



November 19, 2025

Village of Homewood

Napoleon,

We are writing to formally request that the Village of Homewood transition to the \$50,000 deductible level for the upcoming 2026 coverage year. Based on our review, moving to this higher deductible tier will remain financially advantageous for your organization, as the associated credit continues to exceed your historically paid losses.

In addition to the financial benefits, this transition is expected to strengthen internal claims and risk management practices and help reduce the claims-to-contribution ratio to under 100% . This change should also help lessen the need for the pool to continue subsidizing a disproportionate share of Homewood's losses.

While the estimated credit for selecting the \$50,000 deductible level is approximately \$352,000, we recommend that you pay your contribution in full and deposit the credit into Homewood's optional deductible reserve fund. These funds can be used throughout the year to help pay deductible expenses while also earning IRMA's average rate of return.

We would be happy to discuss this recommendation in more detail or answer any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Margo Ely", with a long, sweeping horizontal line extending to the right.

Margo Ely