NOTICE

MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)
Wednesday, May 24, 2023, 10:30 a.m. CT/9:30 a.m. MT

PLEASE TAKE NOTICE that on **Wednesday, May 24, 2023, at 10:30 a.m. CT/9:30 a.m. MT**, the League Association of Risk Management (LARM), will hold a LARM Board of Directors meeting at the Cornhusker Marriot Hotel, Grand Ballroom, B and C, 333 South 13th Street, Lincoln, Nebraska. 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, Lincoln, Nebraska. A notice of this meeting with the agenda and other materials are available at this location with a copy of the Open Meetings Act posted. The meeting will also be made available by Zoom via Computer, Smart Device or Telephone https://us06web.zoom.us/j/87560305288?pwd=eUJ5L3BqOVN0QWV5NTVUbTlPZlNGdz09 or via phone at 346-248-7799. The Meeting ID: 875 6030 5288 and the passcode is 431775.

On May 16, 2023, a notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials also is available for public inspection at 1335 L Street, 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.

AGENDA

MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)
Wednesday, May 24, 2023, 10:30 a.m. CT/9:30 a.m. MT
Cornhusker Marriott Hotel - Grand Ballroom, B and C
333 South 13th Street, Lincoln, NE

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 links 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.

You also may join the meeting by Zoom via Computer, Smart Device or Telephone https://us06web.zoom.us/j/87560305288?pwd=eUJ5L3BqOVN0QWV5NTVUbTlPZlNGdz09 or via phone at 346-248-7799. The Meeting ID: 875 6030 5288 and the passcode is 431775.

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. 10:30 a.m. CT/9:30 a.m. MT – Lanette Doane, Village of Ansley Clerk/Treasurer and Chair of the LARM Board, will call the meeting to order.
b. Roll call.
c. Indicate that on May 16, 2023, a notice of this meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials were available for public inspection at 1335 L Street, 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 www.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 as provided in Article 1, Section 1 of LARM's Bylaws to approve LARM Administrator Lynn Rex's recommendation to appoint City of Imperial Administrator/Community Development Director Tyler Pribbeno to fill the vacancy and serve the unexpired term of former City of Imperial Administrator/Clerk/Treasurer Jo Leyland.
· *Lynn Rex, Administrator, LARM*

3. Consider a motion to approve the minutes of the February 28, 2023, meeting of the LARM Board of Directors.
See pages 1-6

4. Consider a motion to accept the quarterly update on LARM investments.
· *Michael Maloney, Senior Portfolio Manager, US Bank*
See pages 7-60

5. Consider a motion to accept the quarterly update on LARM financials.
· *Mark Weaver, Vice President Finance, Sedgwick*
See pages 61-150

6. Consider a motion to accept the reinsurance renewal update and to set rates to achieve the overall funding targets of $9,045,000 in contributions for Property, $3,320,000 in contributions for General Liability, and $3,543,000 in contributions for Workers Compensation contribution, which would result in an overall total contribution of $15,908,000 based on review of *By the Numbers Actuarial Consulting's* (BYNAC) "Indicated Premium draft actuarial report for October 1, 2023-2024."

See pages 151-154

· Justin Swarbrick, Senior Vice-President, Aliant Insurance Services, Inc.

· Mark Weaver, Vice President Finance, Sedgwick

· Chris Cadwell, Director of Pool Administration, Sedgwick

7. Consider a motion to authorize Sedgwick, on behalf of LARM, to bind the following reinsurance coverages: a) All Risk Property, effective 07-01-23; b) Cyber Liability; effective 07-01-23; c) Pollution Liability, effective 07-01-23; and d) Deadly Weapon Response Program, effective 07-01-23.

· Chris Cadwell, Director of Pool Administration, Sedgwick

· Mark Weaver, Vice President Finance, Sedgwick

8. Consider a motion to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation.

· Fred Wiebelhaus, Loss Control Manager/Claims Manager, 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
Tuesday, February 28, 2023, 1:30 p.m. CT/12:30 p.m. MT
Cornhusker Marriott Hotel-Grand Ballroom. B and C
333 S 13th Street, Lincoln NE

A Meeting of the League Association of Risk Management (LARM) Board of Directors was held February 28, 2023, at 1:30 p.m. CT /12:30 p.m.MT. in the Grand Ballroom, B and C at the Cornhusker Marriott Hotel at 333 S 13th Street in Lincoln, Nebraska.

(AGENDA ITEM #1) **Call meeting to order.** At 1:30 p.m. CT**, LARM Board Vice-Chair Lanette Doane**, Clerk/Treasurer, Village of Ansley, called the meeting to order.

The roll call was read with the following voting Board Members present: **Connie Jo Beck**, Clerk/Deputy Treasurer, City of St. Paul; **Pam Buethe***,* Board Member, Sarpy County SID #29*;* **Lanette Doane**, Clerk/Treasurer, Village of Ansley*,* **Pat Heath,** Administrator, City of Gering; **Melissa Harrell,** Administrator/Treasurer, City of Wahoo; **Jo Leyland,** Administrator/Clerk/Treasurer, City of Imperial; **Mayor Josh Moenning,** City of Norfolk; **Tom Ourada,** Administrator, City of Crete; **Mayor Joey Spellerberg,** City of Fremont; and **Mayor Deb VanMatre**, City of Gibbon. Ex-officio (non-voting) Board Member **L. Lynn Rex**, Executive Director of the League of Nebraska Municipalities, and Administrator of LARM was present.

At the time of roll call: 3 were absent: ***Mayor Don Groesser*****,** City of Ralston; **Chris Rector**, Administrator, City of Holdrege and **Sandra Schendt,** Clerk/Treasurer, City of Nelson.

