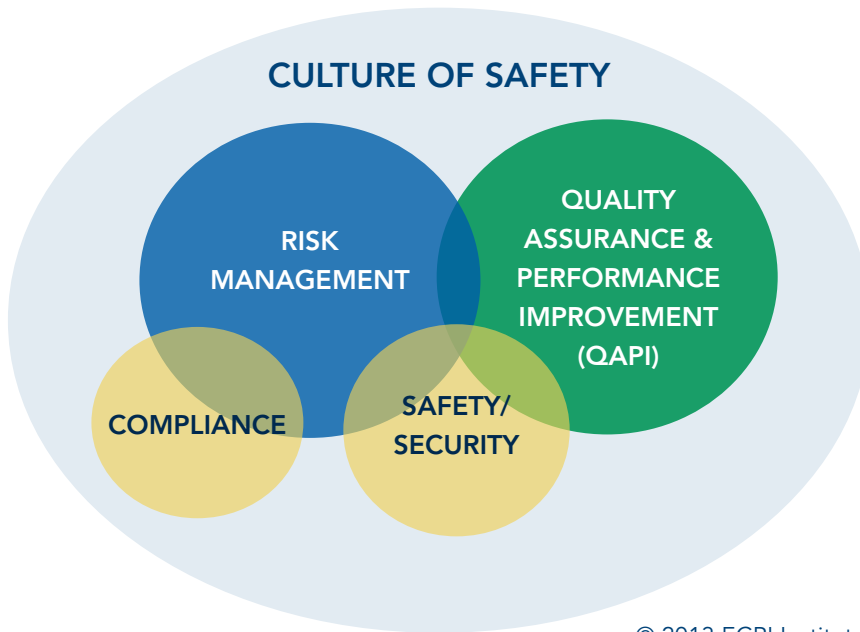
- Fewer and less severe professional and general liability claims, which decrease premiums, resident injury losses and litigation costs
- Fewer and less severe worker's compensation claims, which decrease premiums, employee injury losses and time-lost costs
- Fewer and less severe property claims, which decrease premiums, injury losses, plant management costs and building-repair costs
- Higher occupancies and revenues resulting from the increased quality of life for all residents

Once redesigned, safety will underlie each organizational process as it relates to the daily execution of all tasks

#### Employee strategies

Avoid a culture that addresses safety only as part of a disciplinary process. While these methods may curb some individual unsafe acts, they fail to create a safety culture that values and rewards collective





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By using a systems-thinking approach, today's aging services providers can fluidly respond to existing and emerging risks faced every day.

safety behaviors, because there are no identifiable benefits to doing the right thing for the right reason—only to avoid doing the wrong thing.

Instead, include safety-specific responsibilities in every department's job descriptions, building individual and organization-wide accountability to act in a safe manner and respond to unsafe acts and conditions. These responsibilities should be clearly written and include instructions to:

- Report identified hazards or hazardous conditions to a supervisor immediately
- Report adverse events and near misses to a supervisor immediately
- Complete and submit a work order to address a hazardous or unsafe condition immediately

Once incorporated into job design, adopt these expectations into performance appraisal and reward processes, thereby evaluating and rewarding performance with safety-based standards. This approach creates common safety expectations for employees and supervisors, enhancing coaching techniques and outcomes when

desired safety behaviors are absent from performance.

#### Resident strategies

Include reporting practices and safety expectations in resident handbooks, communicating the shared financial benefits for all and the improvements to the quality of life and care. At admission and throughout residency, discuss with residents and families how honoring those responsibilities benefits the whole organization. Again, be specific, describing how shared safety behaviors help to control costs and therefore rates and future rate increases for care and services.

#### Risk management by design—bedside to the boardroom

By using a systems-thinking approach that integrates people, processes and performance with a strong culture of safety, today's aging services providers can fluidly respond to existing and emerging risks faced every day. It helps to increase vigilance, accountability and safety-oriented behaviors. Additionally, systems-based risk management can better position the organization for high reliability, resilience and financial success. ■

The reinsurers supporting Caring Communities' program count Caring Communities as one of their core and trusted partners.

## THE IMPORTANCE OF STRONG REINSURER RELATIONSHIPS

by Sean M. McDermott, Sr. Vice President of BMS Intermediaries, Inc.

Trust, the cornerstone of all strong relationships, both personal and professional, is developed from a full understanding of each party's goals, motivations and desires.

It is strengthened over time by open lines of communication and a history of adhering to commitments made.

The insurer/reinsurer relationship is based on "utmost good faith," a concept requiring a duty to make full disclosures of all material facts. A reinsurer relies on these disclosures so much so that it agrees to expose its balance sheet to unpredictable and possibly even severe loss amounts, and allow the insurer to bind risks without interference and to settle claims in a manner it deems fit, essentially "following the fortunes" of how the insurer manages its affairs.

