



NOTICE

**MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)
Wednesday, September 23, 2026 at 4:45 p.m. CDT/3:45 p.m. MDT**

PLEASE TAKE NOTICE that on **Wednesday, September 23, 2026, at 4:45 p.m. CDT/3:45 p.m. MDT**, the League Association of Risk Management (LARM), will hold a LARM Board of Directors meeting by Virtual Conferencing.

The meeting will be made available by Zoom via Computer, Smart Device or Telephone

<https://larmpool-org.zoom.us/j/86941587960?pwd=yPap7GsrVes8FanyysRldKPsg2dR0S.1>

or via phone at 833-548-0282. The meeting ID is 869 4158 7960 and the passcode is 041625.

Grand Ballroom B and C at the Cornhusker Marriot Hotel, 333 South 13th Street, Lincoln, NE will be open for attendance by the public during the meeting.

An agenda of subjects known at this time is included with this notice, and the agenda shall be kept continually current and readily available for public inspection at the principal office of LARM during normal business hours at 1335 L Street, Suite 200, in Lincoln, Nebraska. A notice of this meeting with the agenda and other materials is available at this location with the following links kept continually current on LARM's website – larmpool.org: an electronic copy of the agenda, all documents being considered at the meeting, and a link to the current version of the Open Meetings Act.

On September 16, 2026, a notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board.



AGENDA

MEETING OF THE BOARD OF DIRECTORS OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM) Wednesday, September 23, 2026 at 4:45 p.m. CDT/3:45 p.m. MDT By Virtual Conferencing

In accordance with the Open Meetings Act, Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed is available to the public at the meeting and at the link below for examination and copying. The LARM Board may pass motions to go into closed session on agenda items pursuant to the requirements of the Open Meetings Act.

Grand Ballroom B and C at the Cornhusker Marriott Hotel, 333 South 13th Street, Lincoln, NE will be open for attendance by the public during the meeting. A notice of this meeting with the agenda and other materials will be available at this location with a copy of the Open Meetings Act posted.

You may join the meeting by Zoom via Computer, Smart Device or Telephone

<https://larmpool-org.zoom.us/j/86941587960?pwd=yPap7GsrVes8FanyysRldKPsg2dR0S.1>

or via phone at 833-548-0282. The Meeting ID: 869 4158 7960 and the passcode is 041625.

Officials of LARM members and members of the public may comment on agenda items or listen to the Board Meeting; however, if the Board votes to hold a closed session pursuant to the Open Meetings Act, officials of LARM members and members of the public may not comment or listen during that time.

1. Call meeting to order:

- a. 4:45 p.m. CDT/3:45 pm. MDT – Pat Heath, City Administrator of Gering and Chair of the LARM Board, will call the meeting to order.
- b. Roll call.
- c. Indicate that on September 16, 2026, a notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board of Directors. Notice of this meeting with the agenda and other materials was available for public inspection at 1335 L Street, Suite 200, in Lincoln, Nebraska, and also posted with the following links kept continually current: an electronic copy of the agenda and all documents being considered at the meeting with a link to the current version of the Open Meetings Act on LARM's website- larmpool.org.
- d. Inform the public about the location of the Open Meetings Act, which is accessible to members of the public, and at larmpool.org, along with a copy of all reproducible written materials to be discussed at this meeting.
- e. Pledge of Allegiance to the Flag of the United States of America.
- f. Public comment on any agenda item(s): Pursuant to the Open Meetings Act, the LARM Board Chair reserves the right to limit comments on agenda items. In accordance with the Open Meetings Act, there is no time limit on comments made by members of the LARM Board of Directors.

2. Consider a motion to approve the minutes of the May 13, 2026, meeting of the LARM Board of Directors.

See pages 1-6

3. Consider a motion to accept the quarterly update on LARM financials.

See pages 7-19

· Robert Ooms, Director of Finance, Sedgwick

4. Consider a motion to accept the quarterly update on LARM investments.

See pages 20-52

· Michael Maloney, Senior Portfolio Manager, US Bank

5. Consider a motion to approve the reinsurance update and place the following coverage:

a) Excess Liability, Effective 10-1-26.

· Andrew Finn, Director of Pool Administration, Sedgwick

6. Consider a motion to approve LARM's Proposed Budget for FY 2026-27.

See pages 53-58

- *Robert Ooms, Director of Finance, Sedgwick*
- *Dave Bos, Executive Director, LARM*
- *Lynn Rex, Administrator, LARM*

7. Public disclosure of release and settlement agreement between the Estate of Paul Arndt and the Village of Alda and the League Association of Risk Management in consideration of payment of the total sum of \$275,000 to provide release and discharge to the Village of Alda and the League Association of Risk Management for a liability claim, in compliance with Nebraska Revised Statute 84-713.

See pages 59-65

- *Dave Bos, Executive Director, LARM*

8. Public disclosure of release and settlement agreement between Erik Hobart and the City of Norfolk and the League Association of Risk Management in consideration of payment of the total sum of \$90,000 to provide release and discharge to the City of Norfolk and the League Association of Risk Management for an underinsured motorist claim, in compliance with Nebraska Revised Statute 84-713.

See pages 66-69

- *Dave Bos, Executive Director, LARM*

9. Discuss the date for the next meeting of the LARM Board of Directors.

- *Lynn Rex, Administrator, LARM*
- *Dave Bos, Executive Director, LARM*

10. Consider a motion to adjourn.



MINUTES
MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT
Wednesday, May 13, 2026, 10:00 a.m. CT/9:00 a.m. MT

A Meeting of the League Association of Risk Management (LARM) Board of Directors was held May 13, 2026, at 10:00 a.m. CT /9:00 a.m. MT by Virtual Conferencing. The Joe Hampton Conference Room in the League of Nebraska Municipalities Building, 1335 L Street, in Lincoln, Nebraska, was open for attendance by the public during the meeting.

(AGENDA ITEM #1) **Call meeting to order.** At 10:00 a.m. CT, **LARM Board Chair Pat Heath**, City Administrator, City of Gering, called the meeting to order.

The roll call was read with the following voting Board Members present: **Connie Jo Beck (Via Zoom)**, Clerk/Deputy Treasurer, City of St. Paul; **Mayor James Bulkley (Via Zoom)**, City of Columbus; **Raquel Felzien (Via Zoom)**, Clerk/Treasurer, City of Franklin; **Layne Groseth (Via Zoom)**, Administrator/Utilities Director, City of North Platte; **Pat Heath (Via Zoom)**, Administrator, City of Gering; **Gwenda Horky (Via Zoom)**, Clerk/Treasurer, City of Sargent; **Dana Klabenes (Via Zoom)**, Clerk/Treasurer, City of Neligh; **Chris Rector (Via Zoom)**, Administrator, City of Holdrege; **Mayor Mindy Rump (Via Zoom)**, City of Blair; **Kevin Spencer (Via Zoom)**, City Manager, City of Scottsbluff and **Mark Stracke (Via Zoom)**, Clerk/Treasurer, Village of Stuart. Ex-officio (non-voting) Board Member **L. Lynn Rex**, Executive Director of the League of Nebraska Municipalities, and Administrator of LARM was also present.

At the time of roll call: 4 were absent: **Alec Baillie**, Board Member, Loup Central Landfill; **Stephanie Fisher**, Administrator, City of Waverly; **Mayor Don Groesser**, City of Ralston and **Sharon Powell**, Board President, Village of Utica.

Other participants included: **Cline Williams Law Firm** –Trent Sidders; **Sedgwick (LARM's third party administrator)** – Andy Finn, Becky Atkinson, David Hill (Via Zoom) and Robert Ooms (Via Zoom); **Alliant** – Justin Swarbrick (Via Zoom); **LARM** – Dave Bos, Tracy Juranek, Diane Becker, Ethan Nguyen, Fred Wiebelhaus, Kyla Brockevelt, Drew Cook, James Kelley (Via Zoom), Clint Simmons (Via Zoom), and Nate Fox (Via Zoom); **League of Nebraska Municipalities** – Christy Abraham(Via Zoom) and **US Bank-** Michael Maloney (Via Zoom).

Chair Heath indicated that on May 6, 2026, a notice of the meeting with the agenda and other materials was sent to all LARM members and the LARM Board. Notice of the meeting with the agenda and other materials also was made available for public inspection at 1335 L Street Suite 200, in Lincoln, Nebraska, and posted with the following links kept continually current: an electronic copy of the agenda, all documents being considered at the meeting, with a link to the current version of the Open Meetings Act on LARM's website- larmpool.org.

Chair Heath stated in accordance with Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed was available to the public at this meeting for examination. The Open Meetings Act was posted in the meeting room and was accessible to members of the public. Chair Heath informed the public about the location of the Open Meetings Act posted in the meeting room and stated that the LARM Board may pass motions to go into closed session on any agenda item pursuant to the requirements of the Open Meetings Act.

The Pledge of Allegiance to the Flag of the United States of America was recited.

(AGENDA ITEM #2) Consider a motion to approve the minutes of the February 24, 2026, meeting of the LARM Board of Directors. Chair Heath asked if there was any discussion; there was none. Mayor James Bulkley moved, seconded by Connie Jo Beck, to approve the minutes of the February 24, 2026, meeting of the LARM Board of Directors. Roll call vote. Ayes: Beck, Bulkley, Felzien, Groseth, Heath, Horky, Klabenes, Rector, Rump, Spencer and Stracke. Nays: None. Abstentions: None. Absent: Baillie, Fisher, Groesser and Powell. **Motion carried: 11 ayes, 0 nays, 0 abstentions, and 4 absent.**

It is noted that at 10:06 a.m. **Sharon Powell**, Board President, Village of Utica, joined the meeting.

It is noted that at 10:12 a.m. **Mayor James Bulkley** left the meeting.

(AGENDA ITEM #3) Consider a motion to accept the quarterly update on LARM investments. (Presented by Michael Maloney, Senior Portfolio Manager, US Bank) Chair Heath asked if there was any further discussion. Lynn Rex asked if things would get better once the war in Iran is over. Michael Maloney said that if the war ends tomorrow a lot of damage has already been done and it will be with us for a while. Connie Jo Beck moved, seconded by Mark Stracke, to accept the quarterly update on LARM investments. Roll call vote. Ayes: Beck, Felzien, Groseth, Heath, Horky, Klabenes, Powell, Rector, Rump, Spencer and Stracke. Nays: None. Abstentions: None. Absent: Baillie, Bulkley, Fisher and Groesser. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent.**

(AGENDA ITEM #4) Consider a motion to accept the quarterly update on LARM financials. (Presented by Robert Ooms, Director of Finance, Sedgwick.) Chair, Heath asked if there was any further discussion. There was none. Sharon Powell moved, seconded by Raquel Felzien, to accept the quarterly update on LARM financials. Roll

call vote. Ayes: Beck, Felzien, Groseth, Heath, Horky, Klabenes, Powell, Rector, Rump, Spencer and Stracke. Nays: None. Abstentions: None. Absent: Baillie, Bulkley, Fisher and Groesser. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent.**

It is noted that at 10:21 a.m. **Stephanie Fisher**, Administrator, City of Waverly, joined the meeting via Zoom.

(AGENDA ITEM #5) Consider a motion to accept the reinsurance renewal update and to set rates to achieve the overall funding targets for Property, General Liability, and Workers' Compensation as presented. *(Presented by Justin Swarbrick, Senior Vice-President, Aliant Insurance Services, Inc. and Andrew Finn, Director of Pool Administration, Sedgwick)* Chair Heath asked if there was any further discussion. There was none. Connie Jo Beck moved, seconded by Sharon Powell, to accept the reinsurance renewal update and to set rates to achieve the overall funding targets for Property, General Liability, and Workers' Compensation as presented. Roll call vote. Ayes: Beck, Felzien, Fisher, Groseth, Heath, Horky, Klabenes, Powell, Rector, Rump, Spencer and Stracke. Nays: None. Abstentions: None. Absent: Baillie, Bulkley and Groesser. **Motion carried: 12 ayes, 0 nays, 0 abstentions and 3 absent.**

It is noted that at 11:00 a.m. **Chris Rector** left the meeting.

(AGENDA ITEM #6) Consider a motion to authorize Sedgwick, on behalf of LARM, to bind the following reinsurance coverages: a) All Risk Property, effective 07-01-26; b) Cyber Liability, effective 07-01-26; c) Pollution Liability, effective 07-01-26; and d) Deadly Weapon Response Program, effective 07-01-26. *(Presented by Andrew Finn, Director of Pool Administration, Sedgwick)* Chair Heath asked if there was any further discussion. There was none. Layne Groseth moved, seconded by Sharon Powell, to authorize Sedgwick, on behalf of LARM, to bind the following reinsurance coverages: a) All Risk Property, effective 07-01-26; b) Cyber Liability, effective 07-01-26; c) Pollution Liability, effective 07-01-26; and d) Deadly Weapon Response Program, effective 07-01-26. Roll call vote. Ayes: Beck, Felzien, Fisher, Groseth, Heath, Horky, Klabenes, Powell, Rump, Spencer and Stracke. Nays: None. Abstentions: None. Absent: Baillie, Bulkley, Groesser and Rector. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent.**

(AGENDA ITEM #7) Public disclosure of release and settlement agreement between Kevin Armbruster and the City of Norfolk and the League Association of Risk Management in consideration of payment of the total sum of \$124,900 to provide release and discharge to the City of Norfolk and the League Association of Risk Management for a workers' compensation claim, in compliance with Nebraska Revised Statute 84-713. *(Presented by Dave Bos, Executive Director, LARM).*

(AGENDA ITEM #8) Public disclosure of release and settlement agreement between Edward Monjaras and the City of North Platte and the League Association of Risk Management in consideration of payment of the total sum of \$80,000 to provide release and discharge to the City of North Platte and the League Association of

Risk Management for a liability claim, in compliance with Nebraska Revised Statute 84-713 *(Presented by Dave Bos, Executive Director, LARM)*

(AGENDA ITEM #9) **Public disclosure of release and settlement agreement between Marie VanOverbeke and her minor child and the City of North Platte and the League Association of Risk Management in consideration of payment of the total sum of \$265,000 to provide release and discharge to the City of North Platte and the League Association of Risk Management for a worker's compensation claim, in compliance with Nebraska Revised Statute 84-713.** *(Presented by Dave Bos, Executive Director, LARM)*

(AGENDA ITEM #10) **Discuss the date for the next meeting of the LARM Board of Directors to be held in conjunction with the League of Nebraska Annual Meeting, Wednesday, September 23, 2026, with the LARM Annual Meeting at 11:00 a.m., and the Board Meeting at 4:45 p.m.** *(Presented by Lynn Rex, Administrator, LARM and Dave Bos, Executive Director, LARM)*

(AGENDA ITEM #1) **Consider a motion to adjourn.** Sharon Powell moved, seconded by Raquel Felzien to adjourn. Roll call vote. Ayes: Beck, Felzien, Fisher, Groseth, Heath, Horky, Klabenes, Powell, Rump, Spencer and Stracke. Nays: None. Abstentions: None. Absent: Baillie, Bulkley, Groesser and Rector. ***Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent.***

As of 11:09 a.m. the LARM Board of Directors meeting was adjourned.

Approved on:

ATTEST:

Kyla Brockevelt

Executive Administrative Assistant
League Association of Risk Management

L. Lynn Rex

LARM Administrator
Ex-Officio, Non-Voting, LARM Board Member
Executive Director of the League of Nebraska Municipalities



NOTICE

**MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)
Wednesday, May 13, 2026, at 10:00 a.m. CDT/9:00 a.m. MDT**

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of the LARM Board of Directors by Virtual Conferencing.