At the time of roll call 2 spots on the board were vacant as **Former Mayor Doug Hanson,** City of Hickman chose to not seek re-election and **LeAnn Brown,** Clerk/Treasurer City of Oshkosh retired from her position**.**

Other participants included: **Cline Williams Law Firm** – representing LARM, Trent Sidders and Andy Barry; **Sedgwick (LARM's third party administrator)** – Becky Atkinson, Chris Cadwell and John Baum; **NLC**- Moira Kenan; **Alliant Insurance Services Inc.**- Justin Swarbrick; **Midwest Employer Casualty**- Mark Bigger; **LARM** – Dave Bos, Tracy Juranek, Diane Becker, Drew Cook, Ethan Nguyen, Fred Wiebelhaus, Kyla

Brockevelt, James Kelley, Clint Simmons and Nate Fox; **League of Nebraska Municipalities** – Shirley Riley; **City of Franklin**- Raquel Felzien; (Via Zoom): **Us Bank**- Michael Maloney and Chris Reavis; **Sedgwick (LARM's third party administrator)**- Kathy Manuel.

Vice-Chair Lanette Doane indicated that on February 28, 2023, 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, 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- www.larmpool.org and Facebook page- www.facebook.com/larmne.

Vice-Chair Lanette Doane 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. Vice-Chair Lanette Doane 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 as provided in Article 1, Section 1 of LARM's Bylaws to approve LARM Administrator Lynn Rex's recommendation to appoint City of Franklin Clerk/Treasurer Raquel Felzien to fill the vacancy and serve the unexpired term of former City of Hickman Mayor Doug Hanson.** Vice-Chair Doane asked if there was any discussion; there was none. Jo Leyland moved, seconded by Connie Jo Beck to appoint City of Franklin Clerk/Treasurer Raquel Felzien to fill the vacancy and serve the unexpired term of former City of Hickman Mayor Doug Hanson. Roll call vote. Ayes: Beck, Buethe, Doane, Heath, Harrell, Leyland, Moenning, Ourada, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Groesser, Rector and Schendt. ***Motion carried: 10 ayes, 0 nays, 0 abstention, 3 absent and 2 vacancies.***

(AGENDA ITEM #3) **Consider a motion to elect Lanette Doane, Clerk/Treasurer of the Village of Ansley, as Chair for a one-year term and Joey Spellerberg, Mayor of the City of Fremont, as Vice Chair for a one-year term as provided in Article V, Section 1 of LARM's Bylaws.** Vice-Chair Doane asked if there was any discussion; there was none. Pam Buethe moved, seconded by Tom Ourada to elect Lanette Doane, Clerk/Treasurer of Village of Ansley, as Chair for a one-year term and Joey Spellerberg, Mayor of Fremont, a Vice Chair for a one-year term as provided in Article V, Section 1 of LARM's Bylaws. Roll call vote. Aye: Beck, Buethe, Doane, Felzien, Heath, Harrell, Leyland, Moenning, Ourada and VanMatre. Nays: None. Abstentions: Spellerberg.

Absent: Groesser, Rector and Schendt. ***Motion carried: 10 ayes, 0 nays, 1 abstention, 3 absent and 1 vacancy.***

(AGENDA ITEM #4) **Consider a motion to approve the minutes of the December 14, 2022, meeting of the LARM Board of Directors.** Chair Doane asked if there was any discussion. There was none. Melissa Harrell moved, seconded by Jo Leyland to approve the minutes of the December 14, 2022, meeting of the LARM Board of Directors. Roll call vote. Ayes: Beck, Buethe, Doane, Felzien, Heath, Harrell, Leyland, Moenning, Ourada, Spellerberg amd VanMatre. Nays: None. Abstentions: None. Absent: Groesser, Rector and Schendt. ***Motion carried: 11 ayes, 0 nays, 0 abstention, 3 absent and 1 vacancy.***

(AGENDA ITEM #5) **Consider a motion to accept the quarterly update on LARM investments.** *(Presented by Michael Maloney, Senior Portfolio Manager, US Bank)* Chair Doane asked if there was any discussion. There was none. Connie Jo Beck moved, seconded by Mayor Josh Moenning to accept the quarterly update on LARM investments. Roll call vote. Ayes: Beck, Buethe, Doane, Felzien, Heath, Harrell, Leyland, Moenning, Ourada, Spellerberg, and VanMatre. Nays: None. Abstentions: None. Absent: Groesser, Rector and Schendt. ***Motion carried: 11 ayes, 0 nays, 0 abstention, 3 absent and 1 vacancy.***

(AGENDA ITEM #6) **Consider a motion to accept a report on the current state of the property reinsurance market.** *(Presented by Justin Swarbrick, Senior Vice-President, Alliant Insurance Services Inc.)* Chair Doane asked if there was any discussion. There was none. Pam Buethe moved, seconded by Mayor Deb VanMatre to accept a report on the current state of the property reinsurance market. Roll call vote. Ayes: Beck, Buethe, Doane, Felzien, Heath, Harrell, Leyland, Moenning, Ourada, Spellerberg and VanMatre. Nays: none. Abstentions: none. Absent: Groesser, Rector and Schendt. ***Motion carried: 11 ayes, 0 nays, 0 abstention, 3 absent and 1 vacancy.***

(AGENDA ITEM #7) **Consider a motion accept the quarterly update on LARM finacials.** (*Presented by Kathy Manuel*, Sedgwick Risk Pooling Services) Chair Doane asked if there was any discussion. There was none. Pam Buethe moved, seconded by Mayor Deb VanMatre to accept the quarterly update on LARM finacials. Roll call vote. Ayes: Beck, Buethe, Doane, Felzien, Heath, Harrell, Leyland, Moenning, Ourada, Spellerberg and VanMatre Nays: None. Abstentions: None. Absent: Groesser, Rector and Schendt. ***Motion carried: 11 ayes, 0 nays, 0 abstention, 3 absent and 1 vacancy.***

(AGENDA ITEM #8) **Consider a motion to approve Dave Bos as LARM's designated representative to the Association of Government Risk Pools (AGRIP).** *(Dave Bos, Executive Director, LARM)* Chair Doane asked if there was any discussion. There was none. Tom Ourada moved, seconded by Mayor Deb VanMatre to approve Dave Bos as LARM's designated representative to the Association of Government Risk Pools (AGRIP) Roll call vote. Ayes: Beck, Buethe, Doane, Felzien, Heath, Harrell, Leyland, Moenning, Ourada, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Groesser, Rector and Schendt. ***Motion carried: 11 ayes, 0 nays, 0 abstentions, 3 absent and 1 vacancy.***

