CORE COURSES (all learning objectives must be covered)

Finance & Accounting Module

INSURANCE ACCOUNTING AND INVESTMENT MANAGEMENT
This course will provide a high-level focus on insurance accounting principles and the investment process. By the end of this course, attendees will have a basic understanding of:

- Insurance accounting
  - Premium accounting;
  - Assets and liabilities;
  - Earned and unearned premium;
  - Cancellation;
  - Reserves; and
  - Financial metrics (profit and loss, balance sheet, key performance indicators) and

- Insurance investment management
  - Roles and responsibilities of the board, management and service providers in the investment process;
  - Governance challenges in overseeing an insurance investment portfolio;
  - Key components of a sound and repeatable institutional investment process; and
  - Sound investment policy.

INSURANCE AUDITS AND BASICS OF ACTUARIAL WORK
This course will provide a high-level focus on audits, committee responsibilities, and rate-making fundamentals. By the end of this course, attendees will have a basic understanding of:

- Insurance audits and the importance of an audit committee
  - Common risks within the core operating cycles of an insurance company;
  - Tips to maximize the value of interactions among the board, management, and service providers;
  - Role of the audit committee;
  - Committee requirements and responsibilities; and
  - Committee charter, formation, and composition and

- Actuarial work
  - Process of determining the adequacy of a mutual’s rate levels;
  - Data elements necessary for calculating rate indications;
  - Difference between overall indications and setting rate relativities on different classes of business; and
  - Major components and processes in developing a basic rate indications assessment.

For anti-trust purposes, this section will focus only on the process of ratemaking, not the outcome.
Management Module

CORPORATE GOVERNANCE AND ROLE OF THE BOARD
This course will provide a high-level focus on governance practices and board responsibilities. By the end of this course, attendees will have a basic understanding of:

- Corporate governance
  - What corporate governance means for mutual company directors;
  - Governance benchmarking;
  - Articles of incorporation and bylaws;
  - Committee structures, their importance and specific bylaws/policies; and
  - Regulatory/legislative issues.

- Role of the board
  - Fiduciary responsibility as a board member;
  - Role of director versus role of manager/CEO;
  - Understanding the balance of corporate resources/finances and board decisions (i.e., making board decisions that are financially viable);
  - D&O and E&O exposures and insurance;

THE BOARD’S ROLE IN PLANNING
This course will provide a high-level focus on two key board planning responsibilities. By the end of this course, attendees will have a basic understanding of:

- Strategic planning
  - Importance of strategic planning;
  - Role of enterprise risk management in the planning process;
  - Components of a viable, sustainable plan; and
  - Strategic plan incorporation (action plans, tracking progress, board and management accountability).

- Succession planning
  - Definition of succession planning and its relevance to an organization’s present and future; and
  - Role of the board in overseeing a systemic approach to succession planning for both the board and management.
Operations & Insurance Module

INSURANCE COMPANY OPERATIONS AND REINSURANCE
This course will provide a high-level focus on how an insurance company works, including the importance of reinsurance. By the end of this course, attendees will have a basic understanding of:

- Insurance company operations
  - Insurance principles;
  - How a mutual insurance company works; and
  - Difference between stock and mutual companies.
- Reinsurance
  - Definition of reinsurance;
  - Importance of reinsurance; and
  - How reinsurance works.

ENTERPRISE RISK MANAGEMENT AND EVALUATING COMPANY GROWTH
This course will provide a high-level focus on the board’s role in managing risk and evaluating growth. By the end of this course, attendees will have a basic understanding of:

- Enterprise risk management
  - Definition of enterprise risk management;
  - How to identify and measure risk exposure;
  - Risk profile; and
  - Impact of HR and employment practices on company’s risk.
- Evaluating company growth
  - Board’s role in evaluating growth and setting growth policy;
  - Geographic risk concentration – balance of business between products offered or the risks of no product spread; and
  - Growth impact on surplus – key ratios and the importance of monitoring short- and long-term trends.
**Finance & Accounting Module**

**CATASTROPHE MODELING IMPACT TO REINSURANCE**
This course will provide an overview of the intricacies and difficulty in modeling the severe thunderstorm peril and its impact on a mutual insurance company’s reinsurance purchase. Topics may include:

- Use of available and reliable data in catastrophe modeling;
- Strategies and tools utilized by companies for modeling severe thunderstorm risks; and/or
- Significant risk and impact to reinsurance faced by small companies due to their concentration of risk and weather trends in their communities.