The meeting will be made available by Zoom via Computer, Smart Device or Telephone

at

<https://larmpool-org.zoom.us/j/88245962263?pwd=c3tTnsItWMbLIPJWKFFiQdiabIP30z.1>

or via phone at 833-548-0276. The meeting ID is 882 4596 2263 and the passcode is 889859.

The Joe Hampton Conference Room in the League of Nebraska Municipalities Building, 1335 L. Street, in Lincoln, Nebraska, will be open to the public during the meeting.

An agenda of subjects known at this time is included with this notice, and the agenda shall be kept continually current and readily available for public inspection at the principal office of LARM during normal business hours at Suite 200, 1335 L Street, Lincoln, Nebraska. A notice of this meeting with the agenda and other materials

is available at this location with the following links kept continually current on LARM's website – larmpool.org: an electronic copy of the agenda, all documents

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On May 6, 2026, a notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board.

LARM

Financial Review

Robert Ooms, Director of Finance, Sedgwick Pooling

September 23, 2026

Balance Sheet – Statutory Basis

	P/E Jun 2026 (Unaudited)	P/E Mar 2026 (Unaudited)	Y/E Sept 2025 (Audited)
Assets			
Cash of deposit	\$ 5,371,403	7,962,120	\$ 3,938,023
Short-term investments	5,892,214	5,889,056	-
Cash	11,263,617	13,851,176	3,938,023
Long-term investments	16,601,412	16,609,871	12,594,263
Premiums receivable	124,393	20,079	22,548,121
Interest receivable	183,149	220,192	91,271
Reinsurance recoverable on paid losses	2,169,800	2,089,664	3,116,437
Total assets	\$ 30,342,371	32,790,982	\$ 42,288,115
Liabilities and Surplus			
Loss reserves	\$ 6,923,612	5,301,386	\$ 5,155,380
Loss adjustment expenses	2,685,674	2,414,589	2,448,963
Unearned premium	6,134,075	11,673,642	24,157,366
Taxes payable	173,972	111,169	189,544
Other Liabilities	185,426	299,045	385,944
Funds held under reinsurance treaties	25,000	25,000	25,000
Total Liabilities	16,127,759	19,824,830	32,362,197
Surplus	14,214,612	12,966,152	9,925,918
Total Liabilities and surplus	\$ 30,342,371	32,790,982	\$ 42,288,115

Statement of Income – Statutory Basis - Budget to Actual

	F2026 Budget	P/E Jun 2026 (Unaudited)	P/E Mar 2026 (Unaudited)
Revenue:			
Premiums earned, direct	\$ 25,797,000	20,668,486	\$ 13,706,263
Premiums earned, transferred by excess	(8,757,000)	(6,786,936)	(4,569,077)
Net premiums	17,040,000	13,881,550	9,137,186
Investment income	400,000	711,339	459,815
Miscellaneous income	30,000	(9,331)	(10,428)
Total revenue	17,470,000	14,583,558	9,586,573
Expenses:			
Losses incurred, direct	11,804,000	5,688,371	3,087,564
Losses incurred, transferred by excess	(3,936,000)	(310,855)	(242,351)
Net losses	7,868,000	5,377,516	2,845,213
Loss expenses incurred	1,478,000	832,246	395,442
Other underwriting expenses incurred	5,568,000	4,880,102	4,100,684
Total expenses	14,914,000	11,089,864	7,341,339
Net income - statutory basis	\$ 2,556,000	3,493,694	\$ 2,245,234

Statement of Change in Surplus – Statutory Basis

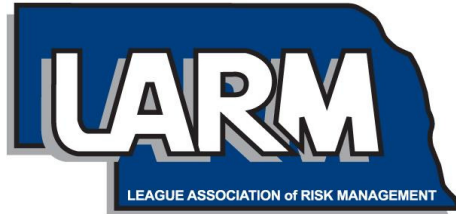
	P/E Jun 2026 (Unaudited)	P/E Mar 2026 (Unaudited)	Y/E Sept 2025 (Audited)
Surplus, beginning of period	\$ 9,925,918	9,925,918	\$ 9,308,434
Net income – statutory basis	3,493,694	2,245,234	2,384,082
Unrealized capital gain	-	-	158,336
Change in non-admitted assets	795,000	795,000	(1,924,934)
Surplus, end of period	\$ 14,214,612	12,966,152	\$ 9,925,918

Statement of Cash Flows – Statutory Basis

	P/E Jun 2026 (Unaudited)	P/E Mar 2026 (Unaudited)	Y/E Sept 2025 (Audited)
Premiums collected, net of excess insurance	\$ 18,281,987	19,181,503	\$ 16,236,034
Loss and loss adjustment expenses paid	(2,463,182)	(1,307,250)	(7,067,630)
Underwriting expense paid	(5,096,192)	(4,265,958)	(5,481,102)
Cash from underwriting	\$ 10,722,613	\$ 13,608,295	\$ 3,687,302
Investment Income	619,461	330,894	685,999
Other Income/(Expense)	(9,331)	(10,428)	16,133
Net cash from operations	11,332,743	13,928,761	4,389,434
Transfer in:			
Other sources	-	-	-
Transfer out:			
Other applications	(4,007,149)	(4,015,608)	(4,022,165)
Net change in cash and short-term investments	7,325,594	9,913,153	367,269
Cash and short-term investments, beginning of period	3,938,023	3,938,023	3,570,754
Cash and short-term investments, end of period	\$ 11,263,617	\$ 13,851,176	\$ 3,938,023

Reconciliation of Unpaid Claim Liabilities

	P/E Jun 2026 (Unaudited)	P/E Mar 2026 (Unaudited)	Y/E Sept 2025 (Audited)
Unpaid claims and claims adjustment expenses at the beginning of period	\$ 7,604,343	7,604,343	\$ 8,453,370
Incurred claims and claims adjustment expenses:			
Provision for insured events of current policy year	6,342,425	3,469,687	7,578,557
Increase/(decrease) in provision in insured events of prior policy year	(132,663)	(228,720)	300,096
Total incurred claims and claims adjustment expense	6,209,762	3,240,655	7,878,653
Payments:			
Claims and claims adjustment expenses attributable to insured events of the current policy year	1,275,146	(651,716)	3,541,328
Claims and claims adjustment expenses attributable to insured events of prior policy year	2,929,673	3,780,739	5,186,352
Total payments	4,204,819	3,129,023	8,727,680
Unpaid claims at end of period	9,609,286	7,715,975	7,604,343



**LEAGUE ASSOCIATION OF RISK MANAGEMENT
FINANCIAL STATEMENTS
FOR THE PERIODS ENDED June 30, 2026 AND 2025
(Unaudited)
AND THE YEAR ENDED SEPTEMBER 30, 2025
(Audited)**

LEAGUE ASSOCIATION OF RISK MANAGEMENT

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League Association of Risk Management
Balance Sheet - Statutory Basis
As of June 30, 2026 and 2025, and September 30, 2025

	<u>Assets</u>		
	June 30 2026 (Unaudited)	June 30 2025 (Unaudited)	September 30 2025 (Audited)
Cash:			
Cash on deposit	\$ 5,371,403	4,727,911	\$ 3,938,023
Short-term investments	5,892,214	-	-
Total cash	11,263,617	4,727,911	3,938,023
Long-term investments	16,601,412	16,843,744	12,594,263
Premiums receivable	124,393	108,950	22,548,121
Interest receivable	183,149	146,829	91,271
Reinsurance recoverable on paid losses	2,169,800	3,107,031	3,116,437
Total assets	<u>\$ 30,342,371</u>	<u>24,934,465</u>	<u>\$ 42,288,115</u>
	<u>Liabilities and Surplus</u>		
Loss reserves	\$ 6,923,612	8,177,042	\$ 5,155,380
Loss adjustment expenses	2,685,674	2,022,368	2,448,963
Unearned premium	6,134,075	5,061,920	24,157,366
Taxes payable	173,972	142,306	189,544
Other liabilities	185,426	198,846	385,944
Funds held under reinsurance treaties	25,000	25,000	25,000
Total liabilities	16,127,759	15,627,482	32,362,197
Surplus	14,214,612	9,306,983	9,925,918
Total liabilities and surplus	<u>\$ 30,342,371</u>	<u>24,934,465</u>	<u>\$ 42,288,115</u>

League Association of Risk Management
Statements of Income - Statutory Basis
For the Periods Ended June 30, 2026 and 2025
and the Year Ended September 30, 2025

	Nine Months Ended		Year Ended
	June 30	June 30	September 30
	2026	2025	2025
	(Unaudited)	(Unaudited)	(Audited)
Revenue:			
Premiums earned, direct	\$ 20,668,486	16,984,744	\$ 22,546,459
Premiums earned, transferred by excess	(6,786,936)	(5,686,217)	(7,895,641)
Net premiums	13,881,550	11,298,527	14,650,818
Investment income	711,339	504,379	550,359
Miscellaneous income	(9,331)	11,802	16,133
Total revenues	14,583,558	11,814,708	15,217,310
Expenses:			
Losses incurred, direct	5,688,371	14,796,165	15,751,728
Losses incurred, transferred by excess	(310,855)	(8,044,203)	(9,450,437)
Net losses	5,377,516	6,751,962	6,301,291
Loss expenses incurred	832,246	828,643	1,577,362
Other underwriting expense incurred	4,880,102	4,235,554	4,954,575
Total expenses	11,089,864	11,816,159	12,833,228
Net income - statutory basis	\$ 3,493,694	(1,451)	\$ 2,384,082

League Association of Risk Management
Statement of Changes in Surplus - Statutory Basis
For the Periods Ended June 30, 2026 and 2025
and the Year Ended September 30, 2025

	Nine Months Ended		Year Ended
	June 30	June 30	September 30
	2026	2025	2025
	(Unaudited)	(Unaudited)	(Audited)
Surplus, beginning of period	\$ 9,925,918	9,308,434	\$ 9,308,434
Net income - statutory basis	3,493,694	(1,451)	2,384,082
Unrealized capital gain	-	-	158,336
Change in non-admitted assets	795,000	-	(1,924,934)
Surplus, end of period	<u>\$ 14,214,612</u>	<u>9,306,983</u>	<u>\$ 9,925,918</u>

League Association of Risk Management
Statement of Cash Flows - Statutory Basis
For the Periods Ended June 30, 2026 and 2025
and the Year Ended September 30, 2025

	Nine Months Ended		Year Ended
	June 30	June 30	September 30
	2026	2025	2025
	(Unaudited)	(Unaudited)	(Audited)
Premiums collected, net of excess insurance	\$ 18,281,987	16,227,468	\$ 16,236,034
Loss and loss adjustment expenses paid	(2,463,182)	(4,165,109)	(7,067,630)
Underwriting expense paid	(5,096,192)	(4,996,417)	(5,481,102)
Cash from underwriting	10,722,613	7,065,942	3,687,302
Investment Income	619,461	426,125	685,999
Other Income/(Expense)	(9,331)	11,802	16,133
Net cash from operations	11,332,743	7,503,869	4,389,434
Transfer in:			
Other sources	-	-	-
Transfer out:			
Other applications	(4,007,149)	(6,346,712)	(4,022,165)
Net change in cash and short-term investments	7,325,594	1,157,157	367,269
Cash and short term investments, beginning of period	3,938,023	3,570,754	3,570,754
Cash and short term investments, end of period	\$ 11,263,617	4,727,911	\$ 3,938,023

League Association of Risk Management
Reconciliation of Unpaid Claim Liabilities
For the Periods Ended June 30, 2026 and 2025
and the Year Ended September 30, 2025

	Nine Months Ended		Year Ended
	June 30	June 30	September 30
	2026	2025	2025
	(Unaudited)	(Unaudited)	(Audited)
Unpaid claims and claims adjustment expenses at the beginning of period	\$ 7,604,343	8,453,370	\$ 8,453,370
Incurred claims and claims adjustment expenses:			
Provision for insured events of current policy year	6,342,425	6,987,462	7,578,557
Increase/(decrease) in provision in insured events of prior policy year	(132,663)	593,143	300,096
Total incurred claims and claims adjustment expense	6,209,762	7,580,605	7,878,653
Payments:			
Claims and claims adjustment expenses attributable to insured events of the current policy year	1,275,146	1,936,557	3,541,328
Claims and claims adjustment expenses attributable to insured events of prior policy year	2,929,673	3,898,008	5,186,352
Total payments	4,204,819	5,834,565	8,727,680
Unpaid claims at end of period	\$ 9,609,286	10,199,410	\$ 7,604,343

League Association of Risk Management

SEPTEMBER 23, 2026



Your Team

Michael T. Maloney

Senior Institutional Client Portfolio Manager

PFM Asset Management

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Sub-advised investment services are provided by PFM Asset Management (“PFMAM”). PFM Asset Management serves clients in the public sector and is a division of U.S. Bancorp Asset Management, Inc., which is the legal entity providing investment advisory services. U.S. Bancorp Asset Management, Inc. is a registered investment adviser, a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bank N.A. is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc.

For more information regarding PFMAM’s services please visit www.pfmam.com.

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01



Portfolio Review

Provided U.S. Bank

Selected Period Performance

	Market Value	1 Month	3 Months	Year to Date (8 Months)	1 Year	3 Years	5 Years	Inception to Date 11/01/2014
Total Portfolio Gross of Fees	21,726,066	.22	.47	1.41	2.88	4.43	1.65	1.33
Total Portfolio Net of Fees	21,726,066	.21	.43	1.33	2.76	4.30	1.52	1.19
Total Fixed Income	17,255,371	.22	.27	.86	2.29	4.30	1.43	1.30
Gov/Agency Bonds	17,255,371	.22	.27	.86	2.29	4.30	1.42	
BB 1-5 Year US Treasury Index		.19	.19	.52	1.91	4.16	1.42	1.65
BB 1-3 Year US Treasury Index		.24	.44	1.03	2.49	4.26	1.95	1.67
Total Cash and Equivalents	4,470,694	.29	.91	2.40	3.54	4.47	3.47	1.74
FTSE 1 Month Treasury Bill Index		.32	.94	2.49	3.91	4.70	3.76	2.04
FTSE 6 Month Treasury Bill Index		.33	.97	2.58	4.04	4.85	3.86	2.17
Pending Cash	0	.00	.00	.00	.00	.00	.00	.00

For performance and rate of return methodologies, as well as other important information, please refer to the Appendix/Disclosures provided.