(AGENDA ITEM #9) **Consider a motion to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation.** *(John Baum, Litigation Claims Manager, Sedgwick Risk Pooling Services)* Connie Jo Beck moved, seconded by Pat Heath to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation with the following joining the LARM Board in closes session: Andy Barry, Trent Sidders, John Baum, and Chris Cadwell. Due to advisement from Andy Barry, Cline Williams Law Firm, it was decided that Dave Bos and Mayor Josh Moenning not be present during the closed session. Roll call vote. Ayes: Beck, Buethe, Doane, Felzien, Heath, Harrell, Leyland, Moenning, Ourada, Spellerberg and VanMatre. Nays: None, Abstentions: None. Absent: Groesser, Rector and Schendt. ***Motion carried: 11 ayes, 0 nays, 0 abstentions, 3 absent and 1 vacancy.***

Chair Lanette Doane repeated the motion again to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation with the following joining the LARM Board in closed session: Andy Barry, Trent Sidders, John Baum, and Chris Cadwell. As of 2:40 p.m. the Board was in closed session.

At 3:01 p.m. Chair Lanette Doane stated that we were now in open session and that no actions were taken during the closed session.

(AGENDA ITEM #10) **Discuss the date for the next meeting of the LARM Board of Directors.** *(Presented by Lynn Rex, Administrator and Dave Bos, Executive Director, LARM).*

(AGENDA ITEM #11) **Consider a motion to adjourn.** At 3:01 p.m. Pam Buethe moved, seconded by Jo Leyland to adjourn. Roll call vote. Ayes: Beck, Buethe, Doane, Felzien, Heath, Harrell, Leyland, Moenning, Ourada, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Groesser, Rector and Schendt. ***Motion carried: 11 ayes, 0 nays, 0 abstentions, 3 absent and 1 vacancy.***

Approved on:

ATTEST:

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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)
Tuesday, February 28, 2023, 1:30 p.m. CT/12:30 p.m. MT

PLEASE TAKE NOTICE that on **Tuesday, February 28, 2023, at 1:30 p.m. CT/12:30 p.m. MT**, the League Association of Risk Management (LARM), will hold a LARM Board of Directors meeting at the Cornhusker Marriot Hotel, Grand Ballroom, B and C, 333 South 13th Street, Lincoln, Nebraska. 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, Lincoln, Nebraska. A notice of this meeting with the agenda and other materials are available at this location with a copy of the Open Meetings Act posted. The meeting will also be made available by Zoom via Computer, Smart Device or Telephone https://us06web.zoom.us/j/83950728412?pwd=Q3Fscitpd3VIcnVTaEMwRTFUS2hRdz09 or via phone at 833-548-0276. The Meeting ID is 839 5072 8412 and the passcode is 445528.

On February 21, 2023, a notice of this meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials also is available for public inspection at 1335 L Street, 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 and Facebook page- www.facebook.com/larmne.

League Association of Risk Management

May 24, 2023

U.S. Bank Institutional Asset Management

Your U.S. Bank Team

Michael T. Maloney
Senior Portfolio Manager
Institutional Asset Management
563-663-2640
Michael.Maloney@usbank.com

Corey Reavis
Vice President
Relationship Manager
Institutional Trust & Custody
Corey.Reavis@usbank.com

Table of Contents

Selected Period Performance

Selected Period Performance

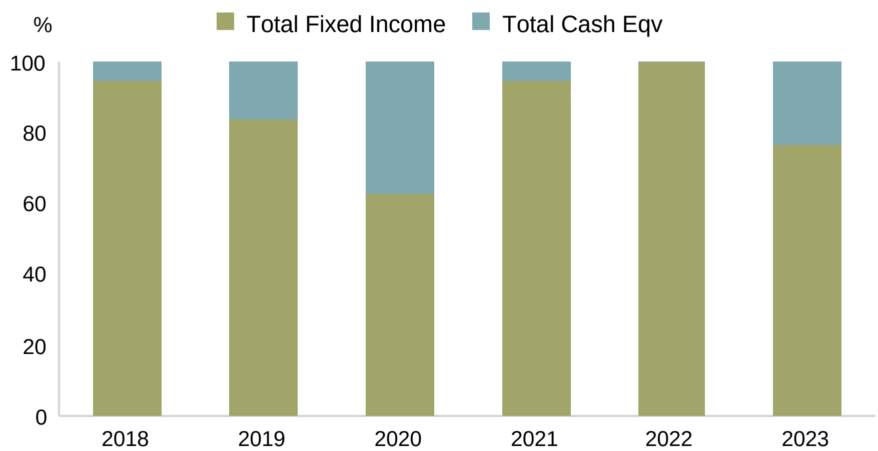
	Market Value	1 Month	3 Months	Year to Date (4 Months)	1 Year	3 Years	5 Years	Inception to Date 11/01/2014
Total Portfolio Gross of Fees	18,158,136	.20	1.06	1.86	-.30	-1.67	.05	.25
Total Portfolio Net of Fees	18,158,136	.19	1.03	1.81	-.46	-1.80	-.09	.11
Total Fixed Income	13,859,415	.15	1.01	2.03	.05	-1.82	.08	.29
BBARC 1-5 Year US Treasury Index		.43	1.18	2.30	.93	-1.39	1.24	.94
Total Cash Equivalents	4,298,721	.37	1.12	1.45	2.25	.77	.98	.66
FTSE 1 Month Treasury Bill Index		.40	1.14	1.49	2.97	1.03	1.40	1.00
FTSE 6 Month Treasury Bill Index		.41	1.16	1.52	2.92	1.10	1.53	1.12
Pending Cash	0	.00	.00	.00	.00	.00	.00	.00