Such deep understandings enable a reinsurer and insurer to endure all market cycles, even when the availability of reinsurance is at a low point and pricing of reinsurance is at a high point. The strongest relationships are always given a priority by the reinsurer assigning a status to that client

as a "core client." Such a status, and the trust that goes with it, allows the reinsurer to more easily and quickly support new products and layers of coverage.

It should be remembered that a reinsurer will decide to support an insurance company only after careful evaluation of the nature of the underlying risks within a portfolio, the underwriting methods, the pricing parameters, the claim-management philosophies, risk-management practices as well as its assessment of the ethical standards of the company.

These aspects of its evaluation are soft elements, and they occur before a reinsurer delves into the hard elements, such as prior loss history, limit profiles, actuarially derived expected losses and the risk/reward of the reinsurance premium charges. Reinsurers conduct their soft analysis by reviewing an insurance company's guidelines,

*From left: Caring Communities Board of Directors and Committee members Steve McAlilly, CEO of Methodist Senior Services; Pam Claassen, Senior Vice President and CFO of American Baptist Homes of the West; and Dan Rexroth, President & CEO of John Knox Village, outside of Hannover RE in London, England*





*Caring Communities Vice President and Chief Underwriting Officer Rhonda Gentrup visits Matt Durcan (far left) and Ian Sawyer of the Lloyd's Syndicate–XL Catlin at world renowned Lloyd's of London*

understanding a company's business plan, as well as vetting the expertise of management and staff to judge whether they are able to execute their plans ... and be trusted partners.

There are numerous occasions whereby a reinsurer does not even get to the hard analysis in the review process, declining a reinsurance opportunity based solely on the soft factors. Most often this decision is based on a lack of trust in a company's reinsurance purchasing motivation and a belief that a strong, long-term relationship might be hard to achieve.

Since severe loss activity is random and, despite best efforts, pricing is not an exact science, a reinsurer needs to have confidence that it will be able to continue to trade through difficult loss periods, without contending with a relationship that is opportunistic.

When an insurance company enters into a relationship with its reinsurers, the reinsurance agreement states that it will pay a premium to fund the reinsurer's expected losses over time and the reinsurer will indemnify the company when it has a

loss. The insurance company places a huge amount of trust on its reinsurer that it will pay its obligations in a timely fashion.

Working in concert with its reinsurance intermediaries, Caring Communities' Management Team and Board Members have taken great efforts since its formation to foster open communication with its reinsurers and establish strong relationships. This has been accomplished through face-to-face discussions at renewal time, as well as at reinsurance industry conferences and on-site visits when reinsurers review underwriting and claim files.

Although the time and effort to establish and maintain a strong relationship is great, Caring Communities and all of its Members have reaped the benefit of long-term, stable reinsurance partnerships. Caring Communities' reinsurers appreciate the efforts taken to ensure open dialogue, and they always look forward to each dialogue.

The reinsurers supporting Caring Communities' program count Caring Communities as one of their core and trusted partners. ■

## MEMBER PROPERTY, AUTO & CYBER LIABILITY INSURANCE PROGRAMS

### PROPERTY ■

- \$500,000,000 per loss limit
- A+ A.M. Best Rated Insurer
- Enhanced risk control engineering
- No shared deductible
- Competitive rates
- Terms and conditions developed exclusively for senior care and housing providers

### AUTO ■

- A+ A.M. Best Rated Insurer
- Competitive Rates
- Fleet Safety Tools

### CYBERLIABILITY ■

- Optional policy limits of \$1M or \$2M
- Common policy coverage

#### First Party

- Business interruption—loss of revenue
- Data replacement and system rectification costs
- Public relations expenses to re-establish reputation
- Money paid to cyber extortionist

#### Third Party

- Damage and expenses to which an insured becomes legally obligated to pay following a covered policy trigger, including fines and penalties, where permissible by law

If you are interested in a no-obligation proposal, please contact Ashur Odishoo at [aodishoo@caringcomm.org](mailto:aodishoo@caringcomm.org).

## CARING COMMUNITIES FINANCIAL SUMMARY

First Half 2015

This report, covering the first half of 2015, highlights the results of the Caring Communities Group: Caring Communities, a Reciprocal Risk Retention Group; Caring Communities Insurance Company; and Caring Communities Shared Services.

Despite continuing low interest rates, our investment portfolio totaling \$80.8 million is doing well, up from \$76.7 million at June 30, 2014. During the 1st quarter of 2015, in an effort to boost investment income, we invested additional cash into our core fixed-income securities, higher yielding mutual funds and equity mutual fund. The portfolio has yielded net investment income of \$908,000 this year, more than \$56,000 greater than that of June 30, 2014.