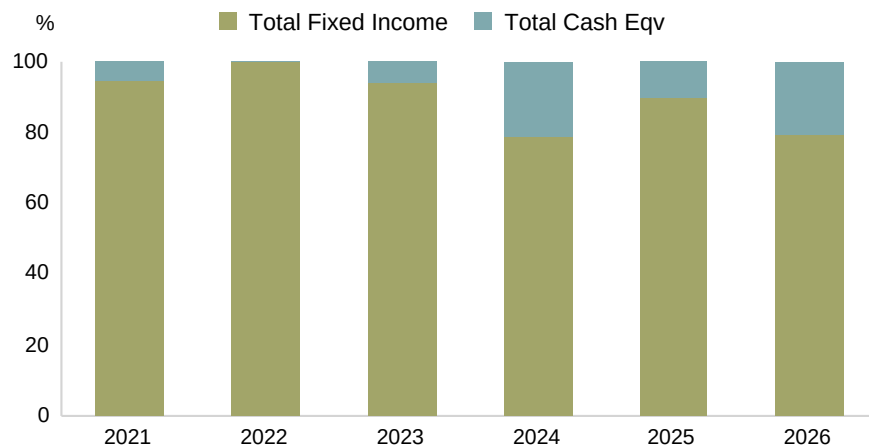
Investment products and services are:
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History of Asset Growth Graphs

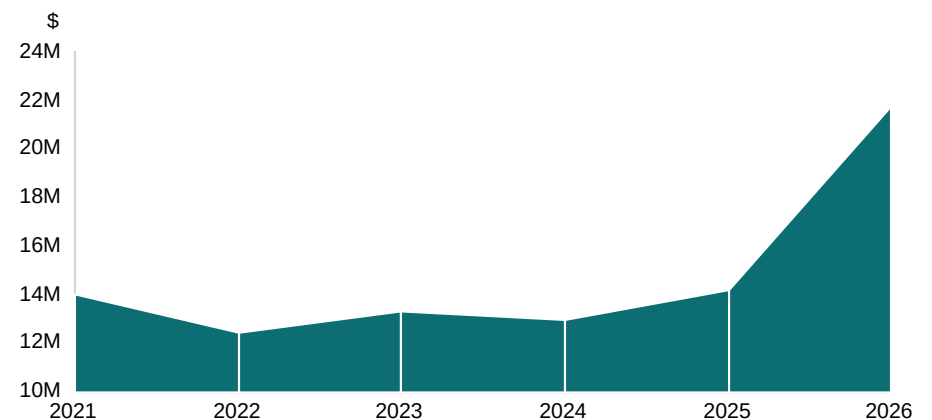
Annual Portfolio Values

	Consolidated	Oct 2020- Sep 2021	Oct 2021- Sep 2022	Oct 2022- Sep 2023	Oct 2023- Sep 2024	Oct 2024- Sep 2025	Oct 2025- Aug 2026
Beginning Portfolio Value	12,945,684	12,945,684	13,999,890	12,440,653	13,290,957	12,942,481	14,204,037
Contributions	60,000,025	7,900,000	7,500,000	8,000,025	8,500,000	14,000,000	14,100,000
Withdrawals	-53,229,921	-6,822,895	-7,833,096	-7,749,965	-9,918,856	-13,677,439	-7,227,671
Income Earned	2,324,195	87,451	88,038	278,050	358,818	649,117	862,721
Gain/Loss	-313,917	-110,350	-1,314,179	322,194	711,562	289,877	-213,022
Ending Portfolio Value	21,726,066	13,999,890	12,440,653	13,290,957	12,942,481	14,204,037	21,726,066
Total Return	1.43	-.12	-7.28	3.17	6.25	4.47	2.53
Principal	-.44	-.63	-7.76	1.56	4.19	1.18	-.74
Income	1.89	.51	.48	1.61	2.06	3.29	3.27

Allocation Over Time



Ending Market Values Over Time



For performance and rate of return methodologies, as well as other important information, please refer to the Appendix/Disclosures provided.

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Account: XXXXXXXXX9800

Holdings Method: Direct

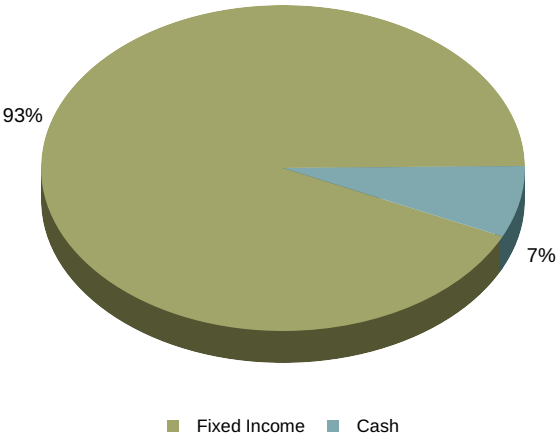
Report Date: 08/31/2026

Portfolio Summary

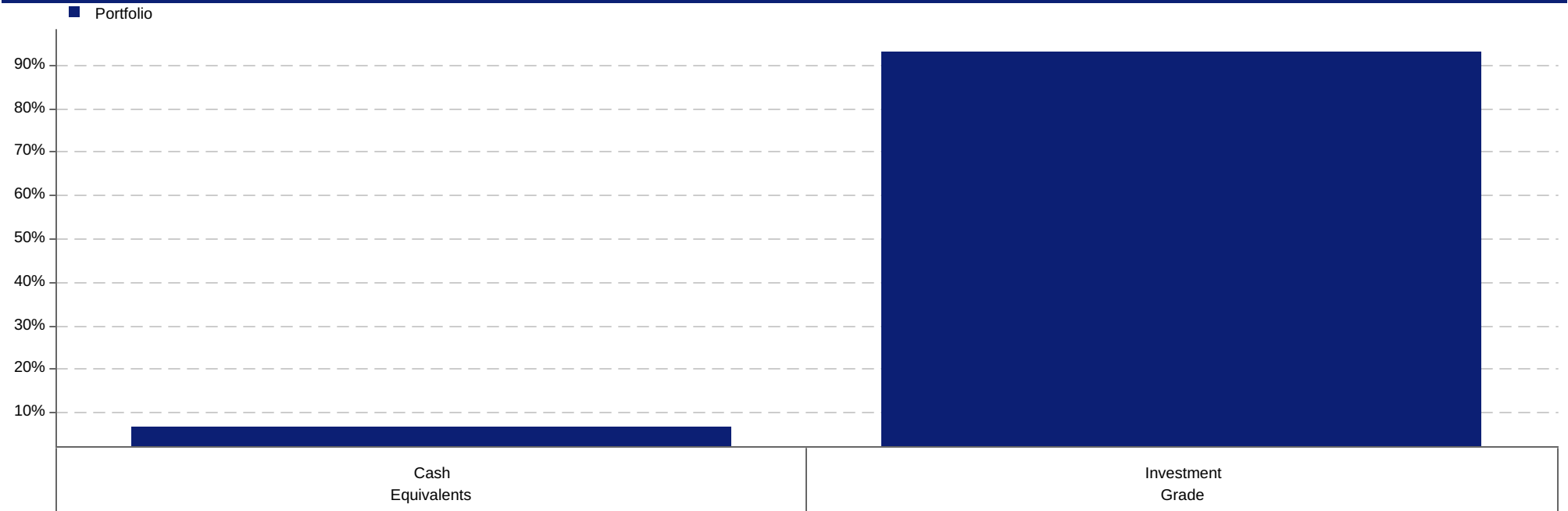
Inv. Objective	All Fixed/Non Taxable
Total Portfolio Value	\$21,603,472
Net Realized Cap Gains YTD	\$-8,165
Annual Income Projected	\$821,690
Current Yield	3.80%
Number of Securities	21
Portfolio Mgr.	Michael T. Maloney

Portfolio Asset Allocation

Fixed Income	\$20,117,570	93.12%
Cash	\$1,485,902	6.88%
Invested Total	\$21,603,472	100.00%



Portfolio Model Allocation





Account: XXXXXXXXX9800

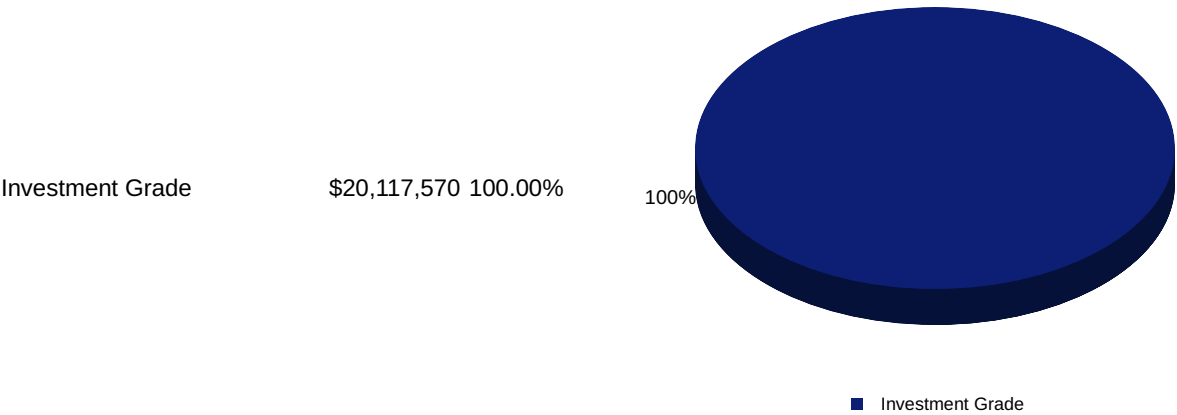
Holdings Method: Direct

Report Date: 08/31/2026

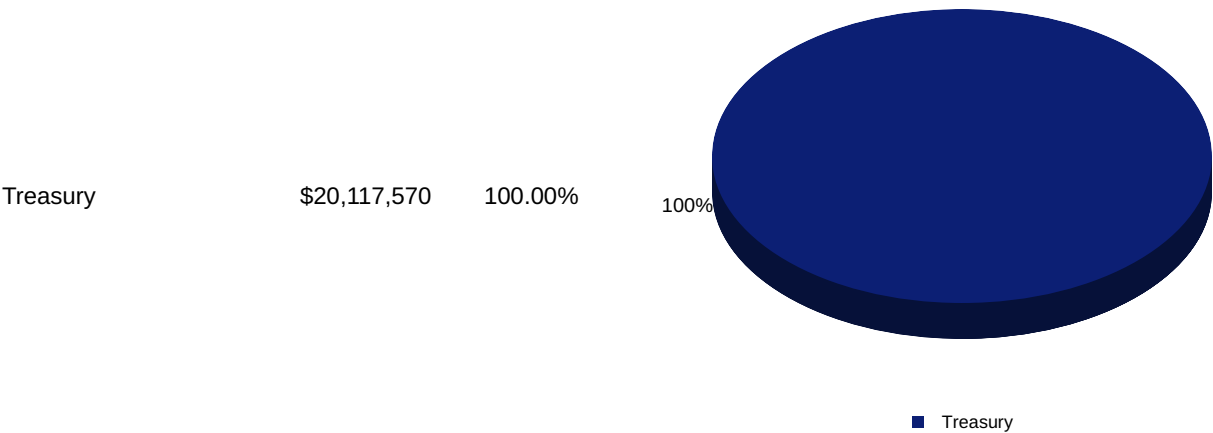
Fixed Income Summary

Inv. Objective	All Fixed/Non Taxable
Total Fixed Income Value	\$20,117,570
Current Yield	3.82%
Annual Income Projected	\$768,463
Number of Securities	20
Portfolio Mgr.	Michael T. Maloney

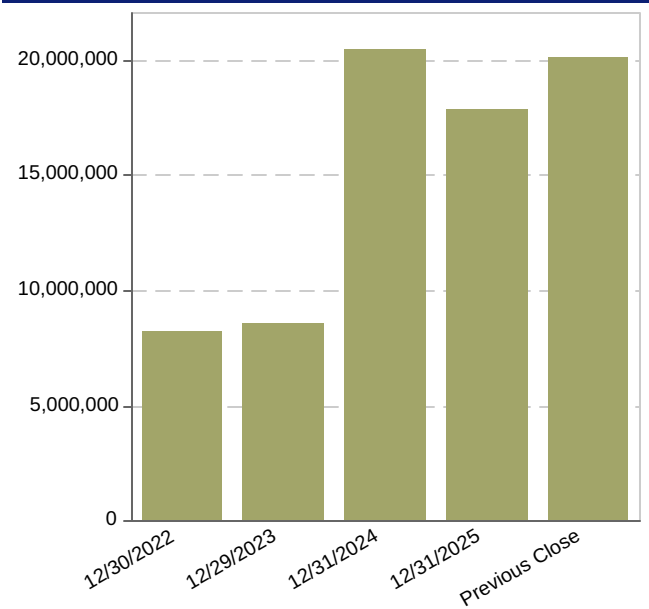
Fixed Income Asset Allocation



Fixed Income Sector Exposures



Fixed Income Market Value





Account: XXXXXXXXX9800

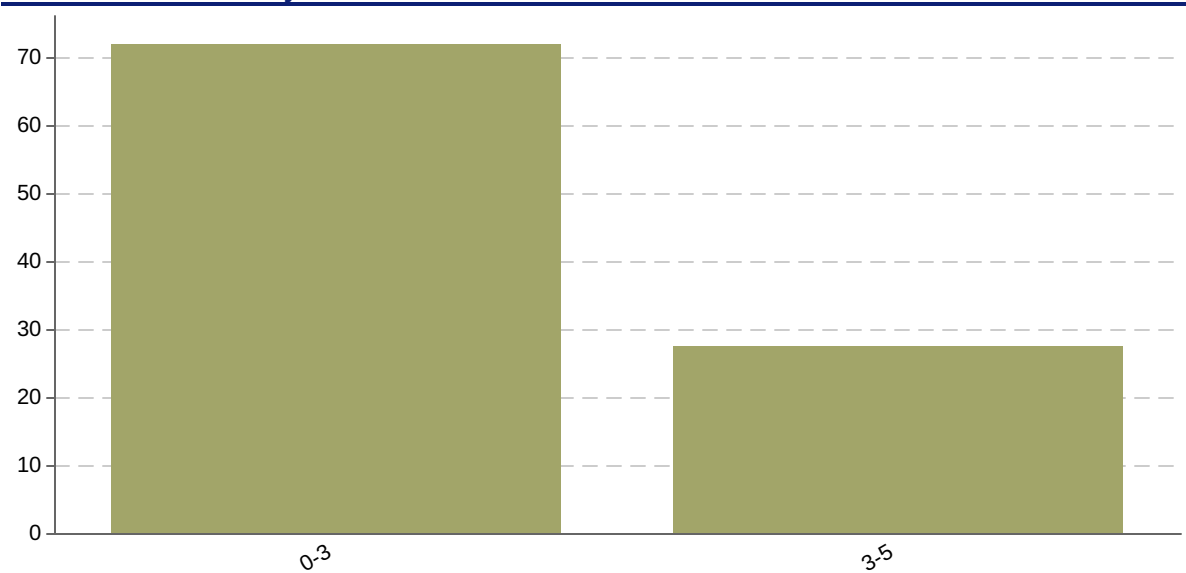
Holdings Method: Direct

Report Date: 08/31/2026

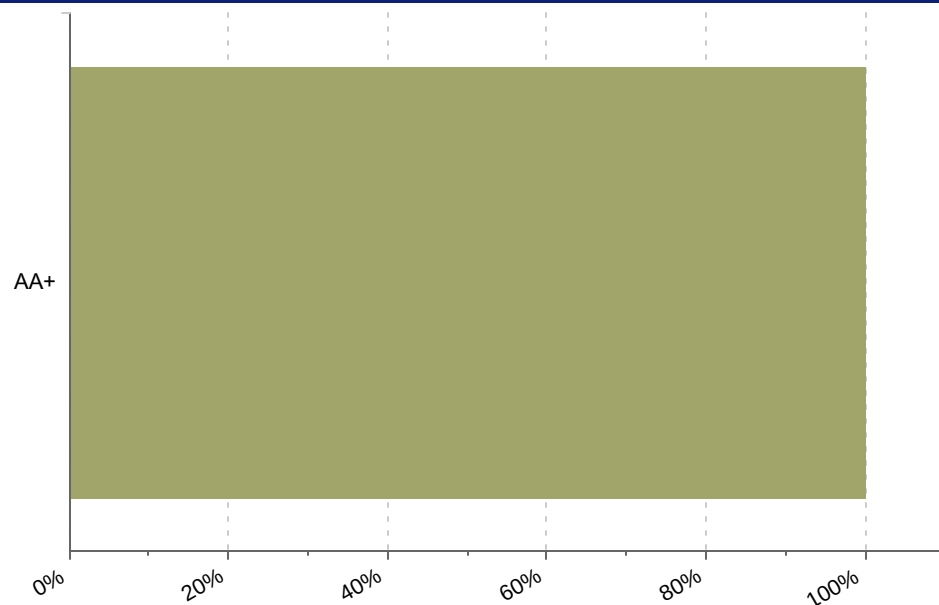
Bond Characteristics

	Portfolio	% Avail
Avg. Coupon (%)	3.23	100
Current Yield (%)	3.82	100
Yield to Maturity (%)	4.21	100
Yield to Worst (%)	4.21	100
Effective Maturity/Avg. Life (Yrs)	2.07	100
Effective Duration (Yrs)	1.91	100
Convexity	.07	100
Credit Quality	AA+	100
Number of Securities	20	100