History of Asset Growth Graphs

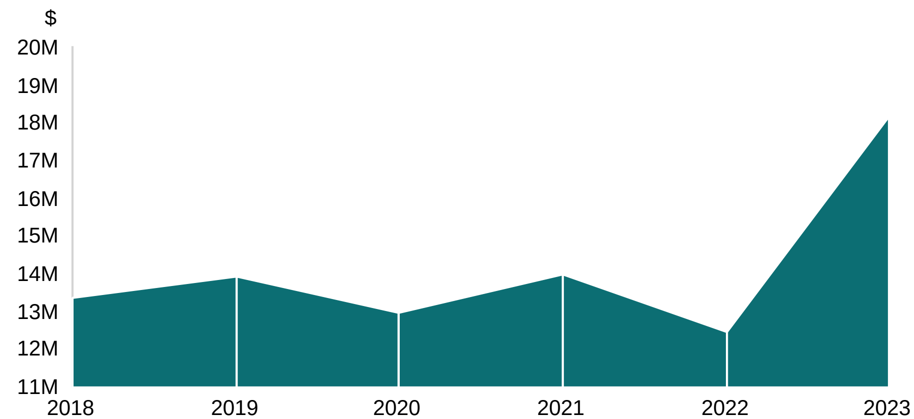
Annual Portfolio Values

	Consolidated	Oct 2017-Sep 2018	Oct 2018-Sep 2019	Oct 2019-Sep 2020	Oct 2020-Sep 2021	Oct 2021-Sep 2022	Oct 2022-Apr 2023
Beginning Portfolio Value	**14,923,367**	**14,923,367**	**13,380,140**	**13,922,983**	**12,945,684**	**13,999,890**	**12,440,653**
Contributions	36,450,025	4,750,000	4,600,000	3,700,000	7,900,000	7,500,000	8,000,025
Withdrawals	-33,373,555	-6,405,776	-4,574,303	-4,921,961	-6,822,895	-7,833,096	-2,815,526
Income Earned	1,067,477	230,600	304,987	209,553	87,451	88,038	146,849
Gain/Loss	-909,178	-118,051	212,158	35,109	-110,350	-1,314,179	386,135
Ending Portfolio Value	**18,158,136**	**13,380,140**	**13,922,983**	**12,945,684**	**13,999,890**	**12,440,653**	**18,158,136**
Total Return	**.05**	**.79**	**3.14**	**1.52**	**-.12**	**-7.28**	**2.59**
Principal	-1.13	-.62	1.22	-.03	-.73	-7.73	1.89
Income	1.19	1.41	1.92	1.55	.61	.45	.70

Allocation Over Time



Ending Market Values Over Time

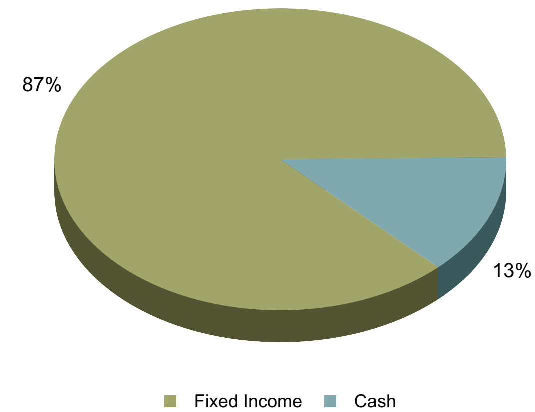


Portfolio Summary

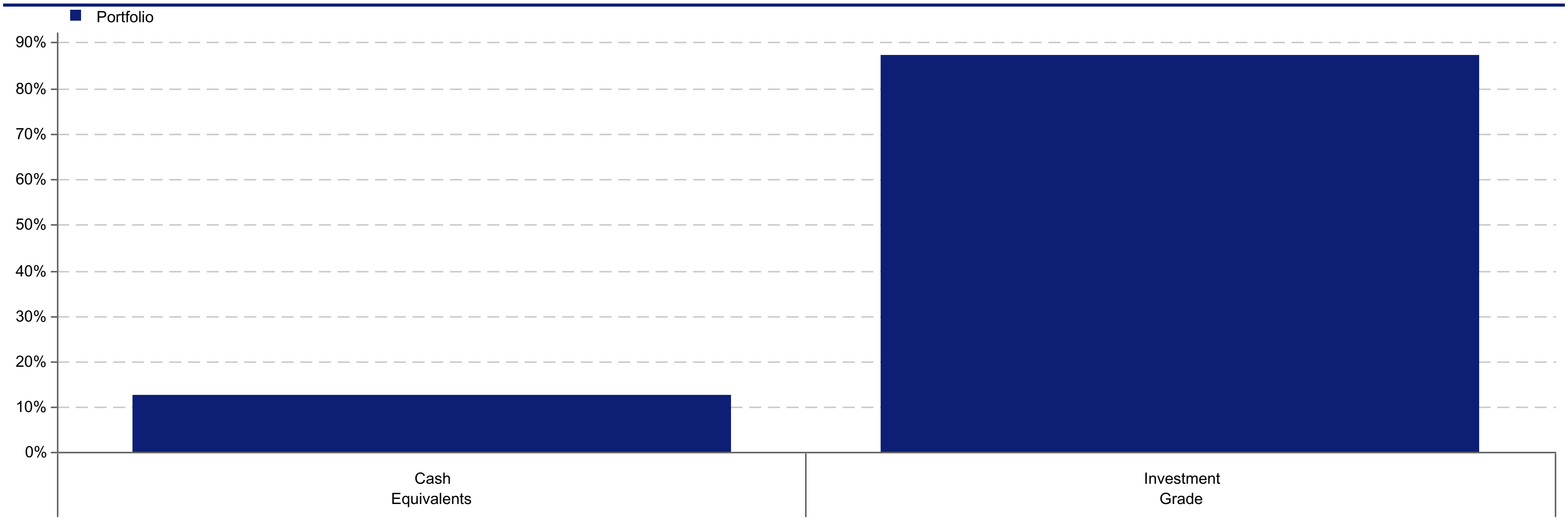
Inv. Objective	All Fixed/Non Taxable
Total Portfolio Value	$18,116,495
Net Realized Cap Gains YTD	$0
Annual Income Projected	$298,656
Current Yield	1.65%
Number of Securities	22
Portfolio Mgr.	Michael T. Maloney

Portfolio Asset Allocation

Fixed Income	$15,822,296	87.34%
Cash	$2,294,200	12.66%
Invested Total	**$18,116,495**	**100.00%**