**FINANCIAL IMPLICATIONS OF RETIREMENT PLANS**
This course will provide an understanding of the impact that different types of retirement plans can have on a small mutual insurance company. Topics may include:

- Defined benefit (pension) plans;
- Defined contribution plans:
  - Profit sharing
  - 401(k)
  - SEP
  - Simple IRA
- Pension plans versus. alternative plans;
- Procedures for/ramifications of changing plans; and/or
- Board member liability.

**FINANCIAL STATEMENT ANALYSIS**
This course will dive deeper into how to read, understand, and analyze the financial statements necessary to run a successful mutual insurance company. Topics may include:

- Review of balance sheet;
- Review of income statement;
- Ratio analysis;
- Trend analysis; and/or
- Financial modeling.

**INSURANCE-SPECIFIC PERFORMANCE METRICS**
This course will provide insight into industry performance metrics to help board members understand the numbers behind financial and operational performance. Topics may include:

- Quantitative measures (profitability, leverage, liquidity);
- Qualitative measures (spread of risk, reinsurance, diversification of assets, adequacy of reserves and surplus, management);
- Financial ratios;
- Key performance indicators;
- Benchmarking; and/or
- Policyholder retention.
INVESTMENT FUNDAMENTALS
This course will introduce investing fundamentals as they fit into an insurance company’s overall strategy. Topics may include:

- Role of the board in asset management governance;
- Connection between asset management and strategic planning; and/or
- Critical questions board members need to ask about investment policy.

MERGERS/CONSOLIDATIONS – FINANCIAL IMPLICATIONS
This course will provide an understanding of the financial implications of a merger for all companies involved. Topics may include:

- Types of consolidations (mergers, asset acquisition, stock acquisition, and non-merger affiliations through a common management) and the financial implications of each;
- Financial considerations for the board during the initial discussion of a merger;
- Questions the board should ask leading up to and after a merger;
- Tax implications of a merger;
- Financial ratios and trends to review of individual companies and the resultant combined company; and/or
- Catastrophe clause which allows parties to dissolve negotiations and/or a merger if a catastrophic event happens between the time of policyholder approval and regulatory approval.

SMALL COMPANY TAX UPDATE
This course will provide an understanding of the current legislative arena and possibilities for changes to current tax treatment. Topics may include:

- Different taxation options and challenges operating as a small farm mutual company;
- IRS review of legislation and activity of small property/casualty insurance company taxation; and/or
- Implications of tax reform and its effect on the insurance industry.

UNDERSTANDING THE AUDIT FUNCTION
This course will dive deep into the audit function in the mutual insurance industry and issues companies may face. Topics may include:

- Overview of the audit function;
- Design of audit approach (planning, risk assessment, testing, required communications, reporting);
- Audit issues unique to small companies;
- Questions to ask auditors; and/or
- Development of the audit committee.
Management Module

BOARD EVALUATION
This course will provide an understanding of the importance of conducting board evaluations. Topics may include:

- Recognition of the need to conduct board evaluations;
- Evaluation process and following through on the results;
- Evaluation of the manager/CEO;
- Board readiness; and/or
- Benefits of utilizing outside resources.

BOARD MEETING PROCEDURES
This course will provide an overview of the procedures needed to hold a proper board meeting. Topics may include:

- Meeting preparation and distribution of materials;
- Role of the chair versus role of the manager;
- Best practices for writing effective board meeting minutes;
- Use of the consent agenda;
- Use of the executive session; and/or
- Parliamentary procedures.

BOARD SUCCESSION PLANNING
This course will dive deep into the important tools needed to recruit quality board members with a variety of backgrounds and experiences. Topics may include:

- Importance of board succession planning as part of a director’s fiduciary duty to the organization;
- Board structure to help achieve strategic goals and become future-oriented;
- Generational differences;
- Use of a skills assessment to focus on recruitment efforts; and/or
- Process to recruit and attract new board members.