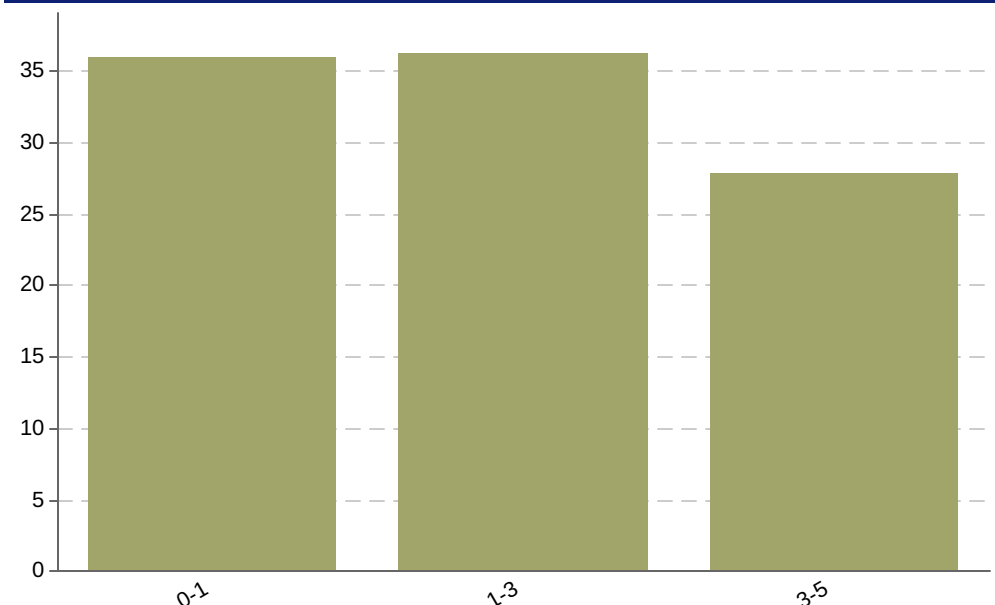
Bond Effective Maturity



Bond Quality Distribution



Bond Duration Distribution





LEAGUE ASSOC OF RISK MANAGEMENT

Portfolio Holdings

Account: XXXXXXXXX9800

Holdings Method: Direct

Report Date: 08/31/2026

			Symbol	% of Port.	Shares/ Units	Portfolio Value	Annual Income	Current Yield	Yield to Maturity	Effective Duration	Avg. Quality	Years to Maturity
Total				100.00		21,603,472	821,690	3.80	4.18	1.91	AA+	2.07
Cash				6.88		1,485,902	53,227	3.58	3.86	--	--	--
Cash Equivalents				6.88		1,485,902	53,227	3.58	3.86	--	--	--
FIRST AM GOVT OB FD CL X			31846V336	6.88	1,485,902	1,485,902	53,227	3.58	3.86	--	--	--
Fixed Income				93.12		20,117,570	768,463	3.82	4.21	1.91	AA+	2.07
Investment Grade				93.12		20,117,570	768,463	3.82	4.21	1.91	AA+	2.07
Treasury				93.12		20,117,570	768,463	3.82	4.21	1.91	AA+	2.07
U S TREASURY BILL	10/29/26		912797SK4	13.80	3,000,000	2,981,880	110,563	3.71	3.71	0.16	AA+	0.16
U S TREASURY NT	1.125% 10/31/26		91282CDG3	4.61	1,000,000	995,440	11,250	1.13	3.76	0.17	AA+	0.17
U S TREASURY NT	4.125% 10/31/26		91282CLS8	3.47	750,000	750,217	30,938	4.12	3.77	0.17	AA+	0.17
U S TREASURY NT	4.125% 2/15/27		91282CKA8	3.47	750,000	750,443	30,938	4.12	3.96	0.45	AA+	0.46
U S TREASURY NT	4.500% 5/15/27		91282CKR1	4.64	1,000,000	1,002,520	45,000	4.49	4.09	0.68	AA+	0.70
U S TREASURY NT	4.375% 7/15/27		91282CKZ3	3.49	752,000	753,188	32,900	4.37	4.18	0.84	AA+	0.87
U S TREASURY NT	3.875% 11/30/27		91282CFZ9	4.61	1,000,000	995,040	38,750	3.89	4.28	1.20	AA+	1.25
U S TREASURY NT	4.000% 2/29/28		91282CGP0	4.61	1,000,000	995,470	40,000	4.02	4.31	1.44	AA+	1.50
U S TREASURY NT	4.000% 6/30/28		91282CHK0	4.60	1,000,000	994,100	40,000	4.02	4.34	1.74	AA+	1.83
U S TREASURY NT	4.375% 8/31/28		91282CHX2	2.78	600,000	600,354	26,250	4.37	4.34	1.90	AA+	2.00
U S TREASURY NT	3.500% 11/15/28		91282CPK1	4.55	1,000,000	981,880	35,000	3.56	4.37	2.08	AA+	2.21
U S TREASURY NT	4.250% 2/28/29		91282CKD2	4.62	1,000,000	997,030	42,500	4.26	4.38	2.34	AA+	2.50
U S TREASURY NT	4.125% 3/31/29		91282CKG5	3.45	750,000	745,253	30,938	4.15	4.38	2.39	AA+	2.58
U S TREASURY NT	3.625% 8/31/29		91282CLK5	4.53	1,000,000	977,970	36,250	3.71	4.42	2.81	AA+	3.00
U S TREASURY NT	3.625% 3/31/30		91282CGS4	4.50	1,000,000	972,850	36,250	3.73	4.45	3.27	AA+	3.58
U S TREASURY NT	3.625% 8/31/30		91282CNX5	4.49	1,000,000	969,340	36,250	3.74	4.46	3.68	AA+	4.00
U S TREASURY NT	3.750% 12/31/30		91282CJQ5	4.50	1,000,000	971,250	37,500	3.86	4.49	3.92	AA+	4.34
U S TREASURY NT	3.750% 1/31/31		91282CPW5	4.49	1,000,000	970,740	37,500	3.86	4.49	4.01	AA+	4.42
U S TREASURY NT	3.875% 4/30/31		91282CQK0	4.51	1,000,000	974,410	38,750	3.98	4.49	4.16	AA+	4.67
U S TREASURY NT	4.125% 5/31/31		91282CQU8	3.42	750,000	738,195	30,938	4.19	4.49	4.22	AA+	4.75

02



Investment Policy

Provided U.S. Bank

LEAGUE ASSOCIATION OF RISK MANAGEMENT

INVESTMENT POLICY

- I. Purpose. The purpose of this document is to establish the investment policy for the League Association of Risk Management, hereafter called LARM, and to provide guidance to the LARM Board, the Investment Committee, the LARM Administrator, and, if utilized, the Investment Manager or Custodian Bank pertaining to investment objectives and guidelines.
- II. Goal. The overall investment goal of LARM is to obtain a high rate of return on its portfolio assets, with a minimal risk, abiding by the appropriate statutes governing the investment of these funds and complying with the responsibility to LARM members.
- III. Priority Listing of Objectives.
 - A. Safety of Principal. Avoidance of financial risk or compromise of the financial integrity of the portfolio.
 - B. Liquidity. Provide sufficient liquidity for the payment of claims and expenses.

This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary and resale markets (dynamic liquidity). A portion of the portfolio may be placed in money market mutual funds which offer same day liquidity for short term funds.
 - C. Earn a High Rate of Return. Earn the highest rate of return with minimal risk. However, return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.
 - D. Diversification of Assets. Diversify assets by both the industry and the issuer in order to avoid undue exposure by any single industry or issuer.
 - E. All investments of LARM shall be in compliance with the Nebraska Insurer's Investment Act at all times.
- IV. Procedure.
 - A. LARM Board. The Board shall:
 1. Review and approve, at least quarterly, all purchases and disposals of investments.

2. Review, at least quarterly, whether all investments have been made in accordance with the Investment Policy.
3. Authorize the Investment Committee, under the general supervision of the LARM Board Chair, to manage the investments of LARM, either independently or through the utilization of the LARM Administrator or an Investment Manager or Custodian Bank.
4. Review the investment policy on an annual basis.

B. Investment Committee. The Investment Committee shall:

1. Receive and review summary reports on the investment portfolio, investment activities, and investment practices in order to determine whether the investment activity is consistent with the Investment Policy.
2. Provide such summary reports at least quarterly to the LARM Board for their review and approval.
3. Review and recommend revision of the Investment Policy to the LARM Board, as appropriate.
4. Review the Investment Manager or Custodian bank's performance and fees at least every 3 years.

C. LARM Administrator. The LARM Administrator shall:

1. Notify the Investment Committee of matters that bear upon the proper investment of the portfolio including pertinent financial, legal, or other information involving the investment of the portfolio and changes in investment objectives.
2. Meet regularly with the Investment Committee to report on progress of the portfolio.

D. Investment Manager or Custodian Bank. If utilized, the Investment Manager or Custodian Bank shall:

1. Meet regularly with the Investment Committee to report on progress of the portfolio.
2. Provide reports monthly to the Investment Committee.
3. Provide information concerning market trends and investment strategies.

V. Investment Guidelines.

A. Regulatory Limitations. The investment guidelines and restrictions as set forth by the Insurers Investment Act (Nebraska Revised Statutes Section 44-5101 et seq.) shall be adhered to at all times by the Board, the Investment Committee, the LARM Administrator, and any Investment Manager or Custodian Bank utilized by the Investment Committee in exercise of their discretion.

B. Prudence. The standard of prudence to be used for managing LARM's investments is the "prudent investor" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of

their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived.”

C. General Strategies.

1. The Investment Committee, or an Investment Manager or Custodial Bank, if utilized, shall determine the appropriate allocation of funds among cash, cash equivalents, and investment grade fixed income securities.
2. Capital gains and losses may be realized when, in the judgment of the Investment Committee or its investment manager or custodian bank, if utilized, consistent with the goals, objectives, and guidelines of this policy, such action is in the best interest of the portfolio and will lead to a greater long-term total rate of return.
3. Securities purchased by the Investment Committee, the LARM Administrator, or an Investment Manager or Custodian Bank, if utilized, shall be limited in general maturity parameters as follows:

The maximum maturity of any security at date of purchase shall not exceed 60 months. The purchase of a security with a maturity longer than 60 months shall be approved by the LARM Board at the next quarterly meeting. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as money market funds to ensure appropriate liquidity is maintained to meet ongoing obligations.

Securities shall not be sold prior to maturity with the following exceptions:

A security with declining credit may be sold early to minimize loss of principal.

Liquidity needs of the portfolio require that the security be sold.

A security swap that would adjust the portfolio (quality, yield, or duration) in a manner that would allow it to better fulfill the investment objectives.

Security purchases and sales shall be made, so that at the time of purchase or sale they do not cause, or exacerbate, non-compliance with the LARM portfolio maturity limitations.

4. Investments made by the Investment Committee, the LARM Administrator, or an Investment Manager or Custodian Bank, if utilized, shall be limited according to the following:

<u>Asset Class</u>	<u>Limitation*</u>
Direct obligations of the United States or obligations for which the full faith and credit of the United States is pledged for the payment of all principal and interest	No Limit
Direct obligations of any agency or instrumentality of the United States or obligations for which the full faith and credit of any agency or instrumentality of the United States is pledged for the payment of all principal and interest	25% per issuer
Other investment grade fixed income securities	5% per issuer
Mutual funds investing in the above classes	<u>5% per issuer, not to exceed 25% in total if the fund is only allowed to invest in U.S. government obligations or U.S. agency or instrumentality obligations; and</u> <u>5% per issuer, not to exceed 10% if invested in other classes.</u>

**Limitations apply to the percentage of admitted assets as shown by the most recent financial statement filed with the Nebraska Department of Insurance.*

- VI. Standard of Performance. Consideration shall be given to the extent to which the investment results are consistent with the goals and objectives as set forth in this policy.

Revised 3-23-2007; 12-16-2009; 3-1-2011; 2-26-2018

03



Market Review

Provided by Sub-Advisor - PFM Asset Management

U.S. Equity

- U.S. equities advanced in August with both the S&P 500 Index the Russell 3000 Index retuning 2.7% for the month, as strong earnings from companies related to energy and artificial intelligence helped support stocks.¹
- Five of the 11 S&P 500 sectors posted positive returns in August. Energy led with a 7.0% return, followed by Information Technology at 6.2%, Materials at 6.0%, and Healthcare at 4.9%. Utilities was the weakest sector, declining 4.8%, while Industrials and Real Estate fell 2.6% and 1.9%, respectively.
- Returns were positive across market capitalizations. Large-caps, represented by the Russell 1000 Index, gained 2.8%; mid-caps, represented by the Russell Midcap Index, returned 1.9%; and small-caps, represented by the Russell 2000 Index, gained 1.0%. Growth stocks outperformed value stocks across all capitalizations.
- According to FactSet Earnings Insight as of August 28, 2026, the blended year-over-year (YoY) earnings growth rate for the S&P 500 in Q2 was 52.0%, well above the five- and 10-year averages of 15.2% and 11.2%, respectively. Ten of the 11 sectors reported YoY earnings growth, and nine of those sectors posted double-digit gains. Energy, Communication Services, Consumer Discretionary, and Information Technology led the increase. For Q3 2026, analysts are currently projecting earnings growth of 28.2%.

Non-U.S. Equity

- Non-U.S. equities rose in line with U.S. equities in August. As represented by the MSCI ACWI ex-U.S. Index, international equities returned 2.6% for the month.
- Emerging markets (MSCI EM Index) advanced 3.4% in August, supported by rebounds in Taiwanese and Korean markets (MSCI Taiwan Index and MSCI Korea Index) which returned returning 6.4% and 5.9% respectively, after a deeply negative July. In contrast, China (MSCI China Index) and India (MSCI India Index) each fell 0.3%. Developed-market equities also rose in August, returning 2.0%. Within developed markets, Japan (MSCI Japan Index) returned 3.3%, while Europe (MSCI Europe Index) returned 1.4%.
- Within the MSCI ACWI ex-U.S. Index, seven of the 11 sectors posted positive returns. Materials led with a 12.9% gain, followed by Information Technology at 5.1%. Real Estate was the weakest sector, declining 2.5%, while Consumer Staples fell 1.8%.

Fixed Income

- The Treasury yield curve flattened in August. The two- and five-year yields each rose 5 basis points (bps), ending the month at 4.3% and 4.5%, respectively. The 10-year yield increased 1 bp to 4.7%, while the 30-year yield declined 3 bps to 5.2% after reaching a 19-year high of 5.3% earlier in the month. At month-end, after Federal Reserve (Fed) Chairman Kevin Warsh's remarks at Jackson Hole Symposium, markets assigned a 64.3% probability to a rate hike at the September Federal Open Market Committee meeting.