Portfolio Model Allocation



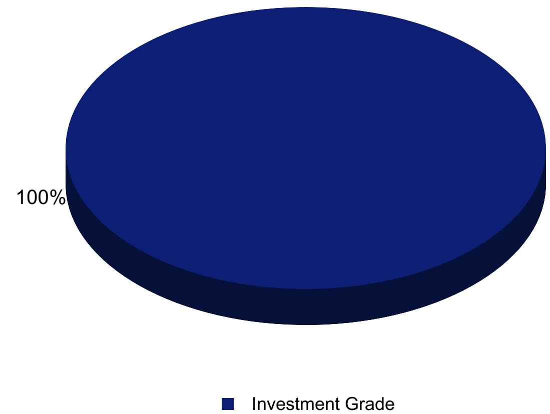
Holdings Date: 4/28/2023

Fixed Income Summary

Inv. Objective	All Fixed/Non Taxable
Total Fixed Income Value	$15,822,296
Current Yield	1.21%
Annual Income Projected	$191,070
Number of Securities	21
Portfolio Mgr.	Michael T. Maloney

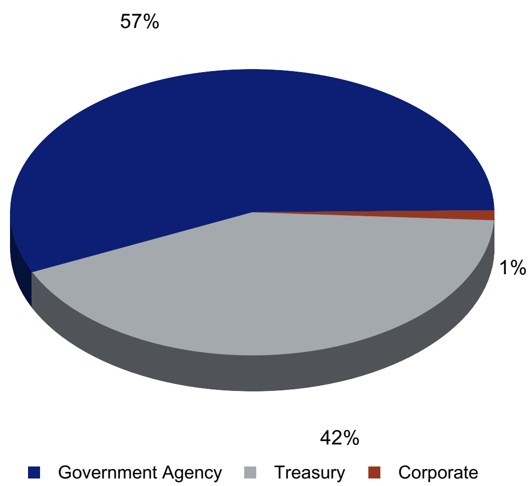
Fixed Income Asset Allocation

Investment Grade	$15,822,296	100.00%

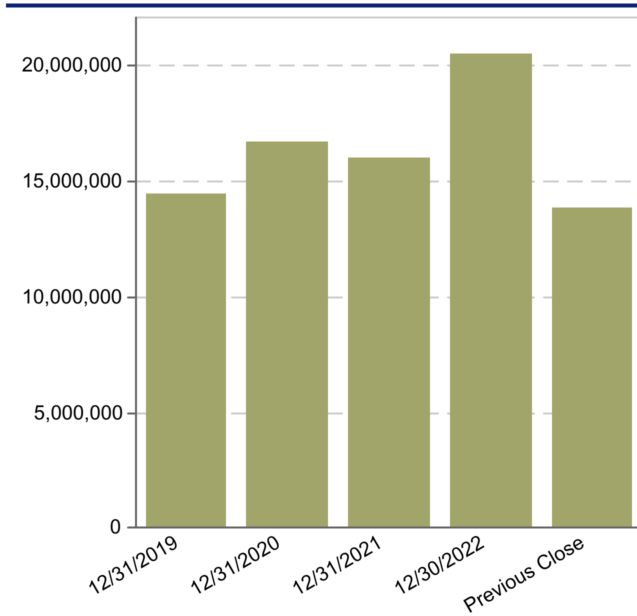


Fixed Income Sector Exposures

Government Agency	$8,971,212	57.00%
Treasury	$6,617,399	42.00%
Corporate	$233,685	1.00%