CORPORATE GOVERNANCE FOR MUTUALS
This course will dive deep into corporate governance for mutual insurance companies. Topics may include:

- Mutual company differences;
- Rules under which companies operate;
- Importance of committee structure;
- New areas of expectations including institutional and regulatory/legislative issues;
- Importance of good faith and relevance of best practices; and/or
- Conflict of interest.

CORPORATE GOVERNANCE ANNUAL DISCLOSURE
This course will dive deep into CGAD and its implications in the mutual insurance industry. Topics may include:

- History and purpose of CGAD;
- Information required for inclusion in a company’s annual disclosure;
- Best practices for compiling a disclosure; and/or
- CGAD impacts on farm mutuals in individual states.
ELECTIVE COURSES (suggested learning objectives, not required)

DIRECTORS AND OFFICERS LIABILITY
This course will provide an overview of directors and officers liability exposures and professional liability insurance coverages in the mutual insurance industry. Topics may include:

- Legal duties of boards;
- Board member legal liability issues and risk control strategies;
- Real world claims situations;
- Common features and terms of D&O policies;
- Special situations (mergers, joint ventures, regulatory issues, etc.);
- Review of conditions, exclusions, and insuring agreements (without legalese); and/or
- Additional professional liability insurance coverage options (ICPL, EPLI, cyber, fiduciary, etc.)

EMERGING GOVERNANCE ISSUES
This course will focus on emerging governance issues in the mutual insurance industry. Topics may change from year to year due to their emerging nature.

LEADERSHIP SKILLS
This course will provide a high-level focus on the importance of investing in the development of leadership skills for company staff and leaders. Topics may include:

- Definition and development of a leadership model;
- Value of executive coaching;
- Skills development for healthy conflict and resolution; and/or
- Benefit of goal setting and periodic review of goals.

MAXIMIZING YOUR NAMIC MEMBERSHIP
This course will provide a better understanding of how to get the most out of a NAMIC membership. Topics may include:

- NAMIC’s operating philosophy;
- Products and services available to members;
- Resources available to members;
- Educational opportunities available through NAMIC;
- Volunteer opportunities at NAMIC; and/or
- Ways in which NAMIC is continuing to develop and evolve.

MERGERS AND CONSOLIDATIONS
This course will provide an understanding of what is involved in completing a merger and consolidation. Topics may include:

- Definition and overview of mergers and consolidations;
- Reasons to consider a merger transaction;
- Importance of outside expert advisors in pursuing a merger transaction; and/or
- Terminology and steps taken to approve and finalize a merger.
SMALL COMPANY CONFLICT OF INTEREST
This course will provide an understanding of potential conflicts of interest and what effect they may have on a mutual insurance company. Topics may include:

- Examples of potential conflicts of interest within the industry;
- Strategies to repair conflicts;
- Formation and implementation of a long-range plan to steer the mutual away from potential conflicts;
- Development of appropriate thought process during voting;
- Priorities and expenses for both the agency and mutual; and/or
- Importance of hiring the appropriate employees (i.e. separate agents and managers).

STRATEGIC BUSINESS PLANNING
This course will dive deep into strategic planning and the board’s role in the process. Topics may include:

- Strategies for successful business plan development;
- Phases of strategic business planning;
- Roles of the board and management in the business planning process;
- Importance of disaster recovery and business resumption planning; and/or
- Establishment of benchmarks and evaluation of overall enterprise/company risk.

STRATEGIC PLAN IMPLEMENTATION
This course will examine methods to keep strategic planning moving forward. Topics may include:

- Strategies for successful business plan application;
- Steps needed to incorporate your strategic plan into the life of the organization; and/or
- Methods of mobilizing champions to achieve the goals and objectives of the plan.

SUCCESSION PLANNING FOR MANAGEMENT
This course will dive deep into succession planning and the board’s role in the process. Topics may include:

- Strategies for successful succession plan development and application;
- Phases of succession management;
- Identification and evaluation of key positions;
- Short-term (immediate replacement) versus long-term (talent management) succession;
- Identification, development, and deployment of talent; and/or
- Effect of aging workforce (talent gap) on mutual insurance succession.
ELECTIVE COURSES (suggested learning objectives, not required)

**Operations & Insurance Module**

**CLAIMS**
This course will provide a high-level overview of the claims and adjusting process. Topics may include:

- Catastrophe management;
- Determination of values;
- Depreciation;
- Bad faith;
- Fraud;
- Claims audits; and/or
- Documentation.