- Fixed income posted positive returns in August. The U.S. Treasury Index returned 0.3%, while the Bloomberg U.S. Aggregate Index gained 0.4%. Within credit, lower-quality securities outperformed with investment-grade (IG) credit returning 0.4%. High-yield credit gained 1.0%.
- IG spreads were unchanged at 78 bps, while high-yield spreads narrowed 18 bps to 261 bps. Spreads in both segments remained near historical lows.

Listed Real Assets

- Real estate investment trusts (REITs) declined in August, with the FTSE NAREIT All Equity REITs Index returning -2.7%. Within listed real estate, data centers were approximately flat and were the best performing sector, supported by continued investment in artificial intelligence and related demand for computing infrastructure. Lodging and resorts was the weakest segment, followed by retail.
- Listed infrastructure also declined in August. The FTSE Global Core Infrastructure 50/50 Index returned -1.8%, as utilities posted negative returns in both U.S. and global markets.

Items to Watch

- The second estimate of Q2 2026 GDP growth was unchanged at a 1.5% annualized rate. However, real final sales to private domestic purchasers (the sum of consumer spending and gross private fixed investment) were revised 0.3% higher to a 4.2% annualized rate. This improvement was offset by an upward revision to imports. Looking to Q3, the path of trade flows remains uncertain following the U.S. administration's imposition of 50% tariffs on approximately \$20 billion of Canadian goods and Canada's announcement of comparable retaliatory tariffs on a range of U.S. goods, effective September 8.
- The Personal Consumption Expenditures Price Index, the Fed's preferred inflation measure, held at a 3.7% annual pace in July. The core measure, which excludes volatile food and energy prices, also was unchanged from June at 3.3%. Durable goods remained in disinflation for the month while non-durable goods inflation picked up, pointing to an uneven, progress toward the Fed's 2% target.
- The contribution of the large technology and AI related names has been a major driver of earnings in Q2 and remains an important trend to watch. The top four contributors to earnings growth for the S&P 500 for Q2 2026 were (in order) Alphabet, Amazon.com, Micron Technology, and NVIDIA. These four companies contributed 30.1% of the 52.0% earnings growth for the quarter, driven by AI related revenues and investment income. Looking forward, these same names are currently estimated to contribute 9.9% of the 28.2% earnings growth projected for Q3. As the AI investment trend continues, we are watching for the durability of these earnings in Q3 and beyond.

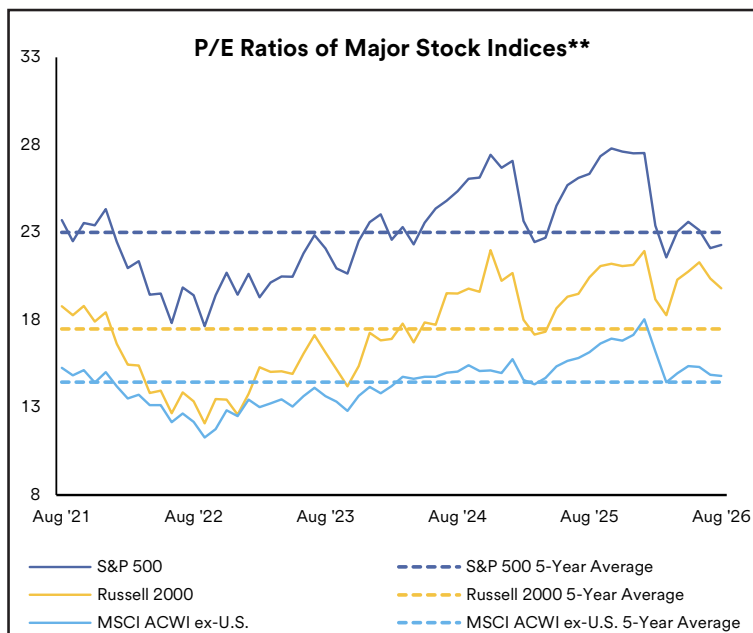
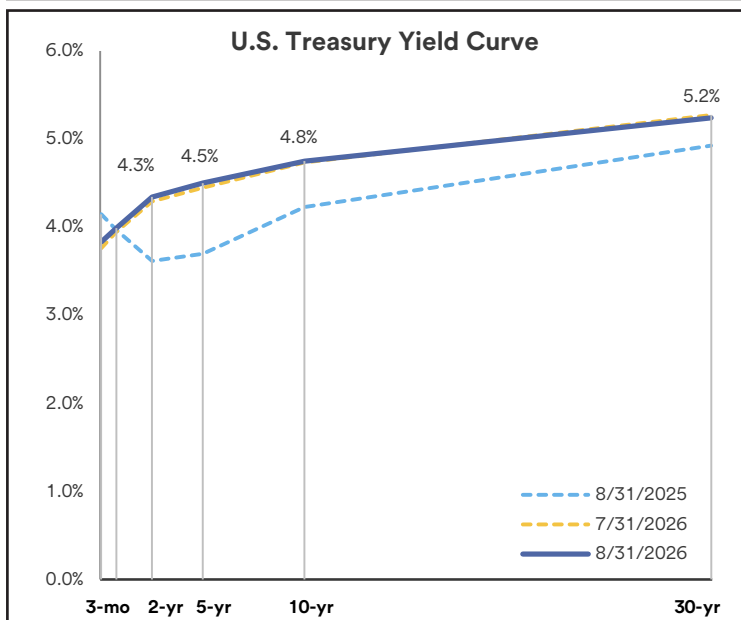
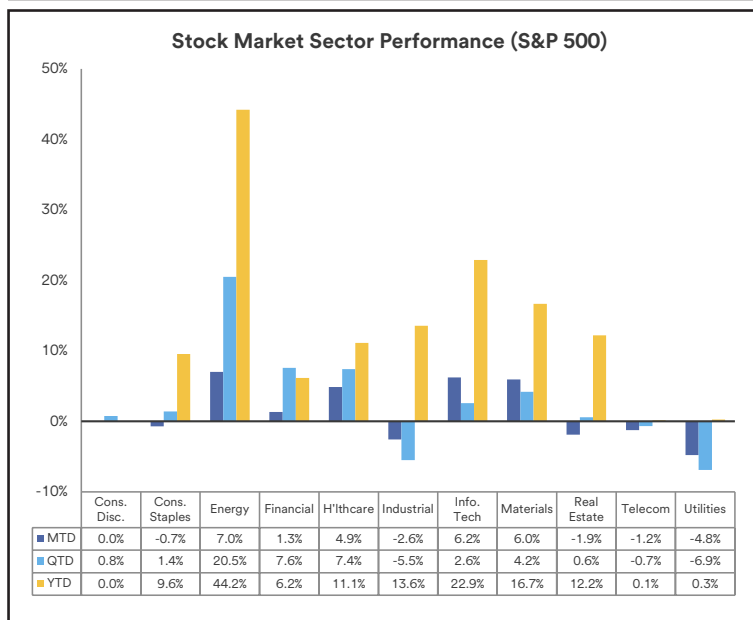
Sources

- Bloomberg
- FactSet

1 - All returns are expressed as total returns (price returns net of dividends).

Total Return of Major Indices				
Domestic Equity	MTD	QTD	YTD	1 YR
S&P 500	2.7%	2.7%	13.1%	20.3%
Russell 3000	2.7%	2.3%	13.4%	20.1%
Russell 2000	1.0%	-2.0%	20.2%	26.6%
Russell 1000	2.8%	2.4%	13.0%	19.7%
International Equity	MTD	QTD	YTD	1 YR
MSCI ACWI ex-U.S.	2.6%	2.9%	17.0%	27.3%
MSCI EAFE	2.0%	4.0%	13.8%	21.6%
MSCI Emerging Markets	3.4%	0.2%	24.1%	39.2%
Fixed Income	MTD	QTD	YTD	1 YR
Bloomberg U.S. Agg	0.4%	-0.9%	-0.3%	1.9%
Bloomberg Global Agg	0.5%	-0.1%	-0.3%	0.6%
ICE BofA U.S. HY	1.0%	0.7%	2.6%	4.8%
Listed Real Assets	MTD	QTD	YTD	1 YR
MSCI U.S. REIT	-3.0%	-0.9%	15.9%	14.6%
FTSE NAREIT All Equity REITs	-2.7%	-0.4%	14.5%	12.5%
MSCI World Core Infrastructure	-0.3%	1.4%	10.6%	12.3%
FTSE Global Core Infrastructure 50/50	-1.8%	-1.3%	9.2%	12.3%

Economic Indicators		
Domestic	Current	Previous
Unemployment Rate (%)	4.1%	4.2%
Initial Jobless Claims (four week average)	205.5 K	204.3 K
CB Leading Economic Indicators	0.2	-0.1
Capacity Utilization	76.3%	76.2%
GDP (annualized growth rate)	1.5%	2.1%
University of Michigan Consumer Confidence	51.7	55.2
New Home Starts	607 K	678 K
Existing Home Sales	4.1 MM	4.1 MM
Retail Sales (YoY)	5.0%	6.8%
U.S. Durable Goods (MoM)	1.1%	0.5%
Consumer Price Index (YoY)	3.4%	3.5%
Producer Price Index (MoM)	-0.7%	-1.4%
Developed International*		
EAFE GDP (annualized growth rate)	0.8%	1.2%
EAFE Unemployment	5.1%	5.1%
EAFE Inflation	2.5%	2.5%



Source: Bloomberg, FactSet. Data as of August 31, 2026, unless otherwise noted.

*Developed market data excluding the U.S. and Canada. Aggregate figure calculated by FactSet Economics.

**P/E ratios are calculated based on one-year-forward estimates and adjusted to include only positive earning results for consistency.

Indices shown are not available for investment. The index data reference herein is the property of the index provider and/or its licensors. The index provider assumes no liability in connections with its use and does not sponsor, endorse or recommend the products or services contained herein. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of U.S. Bancorp Asset Management, Inc. at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. No representation is made as to its accuracy or completeness.

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NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

04



Important disclosures, definitions of terms and index descriptions

Provided U.S. Bank

If you have questions regarding this information or wish to receive definitions of any additional terms or indexes used in this report, please contact your team.

Important disclosures (page 1 of 4)

The information provided here is not intended to replace your account statement. Your account statement is the official record of your account.



Equal Housing Lender. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products offered by U.S. Bank National Association. Member FDIC.

For use in one-on-one meetings/presentations.

This information represents the opinion of U.S. Bank. The views are subject to change at any time based on market or other conditions and are current as of the date indicated on the materials. This is not intended to be a forecast of future events or guarantee of future results. The factual information provided has been obtained from sources believed to be reliable but is not guaranteed as to accuracy or completeness.

U.S. Bank and its representatives do not provide tax or legal advice. Your tax and financial situation is unique. You should consult your tax and/or legal advisor for advice and information concerning your particular situation.

Past performance is no guarantee of future results. All performance data, while obtained from sources deemed to be reliable, are not guaranteed for accuracy. Indexes shown are unmanaged and are not available for direct investment, nor are they subject to fees and expenses.

Performance reports included may show performance results gross of fees and expenses. If fees and expenses were included, the performance would be lower. If you have any questions, please speak with your relationship manager for additional information.

Based on our strategic approach to creating diversified portfolios, guidelines are in place concerning the construction of portfolios and how investments should be allocated to specific asset classes based on client goals, objectives and tolerance for risk. Not all recommended asset classes will be suitable for every portfolio. **Diversification and asset allocation do not guarantee returns or protect against losses.**

Important disclosures (page 2 of 4)

Equity securities are subject to stock market fluctuations that occur in response to economic and business developments. **Stocks of small-capitalization companies** involve substantial risk. These stocks historically have experienced greater price volatility than stocks of larger companies and may be expected to do so in the future. **Stocks of mid-capitalization companies** can be expected to be slightly less volatile than those of small-capitalization companies, but still involve substantial risk and may be subject to more abrupt or erratic movements than large-capitalization companies. The value of **large-capitalization stocks** will rise and fall in response to the activities of the company that issued them, general market conditions and/or economic conditions. **Growth investments** focus on stocks of companies whose earnings/profitability are accelerating in the short term or have grown consistently over the long term. Such investments may provide minimal dividends, which could otherwise cushion stock prices in a market decline. Stock value may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks. Investors should carefully consider the additional risks involved in growth investments. **Value investments** focus on stocks of income-producing companies whose price is low relative to one or more valuation factors, such as earnings or book value. Such investments are subject to risks that their intrinsic values may never be realized by the market, or such stocks may turn out not to have been undervalued. Investors should carefully consider the additional risks involved in value investments.

International investing involves special risks, including foreign taxation, currency risks, risks associated with possible differences in financial standards and other risks associated with future political and economic developments. Investing in **emerging markets** may involve greater risks than investing in more developed countries. In addition, concentration of investments in a single region may result in greater volatility.

Investments in **real estate securities** can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates and risks related to renting properties (such as rental defaults). There are special risks associated with an investment in **commodities**, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors.

Investments in **fixed income securities** are subject to various risks, including changes in interest rates, credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications and other factors. Investment in fixed income securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term securities. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investments in **high yield bonds** offer the potential for high current income and attractive total return, but involve certain risks. Changes in economic conditions or other circumstances may adversely affect a bond issuer's ability to make principal and interest payments.

Important disclosures (page 3 of 4)

The **municipal bond** market is volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issues of municipal securities. Interest rate increases can cause the price of a bond to decrease. Income on municipal bonds is free from federal taxes, but may be subject to the federal alternative minimum tax (AMT), state and local taxes.

Treasury Inflation-Protected Securities (TIPS) offer a lower return compared to other similar investments and the principal value may increase or decrease with the rate of inflation. Gains in principal are taxable in that year, even though not paid out until maturity.

Non-financial **specialty assets**, such as real estate, farm, ranch and timber properties, oil, gas and mineral interests or closely-held business interests are complex and involve unique risks specific to each asset type, including the total loss of value. Special risk considerations may include natural events or disasters, complex tax considerations and lack of liquidity. Specialty assets may not be suitable for all investors.

Alternative investments very often use speculative investment and trading strategies. There is no guarantee that the investment program will be successful. Alternative investments are designed only for investors who are able to tolerate the full loss of an investment. These products are not suitable for every investor even if the investor does meet the financial requirements. It is important to consult with your investment professional to determine how these investments might fit your asset allocation, risk profile and tax situation. **Hedge funds** are speculative and involve a high degree of risk. An investment in a hedge fund involves a substantially more complicated set of risk factors than traditional investments in stocks or bonds, including the risks of using derivatives, leverage and short sales, which can magnify potential losses or gains. Restrictions exist on the ability to redeem or transfer interests in a fund. **Exchange-traded funds (ETFs)** are baskets of securities that are traded on an exchange like individual stocks at negotiated prices and are not individually redeemable. ETFs are designed to generally track a market index and shares may trade at a premium or a discount to the net asset value of the underlying securities. **Private equity** investments provide investors and funds the potential to invest directly into private companies or participate in buyouts of public companies that result in a delisting of the public equity. Investors considering an investment in private equity must be fully aware that these investments are illiquid by nature, typically represent a long-term binding commitment and are not readily marketable. The valuation procedures for these holdings are often subjective in nature. **Private debt** investments may be either direct or indirect and are subject to significant risks, including the possibility of default, limited liquidity and the infrequent availability of independent credit ratings for private companies. **Structured products** are subject to market risk and/or principal loss if sold prior to maturity or if the issuer defaults on the security. Investors should request and review copies of Structured Products Pricing Supplements and Prospectuses prior to approving or directing an investment in these securities.