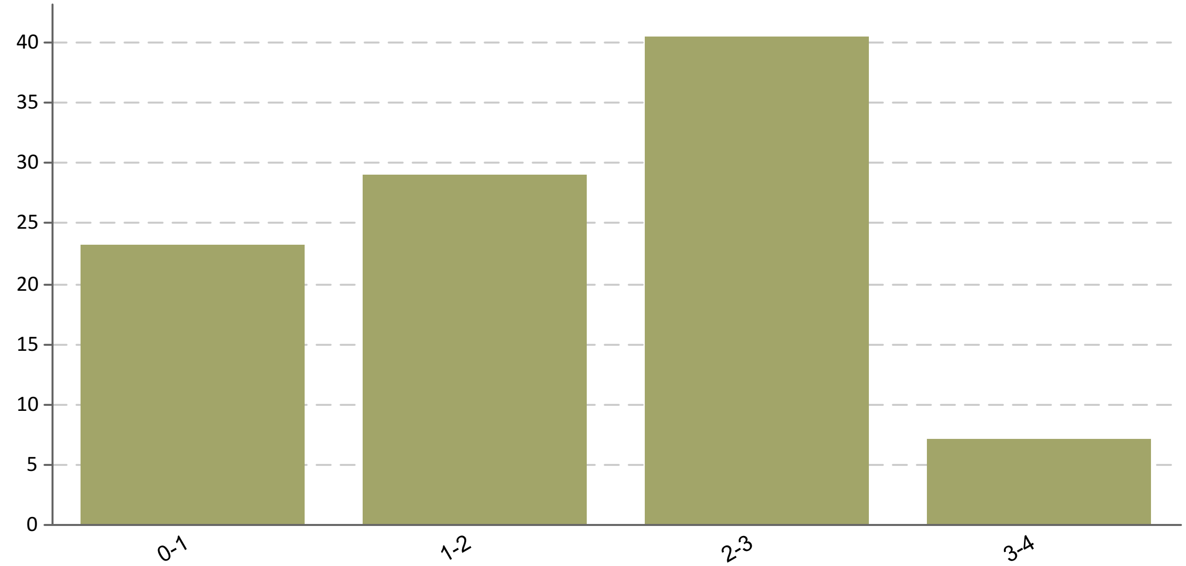
Fixed Income Market Value



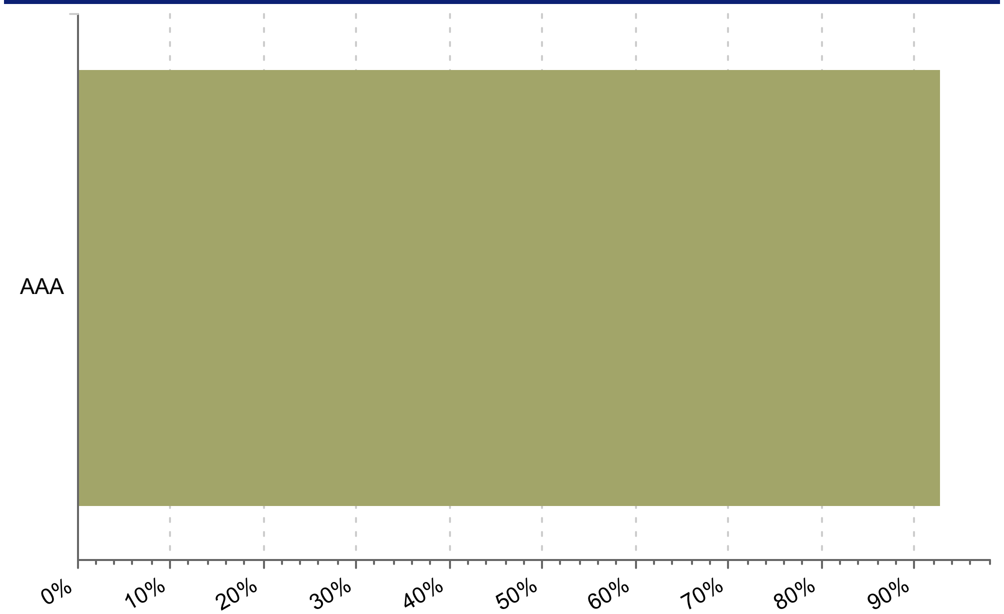
Bond Characteristics

	Portfolio	% Avail
Avg. Coupon (%)	.60	100
Current Yield	1.21	100
Yield To Maturity	4.08	100
Yield to Call/Worst (%)	4.08	100
Eff. Maturity (Yrs)	1.75	100
Effective Duration	1.68	100
Avg. Quality	AAA	95
# of Securities	21	100

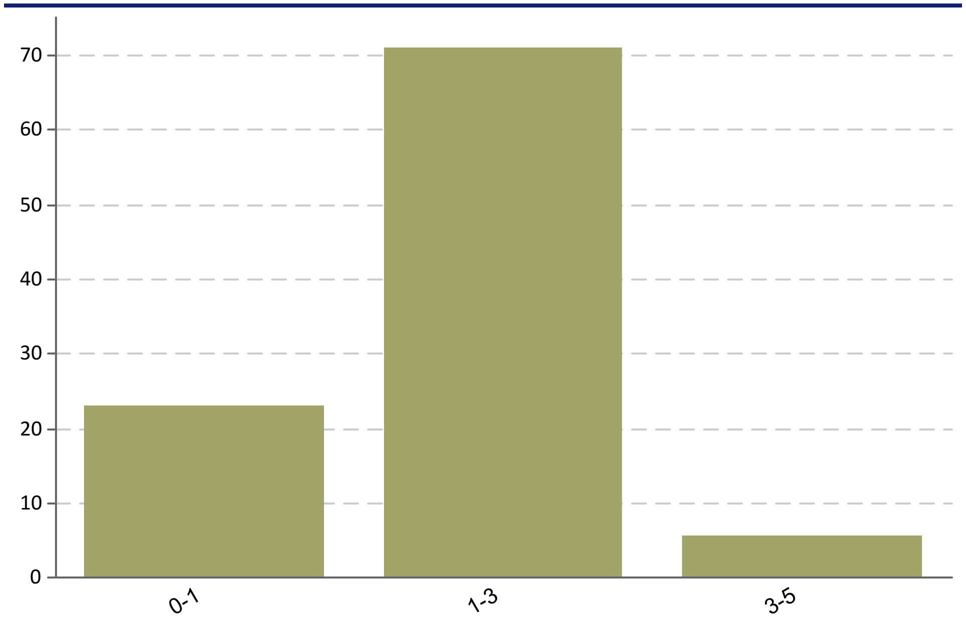
Bond Effective Maturity



Bond Quality Distribution



Bond Duration Distribution



Holdings Date: 4/28/2023

	Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
Total		**100.0**			**18,116,495**	**19,019,179**	**-902,683**	**1.65**	**298,656**
Cash		**12.66**			**2,294,200**	**2,294,200**	**.00**	**4.69**	**107,586**
Cash Equivalents		**12.66**			**2,294,200**	**2,294,200**	**.00**	**4.69**	**107,586**
FIRST AM GOVT OB FD CL Z	31846V567	12.66	1.00	2,294,200	2,294,200	2,294,200	.00	4.69	107,586
Fixed Income		**87.34**			**15,822,296**	**16,724,979**	**-902,683**	**1.21**	**191,070**
Investment Grade		**87.34**			**15,822,296**	**16,724,979**	**-902,683**	**1.21**	**191,070**
Corporate		**1.29**			**233,685**	**249,500**	**-15,815**	**0.37**	**875**
BMW BK NORTH C D 0.350% 10/23/24	05580AXH2	1.29	93.47	250,000	233,685	249,500	-15,815	0.37	875
Government Agency		**49.52**			**8,971,212**	**9,717,437**	**-746,225**	**0.54**	**48,645**
F F C B DEB 0.220% 9/08/23	3133EL6J8	1.22	98.26	225,000	221,090	224,773	-3,683	0.22	495
F H L M C M T N 0.375% 7/29/24	3134GW4X1	3.91	94.48	750,000	708,578	749,775	-41,198	0.40	2,813
F H L M C M T N 0.420% 9/17/24	3134GWSW7	3.90	94.15	750,000	706,133	750,000	-43,868	0.45	3,150
F H L B DEB 0.375% 2/25/25	3130ALB52	5.12	92.68	1,000,000	926,770	1,000,000	-73,230	0.40	3,750
F F C B DEB 0.550% 8/26/25	3130AJZA0	3.81	91.92	750,000	689,415	749,850	-60,435	0.60	4,125
F N M A 0.600% 8/29/25	3136G4X24	3.81	92.01	750,000	690,083	752,138	-62,056	0.65	4,500
F H L M C M T N .375 % 23-SEP-2025	3137EAEX3	3.80	91.69	750,000	687,683	746,224	-58,541	0.41	2,813
F N M A M T N 0.580% 10/28/25	3135GA2A8	3.79	91.57	750,000	686,760	749,850	-63,090	0.63	4,350
F N M A .5 % 07-NOV-2025	3135G06G3	5.07	91.86	1,000,000	918,550	996,440	-77,890	0.54	5,000
F H L B DEB 0.570% 11/25/25	3130AKGD2	3.78	91.37	750,000	685,305	748,500	-63,195	0.62	4,275
F H L M C M T N 0.600% 11/25/25	3134GXCH5	5.05	91.45	1,000,000	914,480	1,000,000	-85,520	0.66	6,000
F N M A 0.650% 12/10/25	3135G06J7	3.78	91.29	750,000	684,653	749,888	-65,235	0.71	4,875
F H L B DEB 0.500% 2/10/26	3130AKW51	2.49	90.34	500,000	451,715	500,000	-48,285	0.55	2,500
Treasury		**36.53**			**6,617,399**	**6,758,042**	**-140,643**	**2.14**	**141,550**
U S TREASURY BILL 5/04/23	912796YW3	11.04	99.97	2,000,000	1,999,320	1,955,233	44,087	4.52	90,300
U S TREASURY NT 0.125% 12/15/23	91282CBA8	5.36	97.11	1,000,000	971,090	991,445	-20,355	0.13	1,250
U S TREASURY NT 0.375% 4/15/24	91282CBV2	2.65	95.87	500,000	479,335	500,801	-21,466	0.39	1,875
U S TREASURY NT 2.500% 5/15/24	912828WJ5	5.93	97.69	1,100,000	1,074,601	1,065,582	9,019	2.56	27,500
U S TREASURY NT 0.750% 11/15/24	91282CDH1	5.23	94.68	1,000,000	946,840	998,086	-51,246	0.79	7,500
U S TREASURY NT 0.750% 4/30/26	91282CBW0	1.26	91.61	250,000	229,023	249,434	-20,411	0.82	1,875

		Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
U S TREASURY NT	1.125% 10/31/26	91282CDG3	5.06	91.72	1,000,000	917,190	997,461	-80,271	1.23	11,250

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. <u>Investment Committee</u>. 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. <u>LARM Administrator</u>. 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. <u>Investment Manager or Custodian Bank</u>. 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. <u>Investment Guidelines</u>.

A. <u>Regulatory Limitations</u>. 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. <u>Prudence.</u> 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:

Asset Class	Limitation*
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	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 5% per issuer, not to exceed 10% if invested in other classes.

**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.

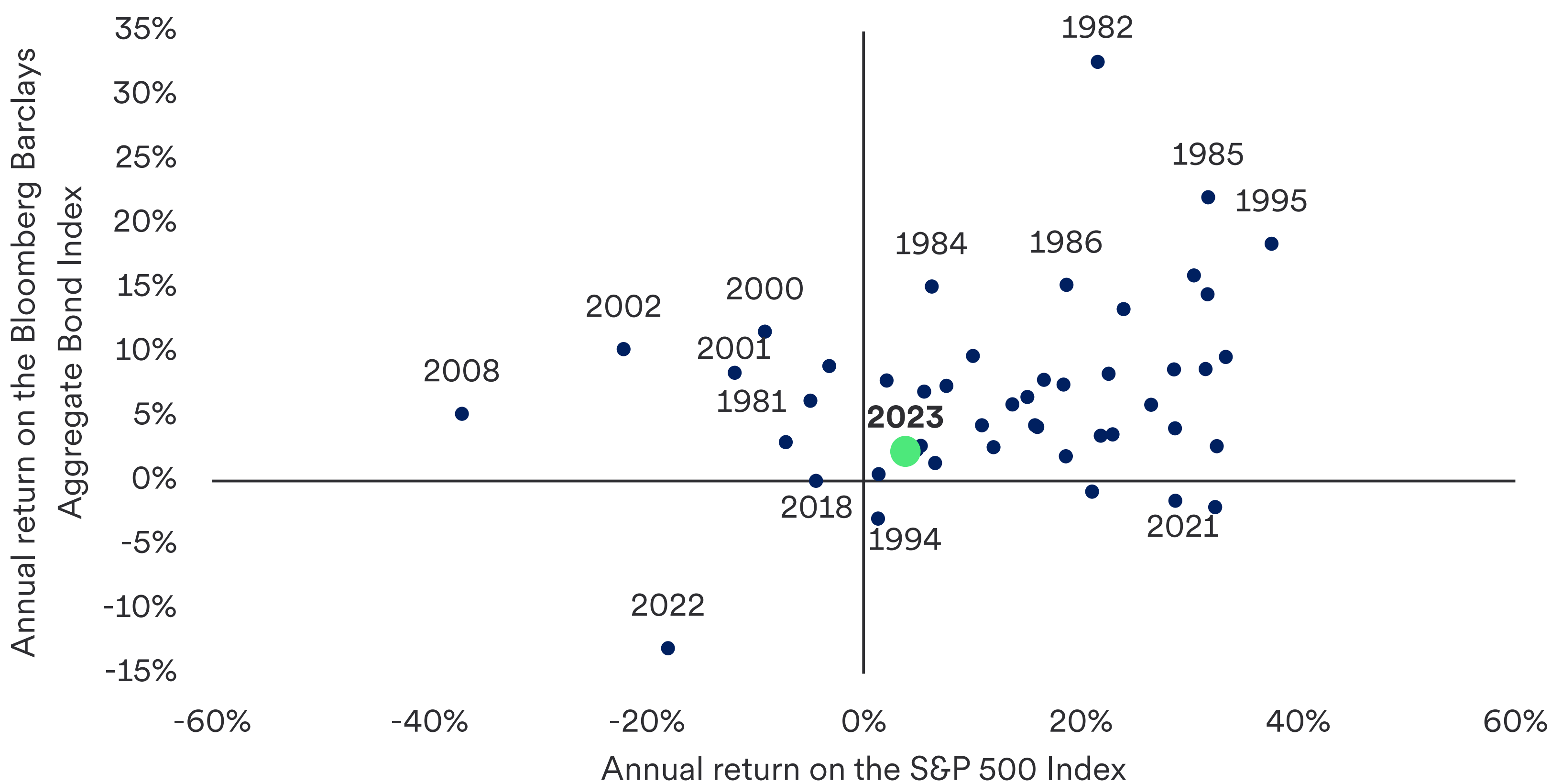
Revised 3-23-2007; 12-16-2009; 3-1-2011; 2-26-2018

April 4, 2023

Market views – April 2023

2022 stock and bond market performance was a historical anomaly

In the past, bond market returns provided a positive performance offset during periods of material stock market declines. Last year's drawdown across both equities and high-quality domestic bonds stands out as a historical outlier.