We continue to pursue strategies to increase our investment income while still preserving the portfolio values. The total portfolio (a composite of fixed income and equities) slightly underperformed the blended benchmark by 0.02%, but has increased 0.85% year-to-date. The core fixed income portfolio returned -0.71% in the second quarter compared to the -0.67% return of the Barclays Intermediate Aggregate Bond Index. Over the previous 5 years, this portfolio has outperformed the Barclays Intermediate Aggregate Bond Index by 22 basis points. The two higher yielding portfolios, funded in 2014, slightly underperformed benchmarks, but are contributing nicely to our increased investment income. The equity portfolio performed well during the second quarter, returning 0.58% compared to its benchmark, the Morgan Stanley Capital International All Country World Index (MSCI ACWI) return of 0.35%. Since inception, the equity portfolio return of 14.68% has outperformed the benchmark return by 3.2% on an annualized basis.

Premiums earned for the organization increased for the six months ending June 30, 2015, as compared to 2014, due to the addition of two new Members in the second half of 2014. Gross Premiums Written were approximately \$22.7 million at June 30, 2015, up from \$21.7 million at June 30, 2014. Due to new premiums written and increased investment income in 2015, our total revenues have increased by 7.4% as compared to a year ago.

Over the past year, we have experienced an increase in claim payments, causing us to enhance our risk-management strategies. Although our loss ratio continues to be low in relation to our peers, we continue to look into ways to reduce those events that lead to losses. We also project that loss and expense ratios are expected to be favorable for the 2015 year.

The Caring Communities organization has continued its profitability into the second quarter of 2015. Year-to-date net income of almost \$600,000 has been allocated to the Member Savings Accounts (MSAs). The year-to-date allocations to MSAs are estimates, as they were in 2014. The final allocations will be determined during the fourth quarter of 2015.

We continue to show a strong financial position with profitable results, and expect this to continue through 2015.

With very best regards,

**Chad C. Swigert**

*Vice President/Chief Financial Officer  
Caring Communities*



## CONSOLIDATED BALANCE SHEETS

June 30, 2015 & 2014

Assets	2015	2014
Cash & cash equivalents	\$10,216,104	\$12,951,445
Investments, at fair value	\$70,640,505	\$63,797,303
Reinsurance recoverable	\$13,134,096	\$13,713,175
Reinsurance recoverable on losses payable	\$193,498	—
Prepaid ceded premium	\$3,744,972	\$3,131,972
Premium & other accounts receivable	\$6,495,916	\$6,869,024
Interest receivable	\$450,452	\$462,582
Property & equipment	\$1,629,039	\$1,694,281
Deferred income tax asset	\$839,760	\$114,460
Income tax receivable	\$149,689	\$141,785
Other assets	\$1,298,415	\$951,939
<b>Total assets</b>	<b>\$108,792,446</b>	<b>\$103,827,966</b>

## Liabilities & Subscribers' Equity

Liabilities	2015	2014
Unpaid losses & loss adjustment expenses	\$42,081,867	\$43,284,196
Profit contingent & swing rate reserves	\$2,119,063	\$2,499,464
Reinsurance premium payable	\$599,439	\$74,786
Losses payable	\$651,060	\$704,685
Accounts payable & accrued expenses	\$2,664,836	\$2,264,683
Unearned premium	\$12,102,140	\$10,929,115
Unearned ceding commission	\$910,771	\$782,253
<b>Total liabilities</b>	<b>\$61,129,176</b>	<b>\$60,539,182</b>

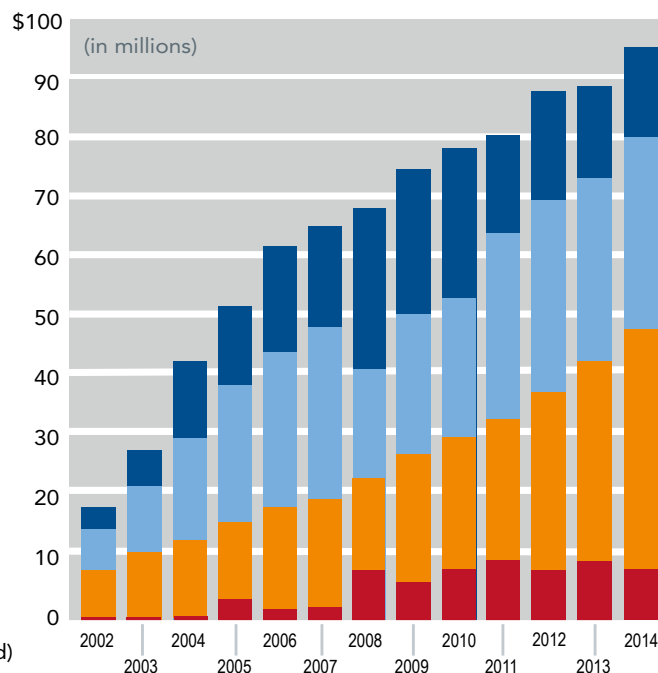
Subscribers' equity	2015	2014
Contributed surplus	\$16,023,910	\$14,726,949
Unassigned surplus	\$9,239,924	\$9,114,557
Subscriber savings accounts	\$19,802,640	\$16,018,361
Accumulated other comprehensive income	\$2,596,796	\$3,428,917
<b>Total subscribers' equity</b>	<b>\$47,663,270</b>	<b>\$43,288,784</b>
<b>Total liabilities &amp; subscribers' equity</b>	<b>\$108,792,446</b>	<b>\$103,827,966</b>