Important disclosures (page 4 of 4)

Mutual fund investing involves risk and principal loss is possible. Investing in certain funds involves special risks, such as those related to investments in small- and mid-capitalization stocks, foreign, debt and high-yield securities and funds that focus their investments in a particular industry. Please refer to the fund prospectus for additional details pertaining to these risks. An investment in **money market funds** is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although these funds seek to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in these funds.

Holdings of First American Funds: U.S. Bancorp Asset Management, Inc. is a registered investment advisor and subsidiary of U.S. Bank National Association. U.S. Bank National Association is a separate entity and wholly owned subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, performance or services of U.S. Bancorp Asset Management. U.S. Bancorp Asset Management, Inc. serves as an investment advisor to First American Funds. **Holdings of Nuveen mutual funds:** Firststar Capital Corporation (Firststar Capital), an affiliate of U.S. Bancorp, holds a less-than-10 percent ownership interest in Windy City Investments Holdings, LLC which was formerly the parent of Windy City Investment Inc. and the indirect parent of Nuveen Fund Advisors, LLC which is the investment advisor to the Nuveen Mutual Funds. On October 1, 2014, Windy City Investments, Inc. was sold to Teachers Insurance and Annuity Association of America. As a result of the sale, U.S. Bancorp no longer has an indirect ownership interest in Nuveen Fund Advisors, LLC. Depending on the outcome of certain factors, Firststar Capital might in the future receive an earn-out payment in respect of its interest in Windy City Investment Holdings, LLC, under the terms of the sale. **Non-proprietary mutual funds:** U.S. Bank may enter into agreements with other non-proprietary mutual funds or their service providers whereby U.S. Bank provides shareholder services and/or sub-transfer agency, custodial and other administrative support services and receives compensation for these services. Compensation received by U.S. Bank directly or indirectly from mutual funds does not increase fund fees and expenses beyond what is disclosed in the fund prospectuses. For more information, review the fund prospectus.

Definitions of report and statement terms (page 1 of 5)

Accredited Investor: Private placement securities generally require that investors be accredited due to the additional risks and speculative nature of the securities. For natural persons, the criteria is met by a net worth of more than \$1 million (excluding primary residence) or an income of more than \$200,000 individually (\$300,000 jointly) for the two most recent years and a reasonable expectation for the same in the current year. For other entities, such as corporations, partnerships, trusts and employee benefit plans, the criteria is met with at least \$5 million in assets. See full definition in Rule 501 of Regulation D under the Securities Act of 1933.

Alpha: A measure of risk-adjusted performance. A statistic measuring that portion of a stock, fund or composite's total return attributable to specific or non-market risk. Alpha measures non-market return and indicates how much value has been added or lost. A positive Alpha indicates the fund or composite has performed better than its Beta would predict (i.e., the manager has added value above the benchmark). A negative Alpha indicates a fund or composite has underperformed given the composite's Beta.

Alternative Investments: As used by U.S. Bank, an investment considered to be outside of the traditional asset classes of long-only stocks, bonds and cash. Examples of alternative investments include hedge funds, private equity, options and financial derivatives.

Annualized Excess Return: Shows the difference between the annualized linked returns of a portfolio and the model benchmark. Performance reports provided annualize only periods greater than one year.

Annualized or Annual Rate of Return: Represents the average annual change in the value of an investment over the periods indicated.

Batting Average: Shows how consistently the portfolio return met or beat the market.

Beta: A measure of your portfolio's risk relative to a benchmark. A portfolio with a beta of 1.5, for example, would be expected to return roughly 1.5 times the benchmark's return. A high Beta indicates a riskier portfolio.

Bond Credit Rating: A grade given to bonds by a private independent rating service that indicates their credit quality. Ratings are the opinion of Standard & Poor's or other agencies as noted and not the opinion of U.S. Bank.

Consumer Price Index (CPI): A measure of the average change in prices over time in a market basket of goods and services and is one of the most frequently used statistics for identifying periods of inflation and deflation.

Convexity to Stated Maturity: A measure of the curvature in the relationship between bond prices and bond yields that demonstrates how the duration of a bond changes as the interest rate changes. Convexity is used as a risk-management tool and helps to measure and manage the amount of market risk to which a portfolio of bonds is exposed. This version of convexity measures the rate change in duration of a bond as the yield to (stated) maturity changes.

Definitions of report and statement terms (page 2 of 5)

Cost basis/book value: The original value of an asset at the time it was acquired. This is normally the purchase price or appraised value at the time of acquisition. This data is for information purposes only.

Cumulative Excess Return: Shows the difference between the annualized linked returns of a portfolio and the model benchmark. Performance reports provided use unannualized returns in periods up to one year, but annualized returns for periods exceeding one year.

Downside Capture: The downside capture ratio reflects how a portfolio compares to a benchmark during periods when the benchmark is down. A downside capture ratio of 0.80 (or 80 percent) means the portfolio has historically declined only 80 percent as much as the benchmark during down markets.

Downside Deviation: The deviation of returns that fall below a minimum acceptable return (MAR). Although the numerator includes only returns below the MAR, the denominator includes all returns in the performance period. This risk statistic is similar to the downside standard deviation except the sum is restricted to returns less than the MAR instead of the mean.

Downside Standard Deviation: The deviation of returns that fall below the mean return. Although the numerator includes only returns below the mean, the denominator includes all returns in the performance period. This risk statistic is similar to the downside deviation except the sum is restricted to returns less than the mean instead of the minimum acceptable return (MAR).

Effective Maturity: The date of a bond's most likely redemption, given current market conditions, taking into consideration the optional and mandatory calls, the optional, mandatory and recurring puts, and the stated maturity.

Estimated annual income: The amount of income a particular asset is anticipated to earn over the period indicated. The shares multiplied by the annual income rate.

Gain/loss calculation: If an asset was sold, the difference between the proceeds received from the sale compared to the cost of acquiring the asset. If the value of the proceeds is the higher of the two numbers, then a gain was realized. If the value of the proceeds is the lower of the two numbers, a loss was incurred. This data is for information purposes only.

Information Ratio: The information ratio compares the average excess return of the portfolio over its associated benchmark divided by the tracking error.

M-Squared: The hypothetical return of the portfolio after its risk has been adjusted to match a benchmark.

Definitions of report and statement terms (page 3 of 5)

Market Value: Publicly traded assets are valued using market quotations or valuation methods from financial industry services believed by us to be reliable. Assets, that are not publicly traded, may be reflected at values from other external sources or special valuations prepared by us. Assets for which a current value is not available may be reflected as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could have been bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

Market Value Over Time: Many factors can impact the portfolio value over time, such as contributions to the account, distributions from the account, the investment of dividends and interest, the deduction of fees and expenses, and market performance.

Modified Duration to Effective Maturity: A formula that expresses the measurable change in the value of a security in response to a change in interest rates. This version of Modified Duration takes into consideration a “horizon date/price” that is, given current conditions, the most likely redemption date/price using the set of calls/puts, as well as stated maturity.

Modified Duration to Stated Maturity: A formula that expresses the measurable change in the value of a security in response to a change in interest rates. This version of Modified Duration uses stated maturity as the “horizon date/price” and ignores any potential call/put/pre-refunding, even if they are mandatory.

Price/Earnings Ratio (P/E): The P/E ratio of a company is calculated by dividing the price of the company’s stock by its trailing 12-month earnings per share. A high P/E usually indicates that the market is paying a premium for current earnings because it believes in the firm’s ability to grow its earnings. A low P/E indicates the market has less confidence that the company’s earnings will increase. Within a portfolio, P/E is the weighted average of the price/earnings ratios of the stocks in the portfolio.

Qualified Purchaser: Some private placement securities require that investors be Qualified Purchasers in addition to being Accredited Investors. For natural persons, the criteria is generally met when the client (individually or jointly) owns at least \$5 million in investments. For other entities, such as corporations, partnerships, trusts and employee benefit plans, the criteria is met with at least \$25 million in investments though there are other eligibility tests that may apply. See full definition in Section 2(a)(51) of the Investment Company Act of 1940.

R-Squared: Measures the portion of the risk in your portfolio that can be attributed to the risk in the benchmark.

Realized and Unrealized Gains/Losses: Are calculated for individual tax lots based on the records we have available. Some data may be incomplete or differ from what you are required to report on your tax return. Some data used in these calculations may have been obtained from outside sources and cannot be verified by U.S. Bank. The data is intended for informational purposes only and should not be used for tax reporting purposes. Please consult with your tax or legal advisor for questions concerning your personal tax or financial situation.

Definitions of report and statement terms (page 4 of 5)

Residual Risk: The amount of risk specific to the assets in a portfolio distinct from the market, represented by a benchmark.

Return: An indication of the past performance of your portfolio.

Sharpe Ratio: Measures of risk-adjusted return that calculates the return per unit of risk, where risk is the Standard Deviation of your portfolio. A high Sharpe ratio indicates that the portfolio is benefiting from taking risk.

Sortino Ratio: Intended to differentiate between good and bad volatility. Similar to the Sharpe ratio, except it uses downside deviation for the denominator instead of standard deviation, the use of which doesn't discriminate between up and down volatility.

Spread: The difference between the yields of two bonds with differing credit ratings (most often, a corporate bond with a certain amount of risk is compared to a standard traditionally lower risk Treasury bond). The bond spread will show the additional yield that could be earned from a bond which has a higher risk.

Standard Deviation: A measure of the volatility and risk of your portfolio. A low standard deviation indicates a portfolio with less volatile returns and therefore less inherent risk.

Time-weighted Return: The method used to calculate performance. Time-weighted return calculates period by period returns that negates the effect of external cash flows. Returns for periods of greater than one year are reported as an annualized (annual) rate of return. Returns of less than one year are reported on a cumulative return basis. Cumulative return is the aggregate amount an investment has gained or lost over time, independent of the period involved.

Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. This is often in the context of a hedge or mutual fund that did not work as effectively as intended, creating an unexpected profit or loss instead.

Traditional Investments: As used by U.S. Bank, an investment made in equity, fixed income or cash securities, mutual funds or exchange-traded funds (ETFs) where the investor buys at a price with the goal that the investment will go up in value.

Top 10 Holdings: The 10 assets with the highest market values in the account.

Total Portfolio Gross of Fees: Represents all assets included in the calculation of the portfolio, before the deduction of trust and asset management fees, and is inclusive of all applicable third-party security fees and expenses. Details of those fees and expenses are provided in the security's prospectus or offering documents.

Definitions of report and statement terms (page 5 of 5)

Total Return: The rate of return that includes the realized and unrealized gains and losses plus income for the measurement period.

Treynor Ratio: Measures the performance of a sector relative to risk by dividing the return of the sector in excess of the risk-free return by the sector's Beta. The higher the Treynor ratio, the better the return relative to risk.

Turnover Percent: Indicates how frequently asset are bought and sold within a portfolio.

Turnover Ratio: The percentage of a mutual fund's or other investment vehicle's holdings that have been "turned over" or replaced with other holdings in a given year.

Unrealized gain (loss) — The difference between the current market value (at the end of the statement period) and the cost to acquire the asset. If the current market value is higher than the cost, a gain is reflected. If the current market value is lower than the cost paid, a loss is reflected. This data is for information purposes only.

Upside Capture: The upside capture ratio reflects how a portfolio compares to the selected model benchmark during periods when the benchmark is up. An upside capture ratio of 1.15 (or 115 percent) means the portfolio has historically beat the benchmark by 15 percent during up markets.

Yield: The annual rate of return on an investment, expressed as a percentage. For bonds, it is the coupon rate divided by the market price. For stocks, it is the annual dividend divided by the market price.

Frequently used indexes (page 1 of 5)

Bloomberg Barclays 1-3 year U.S. Treasury Index: Measures the performance of the U.S. government bond market and includes public obligations of the U.S. Treasury with a maturity between one year and up to (but not including) three years.

Bloomberg Barclays 1-5 year U.S. Treasury Index: Includes all publicly issued, U.S. Treasury securities that have a remaining maturity of greater than or equal to one year and less than five years, are rated investment grade and have \$250 million or more of outstanding face value.

The Bloomberg Barclays 1-5 year Municipal Index: Measures the performance of municipal bonds with time to maturity of more than one year and less than five years.

Bloomberg Barclays 7-year Municipal Index: Includes municipal bonds with a minimum credit rating of Baa that have been issued as part of a transaction of at least \$50 million, have a maturity value of at least \$5 million and a maturity range of four to six years.

Bloomberg Barclays Global Aggregate Index ex-U.S. Index: Measure of global investment grade debt from 24 local currency markets. This multi-currency benchmark includes Treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Barclays Global Treasury ex-U.S. Index: Includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade.

Bloomberg Barclays High Yield Municipal Bond Index: An unmanaged index made up of bonds that are non-investment grade, unrated or below Ba1 bonds.

Bloomberg Barclays Intermediate Aggregate Index: Consists of one- to 10-year governments, one- to 10-year corporate bonds, all mortgages and all asset-backed securities within the Aggregate Index.

Bloomberg Barclays Mortgage-Backed Securities Index: Covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid adjustable-rate mortgages) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

Bloomberg Barclays U.S. Aggregate Bond Index: Measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities.

Bloomberg Barclays U.S. Corporate Bond Index: Measures the investment grade, fixed-rate, taxable corporate bond market and includes U.S. dollar-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

Frequently used indexes (page 2 of 5)

Bloomberg Barclays U.S. Corporate High Yield Bond Index: Measures the U.S. dollar denominated, high yield, fixed-rate corporate bond market.

Bloomberg Barclays U.S. Municipal Bond Index: Measures the investment grade, U.S. dollar-denominated, fixed tax-exempt bond market. The index includes state and local general obligation, revenue, insured and pre-refunded bonds.

Bloomberg Barclays U.S. Treasury Index: Measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index: An unmanaged index includes all publicly issued, U.S. TIPS that have at least one year remaining to maturity, are rated investment grade, and have \$250 million or more of outstanding face value.

Cambridge U.S. Private Equity Index: This index is based on returns data compiled for U.S. private equity funds (including buyout, growth equity and mezzanine funds) that represent the majority of institutional capital raised by private equity partnerships formed since 1986. Returns may be delayed by up to six months. Quarterly performance is prorated based on the cube root for the months of the quarter.

Citigroup 3-Month Treasury Bills: An unmanaged index and represents monthly return equivalents of yield averages of the last three-month Treasury Bill issues.

Citigroup 6-Month Treasury Bills: An unmanaged index and represents monthly return equivalents of yield averages of the last six-month Treasury Bill issues.

Credit Suisse Leverage Loan Index: Represents tradable, senior-secured, U.S. dollar-denominated non-investment grade loans.

Dow Jones Industrial Average (DJIA): The price-weighted average of 30 significant U.S. stocks traded on the New York Stock Exchange and NASDAQ. The DJIA is the oldest and single most watched index in the world.

Dow Jones Select REIT Index: Measures the performance of publicly traded REITs and REIT-like securities in the U.S. and is a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate.

HFRI Indices: The Hedge Fund Research, Inc. (HFRI) indexes are a series of benchmarks designed to reflect hedge fund industry performance by constructing composites of constituent funds, as reported by the hedge fund managers listed within the HFR Database.

Frequently used indexes (page 3 of 5)

HFR Equity Hedge Total Index: Uses the HFR (Hedge Fund Research) database and consists only of equity hedge funds with a minimum of \$50 million assets under management or a 12-month track record and that reported assets in U.S. dollars.