**CYBER RISK**
This course will explore the role of the board regarding oversight of a company’s readiness for a cyber breach. Topics may include:

- Cyber risk considerations for the mutual insurance industry;
- Essentials of a cyber resilience framework;
- Multi-disciplinary approach to security;
- Key elements of a mutual insurance company customer data protection program; and/or
- Critical controls for boards to measure.

**EMERGING INDUSTRY TRENDS**
This course will focus on emerging trends that impact the mutual insurance industry. Issues may change from year to year due to their emerging nature.

**EMERGING RISKS**
This course will focus on emerging risks that impact the mutual insurance industry. Issues may change from year to year due to their emerging nature.

**EMERGING TECHNOLOGIES**
This course will focus on emerging technologies that impact the mutual insurance industry. Issues may change from year to year due to their emerging nature.

**ENTERPRISE RISK MANAGEMENT**
This course will dive deep into enterprise risk management and the board’s role in the process. Topics may include:

- Role of the board in ERM;
- Evaluation of current organizational risks;
- Identification of emerging risks;
- Use of key metrics to minimize adverse effects of missed opportunities and losses;
- Important aspects of ERM that directors must know; and/or
- Internal governance of ERM.

**HUMAN RESOURCES**
This course will provide a high-level focus on human resources issues. Topics may include:

- Attraction and recruitment of talent;
- Knowledge of the current and future labor markets; and/or
- Management of generational shifts.
ELECTIVE COURSES (suggested learning objectives, not required)

INSURANCE COMPANY OPERATIONS
This course will dive deep into the operations of a mutual insurance company. Topics may include:
- Administration;
- Asset/liability management;
- Buildings;
- Human resources;
- Protection of assets;
- Disaster recovery plans;
- Loss control;
- Information technology;
- Policy administration systems;
- Imaging; and/or
- Emerging operations issues.

INSURANCE REGULATORY ENVIRONMENT
This course will provide an understanding of the current legislative and regulatory arenas as they relate to the mutual insurance industry. Topics may include:
- Review of legislative/political issues;
- Current federal issues;
- Current state issues;
- Insurance departments and regulation;
- History of anti-trust;
- Compliance;
- Fair credit reporting;
- Privacy laws; and/or
- Farm mutual reform.

MARKETING
This course will provide an overview of marketing in the mutual insurance industry. Topics may include:
- Definition of marketing;
- Development of a marketing plan;
- Establishing a brand;
- Marketing versus. advertising;
- Types of advertising;
- Agent appointments and relationships;
- Marketing representatives; and/or
- Social media marketing.

PAST, PRESENT, AND FUTURE OF THE FARM MUTUAL
This course will explore the history of farm mutual insurance companies, take a closer look at how they are operating today, and identify ways in which they can succeed and thrive in the future.

REINSURANCE
This course will dive deep into the functions and fundamentals of reinsurance. Topics may include:
- Types and structures of reinsurance;
- Sources of reinsurance;
- Protection of reinsurers;
- Cost of reinsurance;
- Company goal achievement through the help of a proper reinsurance program; and/or
- Elements of the reinsurance contract.

TECHNOLOGY NEEDS
This course will explore the changing technology needs and competitive environment for mutual insurance companies. Topics may include:
- Importance of utilizing technology in company operations;
- Technologies available to mutual insurers;
- Identification of technology needs and evaluation of current capabilities; and/or
- Methods to measure success and provide management with support/guidance.
UNDERWRITING
This course will provide a high-level overview of the underwriting process. Topics may include:
• Tools available in underwriting decisions;
• Pricing;
• Forms and documentation;
• Insurance to value;
• Use of credit-based insurance scoring;
• Underwriting audits; and/or
• Catastrophe mapping.

WEATHER TRENDS
This course will explore weather trends and their effect on mutual insurance company operations. Topics may include:
• Overview of current weather trends and how they relate to the mutual insurance industry;
• Progress being made in accuracy of extreme storm warning systems;
• Use of weather science as a tool to better serve policyholders and limit exposure to extreme weather; and/or
• Application of weather science to the challenges faced by the mutual insurance industry.