## CONSOLIDATED STATEMENTS OF OPERATIONS

For the six months ended June 30, 2015 & 2014

Revenue	2015	2014
Premiums earned	\$8,357,158	\$7,797,150
Ceding commission earned	\$910,772	\$782,252
Profit contingent & swing rate income	—	—
Investment income, net	\$908,131	\$852,291
Other income	\$168,781	\$199,817
<b>Total revenue</b>	<b>\$10,344,842</b>	<b>\$9,631,510</b>
Expenses	2015	2014
Losses & loss adjustment expenses incurred	\$5,850,014	\$5,458,006
General, administrative & underwriting expense	\$3,574,333	\$3,246,687
Premium taxes	\$322,773	\$307,491
<b>Total expenses</b>	<b>\$9,747,120</b>	<b>\$9,012,184</b>
Income before income taxes	\$597,722	\$619,326
Income tax expense (benefit)	—	—
<b>Net income</b>	<b>\$597,722</b>	<b>\$619,326</b>

## The Growth of Caring Communities



Recent audited  
financials available  
upon request

■ Total Assets   
 ■ Member Equity  
■ Invested Assets   
 ■ Net Income (pre-dividend)



## WELCOME TO MICHAEL TIMM

Michael Timm brings a wealth of professional experience in underwriting and actuarial science. Before joining Caring Communities, Michael worked as an Underwriting Manager for a Chicago-based property and casualty insurance company. Prior to that, he was a college mathematics instructor. Michael holds a Bachelor of Science degree in Meteorology and a Master of Science degree in Mathematics, both from Northern Illinois University.

Michael will provide a critical component of innovation and strategy for the Underwriting System at Caring Communities. We are confident he will quickly become a valued member of the Caring Communities Team. ■



## LINDSAY BODEMAN

We are delighted to share with you that Lindsay Bodeman has joined Caring Communities in the role of Staff Accountant.

Lindsay successfully completed a summer internship for Caring Communities in 2014 and we are pleased to have her return as a full-time member of the Finance Department. She recently graduated from the University of Illinois at Urbana-Champaign, where she received a Bachelor of Science degree in Finance.

Lindsay will be a critical component in the accounting, financial reporting and expense management processes at Caring Communities. ■

## WHERE IN THE WORLD?



Jim & Sarah Caldwell at Hyatt's Angels 2nd Annual Gambol Through the Grove in Libertyville, IL



# MEMBERS



Membership with Caring Communities represents a strategic opportunity in contrast to an annual insurance buying decision. Members are the owners and policyholders of the company that provides their professional, general and excess liability insurance protection. Members *invest in* and *own* their risks exclusively with other Senior Housing Community Care and Service Providers, all known to one another. They have common interests, commitments and incentives, and thereby are directly rewarded by sharing the profits of the company, based on performance, the greater share to the best performers. Members work together in providing the safest environments and practices for their residents, people under their care and their employees.

To learn more about Membership in Caring Communities, please contact Ashur Odishoo, National Director Sales and Marketing, at 773.750.5117 or via e-mail at [aodishoo@caringcomm.org](mailto:aodishoo@caringcomm.org).

## UPCOMING EVENTS

### 2015 National Aging Services Risk Management Conference

October 8–9, 2015

Preconference Sessions October 7, 2015

The Doubletree by Hilton Chicago  
Magnificent Mile  
Chicago, IL

### Risk Management Webinars

Medication Safety

November 17, 2015

1:00–2:30 p.m. Eastern



CARING  
COMMUNITIES  
*“a better experience”*®

1850 West Winchester Road, Suite 109  
Libertyville, IL 60048  
800.510.8225  
[caringcomm.org](http://caringcomm.org)