HFR Relative Value Fixed Income Corporate Index: Uses the HFR (Hedge Fund Research) database and consists of only relative value fixed income corporate funds with a minimum of \$50 million assets under management or a 12-month track record and that reported assets in U.S. dollars.

ICE BofAML 1-3 Year Corporate Index: Tracks U.S. dollar-denominated investment grade public debt issued in the U.S. bond market with maturities of one to three years.

ICE BofAML 1-5 Year Corporate and Government Index: Tracks the performance of short-term U.S. investment grade government and corporate securities with maturities between one and five years.

ICE BofAML U.S. 7-10 Year Index: Tracks the performance of U.S. dollar denominated investment grade rated corporate debt publicly issued in the U.S. domestic market and includes all securities with a remaining term to maturity of greater than or equal to seven years and less than 10 years.

ICE BofAML Global Broad Market Index: Tracks the performance of investment grade public debt issued in the major domestic and Eurobond markets, including global bonds.

ICE BofAML U.S. High Yield Master II Index: Commonly used benchmark index for high yield corporate bonds and measures the broad high yield market.

J.P. Morgan Emerging Markets Bond Index Global (EMBI Global): Tracks total returns for traded external debt instruments in the emerging markets.

London Interbank Offered Rate (LIBOR) 3-months: The interest rate offered by a specific group of London banks for U.S. dollar deposits with a three-month maturity.

London Interbank Offered Rate (LIBOR) 9-months: The interest rate offered by a specific group of London banks for U.S. dollar deposits with a nine-month maturity.

MSCI All Country World Index (ACWI): Designed to measure the equity market performance of developed and emerging markets.

Frequently used indexes (page 4 of 5)

Russell 2000 Value Index: Measures companies in the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index includes the 2,000 firms from the Russell 3000 Index with the smallest market capitalizations.

Russell 3000 Index: Measures the performance of the 3,000 largest U.S. securities based on total market capitalization.

Russell Midcap Index: Measures the 800 smallest companies in the Russell 3000 Index.

Russell Midcap Growth Index: Measures companies in the Russell Midcap Index having higher price-to-book ratios and higher forecasted growth values.

Russell Midcap Value Index: Measures companies in the Russell Midcap Index having lower price-to-book ratios and lower forecasted growth values.

MSCI All County World ex-U.S. Index (ACWI, excluding United States): Tracks the performance of stocks representing developed and emerging markets around the world that collectively comprise most foreign stock markets. U.S. stocks are excluded from the index.

MSCI EAFE Index: Includes approximately 1,000 companies representing the stock markets of 21 countries in Europe, Australasia and the Far East.

MSCI Emerging Markets (EM) Index: Designed to measure equity market performance in global emerging markets.

MSCI World Index: Tracks equity market performance of developed markets through individual country indices.

NAREIT Index: Includes REITs (Real Estate Investment Trusts) listed on the New York Stock Exchange, NASDAQ and American Stock Exchange.

NASDAQ Composite Index: A market capitalization-weighted average of roughly 5,000 stocks that are electronically traded in the NASDAQ market.

NCREIF Property Index (NPI): Measures the investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only.

Russell 1000 Index: Measures the performance of the 1,000 largest companies in the Russell 3000 Index and is representative of the U.S. large capitalization securities market.

Frequently used indexes (page 5 of 5)

Russell 1000 Growth Index: Measures companies in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth values. It includes the largest 1,000 firms in the Russell 3000 Index.

Russell 1000 Value Index: Measures companies in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth values. It includes the largest 1,000 firms in the Russell 3000 Index.

Russell 2000 Index: Measures the performance of the 2,000 smallest companies in the Russell 3000 Index and is representative of the U.S. small capitalization securities market.

Russell 2000 Growth Index: Measures companies in the Russell 2000 Index having higher price-to-book ratios and higher forecasted growth values, and is representative of U.S. securities exhibiting growth characteristics. The Russell 2000 Index includes the 2,000 firms from the Russell 3000 Index with the smallest market capitalizations.

S&P 500 Index: Consists of 500 widely traded stocks that are considered to represent the performance of the U.S. stock market.

S&P Global ex-U.S. Property Index: Measures the investable universe of publicly traded property companies domiciled in developed and emerging markets excluding the United States. The companies included are engaged in real estate related activities such as property ownership, management, development, rental and investment.

S&P GSCI: A composite index of commodity sector returns, representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities.

S&P/Case-Shiller Home Price Indexes: A group of indexes that track changes in home prices throughout the United States. Case-Shiller produces indexes representing certain metropolitan statistical areas (MSA) as well as a national index.

Swiss Re Global Cat Bond Total Return Index: Tracks the aggregate performance of all U.S. dollar-denominated euros and Japanese yen-denominated catastrophe bonds, capturing all ratings, perils and triggers.

U.S. Dollar Index: Indicates the general international value of the U.S. dollar by averaging the exchange rates between the U.S. dollar and six major world currencies.

Wilshire 5000 Index: Composed of more than 6,700 publicly-traded U.S. companies and is designed to track the overall performance of the American stock markets.



2026-27

BUDGET REPORT

Robert Ooms
Director of Finance
Sedgwick



LEAGUE ASSOCIATION OF RISK MANAGEMENT
2026-27 Proposed Budget
9/10/2026

REVENUE DETAIL

		2024-2025	2025-2026	2026-2027	Current vs Prior Budget:	
		Actual	Approved	Proposed	Dollar	Percent
Code	Description	Revenue	Budget	Budget	Incr/(Decr)	Incr/(Decr)
Income						
1	Gross Earned Contribution	22,546,460	25,797,000	29,450,000	3,653,000	14.2%
2	Ceded Premiums	(7,895,641)	(8,757,000)	(6,295,000)	2,462,000	(28.1%)
3	Net Earned Contribution	14,650,819	17,040,000	23,155,000	6,115,000	35.9%
4	Investment Income (net of fees)	550,360	400,000	600,000	200,000	50.0%
5	Other Income	16,133	30,000	30,000	-	-
Total Revenue		15,217,312	17,470,000	23,785,000	6,315,000	36.1%

LEAGUE ASSOCIATION OF RISK MANAGEMENT
2026-27 Proposed Budget

EXPENDITURE DETAIL

		2024-2025 Actual	2025-2026 Approved	2026-2027 Proposed	Current vs Prior Budget:	
					Dollar	Percent
Code	Description	Expenditures	Budget	Budget	Incr/(Decr)	Incr/(Decr)
	Claim Losses and Loss Expenses					
6	Losses and Expenses	15,751,728	11,804,000	16,282,000	4,478,000	37.9%
7	Loss Adjustment Expense	1,577,362	1,087,000	1,499,000	412,000	37.9%
8	Ceded Losses	(9,450,437)	(2,892,000)	(3,989,000)	(1,097,000)	37.9%
9	Net Losses	7,878,653	9,999,000	13,792,000	3,793,000	37.9%
	Underwriting Expenses					
10	Actuarial Services	38,500	40,000	40,000	-	-
11	Legal Services	10,920	100,000	100,000	-	-
12	Salary & Wages	904,604	936,000	973,440	37,440	4.0%
13	Employee Benefits	302,933	315,000	346,500	31,500	10.0%
14	Payroll Taxes	69,206	75,000	78,000	3,000	4.0%
15	Retirement Plan	89,969	84,000	88,000	4,000	4.8%
16	Mobile Phone	8,867	11,000	11,000	-	-
17	Car & Field	74,110	78,000	85,000	7,000	9.0%
18	Computer	47,022	70,000	70,000	-	-
19	Telecommunication / Network	6,758	10,000	10,000	-	-
20	Postage	845	3,000	3,000	-	-
21	Office Supplies	11,606	15,000	15,000	-	-
22	Dues & Publications	11,649	20,000	20,000	-	-
23	Miscellaneous	162	1,000	1,000	-	-
24	Conferences & Travel	23,506	60,000	60,000	-	-
25	Accounting & Financial Audit	40,575	47,000	47,000	-	-
26	Rent/Leases & Building Costs	125,068	80,000	85,000	5,000	6.3%
27	Third Party Administration	882,030	753,000	856,000	103,000	13.7%
28	LNMA Administrative Fee	433,698	516,000	583,000	67,000	13.0%
29	Advertising / Marketing / Printing	17,887	24,000	24,000	-	-
30	Appraisal Services	64,079	90,000	90,000	-	-
31	Loss Control Services	35,525	55,000	55,000	-	-
32	Safety Grant Program	39,736	60,000	60,000	-	-
33	Agent Commissions	1,394,394	1,812,000	2,100,000	288,000	15.9%
34	Consulting Services	16,000	-	-	-	n/a
35	Department of Insurance Audit	8,790	-	-	-	n/a
36	Bank Fees	7,059	6,000	6,000	-	-
37	Insurance	99,532	95,000	111,000	16,000	16.8%
38	Taxes & Licenses	189,543	212,000	273,000	61,000	28.8%
39	Total Underwriting Expenses	4,954,574	5,568,000	6,190,940	622,940	11.2%
	Total Expenditures	12,833,227	15,567,000	19,982,940	4,415,940	28.4%
40	Net Income	2,384,085	1,903,000	3,802,060	1,899,060	99.8%

LEAGUE ASSOCIATION OF RISK MANAGEMENT
2026-27 Proposed Budget

SURPLUS DETAIL

Code	Description	2024-2025 Actual Surplus	2025-2026 Approved Budget	2026-2027 Proposed Budget
	Surplus			
41	Beginning Surplus	9,308,430	9,308,430	11,692,515
42	Earned Surplus	2,384,085	1,903,000	3,802,060
43	Ending Surplus	<u>11,692,515</u>	<u>11,211,430</u>	<u>15,494,575</u>
44	Dividend Program	<u>-</u>	<u>-</u>	<u>-</u>
45	Total Surplus	<u><u>11,692,515</u></u>	<u><u>11,211,430</u></u>	<u><u>15,494,575</u></u>

Line #	Category	Description
1	Gross Earned Contribution	Estimated amount of contribution to be collected from members. Amount is derived from current year contributions with increases of 10% for casualty (0% rate, 10% exposure) , 7% property (7% exposure, 0% rate), and 20% for workers comp (5% rate, 9% exposure). Also includes \$350K in new business.
2	Ceded Premiums	Estimated premiums to be paid to reinsurers. Rate changes from the prior year: Casualty 10%, property -51%, and workers comp 0%. Figure includes \$333.5K cyber, \$40.4K pollution, \$45.5K deadly weapon response, \$43.9K mechanical breakdown, and \$35K broker fee on liability policy.
3	Net Earned Contribution	Gross earned contributions less ceded premiums.
4	Investment Income	TPA estimated earnings from funds invested during the fiscal year, net of investment management fees.
5	Other Income	Net income recognized for policies outsourced to reinsurers, less the reinsurer's premium. Flood, crime and liquor liability policies, for example. Also includes a projected dividend receipt of \$25K from NLC Mutual.
6	Claim Losses and Loss Expenses	Total of losses reserved on individual case files. Loss reserves are based on the best estimate of ultimate claim cost. Losses include awards and judgments paid to the plaintiff.
7	Loss Adjustment Expense	Expense associated with losses on Line #6, which includes cost of medical records, expert witness fees, independent medical exams, independent adjuster fees, Sedgwick claim handling fees, and court costs. Includes \$93K workers comp claim handling fees contracted to Sedgwick.
8	Ceded Losses	Loss in excess of self-insured retentions with reinsurers and excess carriers. This amount is expected to be reimbursed to LARM by reinsurers and excess carriers.
9	Net Losses	Losses and expenses, plus loss adjustment expenses, less ceded losses. (The sum of lines 6 through 8.) Actuary estimates of the actual amount of claims to be paid by LARM are obtained from By the Numbers Actuarial Consulting and reviewed by Sedgwick.
10	Actuarial Services	Fees paid to By the Numbers Actuarial Consulting, Inc. for actuarial services provided under contract. Services include the annual actuarial reserves opinion required by the Department of Insurance, assistance with development of the annual independent audit, quarterly reports to the Department of Insurance, rate analysis report, and other projects as assigned.
11	Legal Services	General counsel fees incurred that are not related to a claim. Examples may be advice on management, due process, review of coverage policies, DOI inquiries, employment and tax issues. Prior years have also included lobbying fees.
12	Salary & Wages	Salary and wages for eight staff members and 1/2 of IT manager. Includes a 4% salary increase for all staff.
13	Employee Benefits	Employee benefits for 8 1/2 staff members (1/2 is the IT manager shared with LONM) including health, HSA funding, dental, life and disability, as well as staff continuing education hours.
14	Payroll Taxes	Payroll taxes for staff, estimated to be 8% of salary & wages.
15	Retirement Plan	Retirement plan for staff, estimated at 9% of salary & wages once staff members are vested.
16	Mobile Phone	Costs related to cell phone contracts.
17	Car & Field	All vehicles and their related fuel and maintenance expenses. One new vehicle purchase is scheduled for the new year.
18	Computer	Software/hardware costs, technology service contract, hardware lease, website, etc.
19	Telecommunication / Network	Cost of Internet, cable, land line phones and related equipment.
20	Postage	Postage on all meeting packets, promotional calendars, letters, bills, loss control information, etc.
21	Office Supplies	Office supplies for the LARM office including general office supplies, small equipment, board packet materials, copies, and professional photos for website.
22	Dues & Publications	Membership dues, newspaper renewals, magazine subscriptions, etc.
23	Misc.	Cost of special awards, claim ex gratis payments, and any other office expenses that do not fall into another category.
24	Conferences & Travel	Conference and workshops for staff, NLC, AGRIP and PRIMA, including travel, accommodations, meals, etc. Also includes LARM meetings, Board of Directors travel expenses, and staff training.
25	Accounting & Audit	Accounting and auditing of filings required by the Department of Insurance, fees related to the independent audit of LARM's financial statements, and any required reports related to that audit. Also includes payroll service fees.
26	Rent/Leases & Building Costs	Rent for office space, utilities, copier lease, and office maintenance costs.
27	Third Party Administration	Fees paid to Sedgwick for monthly TPA services. 68k per month + CPI% or 3% (Whichever is lower) on next year's service. If 17 or more members added by april 1st of next year an additional 833 per month is added. 5% compensation on new busines
28	LNM Administrative Fee	Sponsorship fees paid to the League of Nebraska Municipalities. 2% of renewal contributions and new business is budgeted.
29	Advertising/Marketing/Printing	Direct advertising costs and enhanced marketing of LARM services to municipalities. Includes ads in trade magazines, design and printing costs for brochures and the LARM calendar, and promotional merchandise.
30	Appraisal Services	Cost of property appraisals and related expenses.
31	Loss Control Services	Fees related to the police professional training conducted by LLRMI and NIRMA/PATC, Online University, loss control safety marketing materials, membership publications, and claims software.
32	Grant Programs	Includes the \$500 per member "Lean on LARM" Safety Grant program and the \$700 per member Body Armor Grant. Prior years have also included the COVID-19 relief assistance program.
33	Agent Commissions	Commission paid on agent-produced business. This year's budget increase is due to increase in contributions.

Line #	Category	Description
34	Consulting Services	Consulting fees paid to brokers and consultants. (Broker fees paid to <i>reinsurers</i> are not included here, but are included in line 7 above.)
35	Department of Insurance Audit	Department of Insurance Audit. The audit typically occurs every three years, but can occur whenever the Department of Insurance determines.
36	Bank Fees	Fees for checking account services including the general operating account and the claim account. Services include Positive Pay fraud prevention.
37	Insurance	Premium paid for public officials liability insurance for the LARM Board of Directors and Officers, insurance for LARM vehicles, workers' compensation, general liability, inland marine, commercial umbrella, ERISA bond, employee dishonesty, and cyber policies.
38	Taxes & Licenses	Estimate of premium tax and fees paid to the Nebraska Department of Insurance in compliance with the Intergovernmental Risk Management Act. Current rate is 1% of net contribution (after deduction for ceded premiums) plus 1% of gross workers' comp contributions.
39	Total Underwriting Expenses	Total underwriting and miscellaneous expenses. Sum of lines 10 through 38.
40	Net Income	Total revenue minus total expenditures.
41	Beginning Surplus	Surplus shown on the financial statement at the beginning of the fiscal year.
42	Earned Surplus	Net income reported on financial statement.
43	Ending Surplus	Beginning surplus plus earned surplus.
44	Dividend Program	Potential member distribution program.
45	Total Surplus	Ending surplus minus dividend program.

SETTLEMENT AGREEMENT AND FULL AND FINAL RELEASE OF ALL CLAIMS

For and in consideration of the sums identified herein and paid by or on behalf of the **Village of Alda and the State of Nebraska**, receipt of which is hereby acknowledged, I, **CASEY ARNDT**, individually and as **Special Administrator of the Estate of PAUL ARNDT** [hereinafter "**ARNDT**"], do hereby release and forever discharge the Village of Alda and the State of Nebraska, and any of their respective predecessors in interest, insurers, attorneys, respective officers, employees, agents, successors and assigns (hereinafter collectively **Releasees**) from any and all claims, demands and liabilities of every kind and nature, including claims for wrongful death, survival, loss of companionship or consortium, general and special damages, and property damage, if any, which are unknown to me, unanticipated, or unexpected at the present time, which might result in further damages, or in any way arises out of the accident that occurred on or about **SEPTEMBER 22, 2021**, at or near **ADLA, NEBRASKA**, which resulted in the death of **PAUL ARNDT** ("Accident") as alleged in the pleadings on file in *Casey Arndt as the Personal Representative of the Estate of Paul Arndt v. Union Pacific Railroad, Hall County, State of Nebraska, and Village of Alda*, Case No. CI 22-643 ("the Lawsuit"). The Village of Alda shall pay **TWO HUNDRED SEVENTY-FIVE THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$275,500.00)**. The State of Nebraska shall pay **FORTY-NINE THOUSAND DOLLARS AND 00/100 DOLLARS (\$49,000.00)**.

This Agreement and Payment are contingent upon Plaintiff confirming, in writing, that an agreement similar in form to this Agreement has been entered into by and between all parties currently in the Lawsuit, so a global dismissal without prejudice will be filed (as provided for below). Payment is also contingent upon receipt of all necessary approvals, including county court and district court.

The State of Nebraska agrees that it will make all reasonable efforts to obtain its portion of the Payment and deliver to Plaintiff's counsel no later than June 28, 2026. The Parties agree and recognize, however, that the timing of this Agreement is near the end of the State's fiscal year and the amount of funds available is uncertain at this time. Even if funds in this fiscal cycle were available so the State could pay its portion of the Payment, historically, it has been difficult to get payment requests to be timely processed in the last

few weeks of one fiscal year and the first few weeks of the next fiscal year. Notwithstanding all the above, the State believes that if it cannot obtain the funds by June 28, 2026, that it should be able to obtain the funds no later than July 31, 2026, extraordinary circumstances excluded.

As soon as reasonably practicable following the State receiving all necessary approval to pay its portion of the Payment, and obtaining county court approval of the settlement, the State will obtain district court approval for acceptance of its settlement and do so no later than 30 days after this agreement or after all necessary approval referenced herein is obtained, whichever is later.

Releasees are authorized to submit their respective settlement payments to one of my attorneys of record, Nolan J. Niehus, Woods Aitken LLP, individually and as my representative to be held in trust on my behalf, via Electronic Funds Transfer ("EFT") or check as agreed by the parties as full consideration for this settlement and release. **ARNDT** acknowledges that Releasees have satisfied the consideration in support of this Release upon the deposit of the EFT or receipt of the check.

It is understood and agreed that this settlement is the compromise of a disputed claim, and that the payment made is not to be construed as an admission of liability on the part of the Releasees or the other parties hereby released, and that said Releasees deny liability therefor and intend merely to avoid litigation and buy their peace.

ARNDT hereby declares and represents that all claims, resulting from the death of **PAUL ARNDT** are uncertain and in making this Release, it is understood and agreed that **ARNDT** relies wholly upon my judgment, belief and knowledge of the nature, extent, effect and duration of said injuries and liability therefor and that this Release is entered into without reliance upon any statement or representation made by the parties hereby released.

ARNDT further declares and represents that no promise, inducement or agreement not herein expressed has been made to me, and that this Release contains the entire agreement between the parties hereto, and that the terms of this Release are contractual and not a mere recital. **ARNDT** also represents that he is fully entitled and duly authorized

to enter this Agreement, grant the releases, enter the covenants, and undertake the obligations set forth herein on behalf of all heirs.

ARNDT hereby acknowledges there are, or may be in the future, additional claims, outstanding bills, asserted or potential subrogation claims or rights of third persons or third party entities related to the Accident or Lawsuit, including but not limited to, claims of health care or medical providers, funeral homes, doctors, therapists, chiropractors, pharmacies financial institutions, insurance carriers, federal or state agency or programs such Medicare or Medicaid, Medicare Secondary Payer Recovery Contractor (MSPRC), CMS, (Medicare), private health insurer, Medigap, HMOs, collection agencies, government agencies, other insurers or other third parties, whose claims may arise by operation of state law, federal law, contract or in equity, for medical expenses, treatment, disability benefits, or other charges or expenses for treatment or services, medications, or durable medical goods, which are alleged by such third party to be related to the Accident, Lawsuit, or Paul Arndt's death, which will collectively be referred to as "Third-Party Reimbursement Claims." ARNDT warrants and agrees that he is solely and exclusively responsible to negotiate, pay, and satisfy all Third-Party Reimbursement Claims, if any, out of the Payments listed herein.

INDEMNITY: ARNDT AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS RELEASEES AGAINST ANY AND ALL CLAIMS (HOWEVER ASSERTED, AND WHETHER KNOWN OR UNKNOWN) THAT ARE BROUGHT AGAINST RELEASEES BY ANY PERSON OR PARTY AND THAT IN ANY WAY ARISES OUT OF THE OCCURRENCE OF THE ACCIDENT, PAUL ARNDT'S DEATH, OR THE LAWSUIT, INCLUDING, BUT NOT LIMITED TO, PERSONS/ENTITIES WITH THIRD-PARTY REIMBURSEMENT CLAIMS, HEIR DISPUTES, AND ANY PERSON/ENTITY WHO CLAIMS A RIGHT TO THE PROCEEDS FROM THIS SETTLEMENT. ARNDT FURTHER AGREES TO WAIVE ANY CLAIM FOR DAMAGES, INDEMNIFICATION OR CONTRIBUTION FROM ANY CLAIM OR PRIVATE RIGHT OF ACTION PROVIDED IN THE MEDICARE SECONDARY PAYER (MSP) ACT, 42 U.S.C. SECTION 1395Y(B)(3)(A), IF ANY, IN CONNECTION WITH THE OCCURRENCE OF THE LAWSUIT, PAUL ARNDT'S DEATH, OR THE LAWSUIT.

ARNDT understands that as a result of this settlement the Lawsuit will be dismissed with prejudice by agreement, with each party bearing its own costs of court and attorney fees, except that the State shall pay the mediation costs since the day of mediation. Releasees similarly agree to dismiss all counter, cross, and third-party claims amongst them with prejudice and agree that their respective payments herein are intended to resolve all claims Releasees raised or could have raised with any party to the lawsuit arising from the accident and lawsuit. Payment from the Village of Alda and the State of Nebraska is contingent on obtaining a dismissal, with prejudice, that is global, meaning that no claim (however labeled) will exist by and between any party in the Lawsuit. Also, Payment is contingent upon receipt of all necessary Court approval. 14 days after receipt of payment from all parties, the parties will file a full and global dismissal the Lawsuit, including all parties in the Lawsuit dismissing all claims, cross claims, counterclaims, and Third-Party Complaints, with prejudice.

This Agreement shall inure to the benefit of and shall bind the Parties hereto and their heirs, executors, representatives, agents, insurers, successors, and assigns.

This Agreement, along with any references to agreements or documents herein (which are incorporated by reference) contains the entire agreement between the Parties hereto and the terms are contractual in nature and not a mere recital. This Agreement shall supersede any other writings or written agreements by and between the parties.

This Agreement shall be construed under and governed by the laws of the State of Nebraska and shall be venued in Hall County.

This Agreement may be copied, and a copy will have the same force and effect as an original.

ARNDT further declares that I have read this Release and understand that neither I, nor anyone on my behalf or on behalf of **PAUL ARNDT** or his Estate, can make any further claims against the Releasees, the other released parties and their respective officers,

employees, agents, successors and assigns for any and all damages sustained by me as a result of the accident referenced herein, and understands that I cannot do so even though the injuries or damages prove to be more serious or different from what I now know or understand them to be.

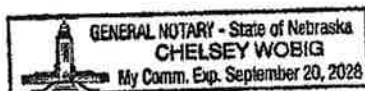
I HAVE FULLY READ THE FOREGOING RELEASE AND DECLARE THAT I VOLUNTARILY ENTER INTO THIS RELEASE AND FULLY UNDERSTAND IT. I CONFIRM THAT I HAVE AUTHORITY TO EXECUTE THIS RELEASE FOR THE PERSONS AND ENTITIES HEREBY RELEASING CLAIMS AND I HEREBY ACKNOWLEDGE RECEIPT OF A COPY OF THIS RELEASE AND SETTLEMENT AGREEMENT.

EXECUTED this 10 day of June, 2026.


**CASEY ARNDT, as Special Administrator
for the Estate of Paul Arndt, including all
heirs**

STATE OF NEBRASKA)
COUNTY OF Hall) SS:

On this 10 day of June, 2026, before me, a notary public, duly commissioned and qualified in and for said county, personally came CASEY ARNDT known to be the person whose name is affixed to the foregoing instrument or proven to me with identification and acknowledged to be her voluntary act and deed.




Notary Public

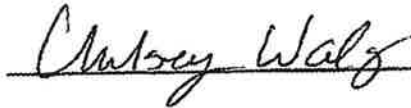
[SIGNATURES CONTINUE ON NEXT PAGE]

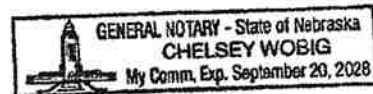
EXECUTED this 10 day of June, 2026.


CASEY ARNDT, as an individual

STATE OF NEBRASKA)
COUNTY OF Hall) SS:

On this 10 day of June, 2026, before me, a notary public, duly commissioned and qualified in and for said county, personally came CASEY ARNDT known to be the person whose name is affixed to the foregoing instrument or proven to me with identification and acknowledged to be her voluntary act and deed.


Notary Public



EXECUTED this 3rd day of June, 2026.


Village of Alda

[SIGNATURES CONTINUE ON NEXT PAGE]

EXECUTED this 11th day of June, 2026.

Martel J. Bundy
State of Nebraska
Martel Bundy
Assistant Attorney General
State of Nebraska

[END]

GENERAL RELEASE

The undersigned, Erik Hobart, ("Claimant"), states:

1. The Claimant, individually and on behalf of his successors and assigns, in consideration of the payment to him in the sum of NINETY THOUSAND Dollars (\$90,000.00), does fully release and forever discharge the City of Norfolk, Nebraska, League Association of Risk Management (LARM), Sedgwick Claims Management Services, Inc and its affiliates, and each of their officers, directors, employees, successors and assigns, (the "Released Parties") from any and all liability for all claims arising from the incident that occurred on or about December 14, 2025, involving a motor vehicle collision that occurred in Norfolk, Madison County, Nebraska, when an vehicle owned by the Police Department for the City of Norfolk, Nebraska and operated by Claimant was involved in a collision with an underinsured motor vehicle. This Release of liability includes all common law, statutory, and other causes of action, including damage claims of any sort, attorney's fees, and costs which Claimant may have or claim to have as of the date of this Release. The Release of liability shall release all claims the Claimant may have under the terms of the insurance policy number B0240PC2025-1 that was issued to the City of Norfolk, Nebraska.

2. Claimant is solely responsible for any and all tax liability related to this payment and will defend, indemnify, and hold harmless the Released Parties from any such tax liability.

3. Claimant recognizes that the Released Parties will comply with the Nebraska Open Records Act.

4. Claimant agrees any action or proceeding that has been initiated or filed related to the incident will be immediately dismissed with prejudice.

5. This Release is executed as a compromise settlement of a disputed claim. The Released Parties deny that they have done anything improper or illegal concerning the incident described in this Release, and this Release does not constitute an admission of liability on the part of any person or entity. No other promises have been made by the Released Parties, or by any person or entity acting on their behalf. This Release covers all injuries and damages whether presently known or not.

6. Claimant represents that he does not know of any person or entity that has paid any amount on his behalf that would entitle anyone to recover as a lienholder or subrogee of Claimant against the Released Parties. If such lienholder, subrogee, or any person/entity with a third party interest exists, Claimant agrees to satisfy those third-party interests out of the settlement proceeds and further agrees to defend, indemnify, and hold harmless the Released Parties for any claims or interests that are asserted. Such indemnification shall include, without limitation, any and all attorney fees, court costs, and any and all other costs and expenses. Claimant further represents that he has not assigned his claim to any other person.

7. Claimant is executing this Release solely upon his own knowledge, belief, and judgment and not upon any representation made by the Released Parties. Claimant acknowledges that he has had the opportunity to consult with an attorney of his choice.

8. Claimant represents that he is not currently receiving Medicare benefits and that Medicare has not made any conditional payments on their behalf related to their claims in this matter. Claimant has not and will not apply for Social Security Disability benefits related to this incident. Claimant does not anticipate any future Medicare-eligible expenses related to any injuries for which he is making a claim. Because no future Medicare-eligible expenses are anticipated, no part of the settlement is being set aside for Medicare. Claimant agrees to defend, indemnify, and hold harmless the Released Parties from any interest asserted by Medicare. Such indemnification shall include, without limitation, any and all attorney fees, court costs, and any and all other costs and expenses.

9. This Release constitutes the entire agreement between Claimant and the Released Parties. It supersedes all prior Releases and understandings, whether oral or written, relating to Claimant's alleged injuries and damages related to the incident described in this Release.

10. It is the intent of Claimant and the Released Parties to end any dispute between them pertaining to the matters described in this Release. This Release should be broadly construed to achieve this intent. The terms,

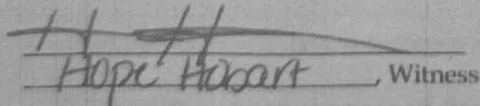
provisions, representations, and remedies contained in this Release shall be enforceable to the fullest extent permitted by law. If any term of this Release is found to be invalid or unenforceable, then such term shall be construed in a manner permitting its enforcement to the fullest extent allowed by the law. In any case, the remaining provisions of this Release other than those which have been held invalid, illegal, or unenforceable, shall not be affected or impaired and shall remain in full force and effect. This Release will not be construed either in favor of one party or against one party, but rather pursuant to the fair and reasonable interpretation of the language used.

CAUTION: THIS IS A RELEASE. READ BEFORE SIGNING.



Erik Hobart, Claimant

Date Claimant signed: 7/17/2026


Hope Hobart, Witness

Date Witness Signed: 7/17/2026