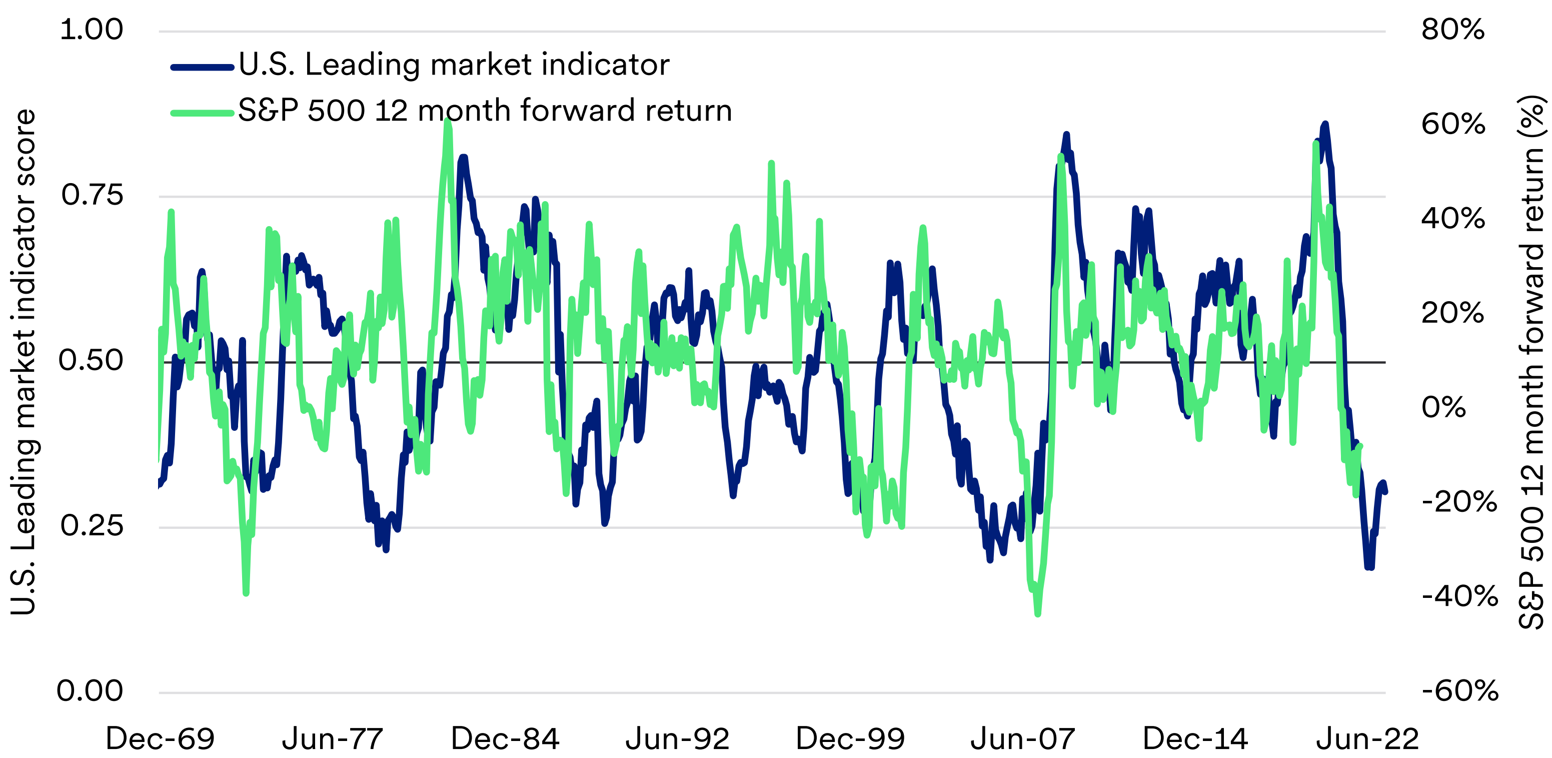


Source: U.S. Bank Asset Management Group analysis, Bloomberg. Data period: December 31, 1975-March 28, 2023.

Leading market indicators: Falling equity prices have tracked the indicator

The deterioration of our U.S. leading market indicator stems from tighter monetary policy, stubborn inflation and worsening housing and consumer-related economic data that tend to lead equity returns. The indicator is starting to recover, with improvements in fiscal policy and business conditions, but the weak score suggests equity headwinds remain.

Our U.S. proprietary leading market indicator vs. 12-month forward S&P returns



Source: Bloomberg, Hutchins Center, U.S. Bank Asset Management Group Research. Data period: December 31, 1969-March 29, 2023.

Domestic earnings projections for 2023 continue to inch lower; broad market valuation is “fair”

U.S. Bank Wealth Management S&P 500 estimate summary (as of March 28, 2023; S&P 500 level: 3,971.27)

Consensus Estimates	Estimated Operating / Reported Earnings Per Share							P/E Est. Multple		
					YoY Growth					
Firm	2021	2022	2023	2024	22/21	23/22	24/23	2022	2023	2024
• Bloomberg	198.8	223.6	220.6	242.5	12.5%	-1.4%	9.9%	17.8x	18.0x	16.4x
• FactSet (Bottom's Up - SP50)	208.3	219.0	222.4	248.4	5.1%	1.6%	11.7%	18.1x	17.9x	16.0x
• S&P Capital IQ	209.5	219.3	218.5	NA	4.6%	-0.3%	NA	18.1x	18.2x	NA
Blend	205.5	220.6	220.5	245.5	7.3%	0.0%	11.3%	18.0x	18.0x	16.2x

Among quarter items of interest:

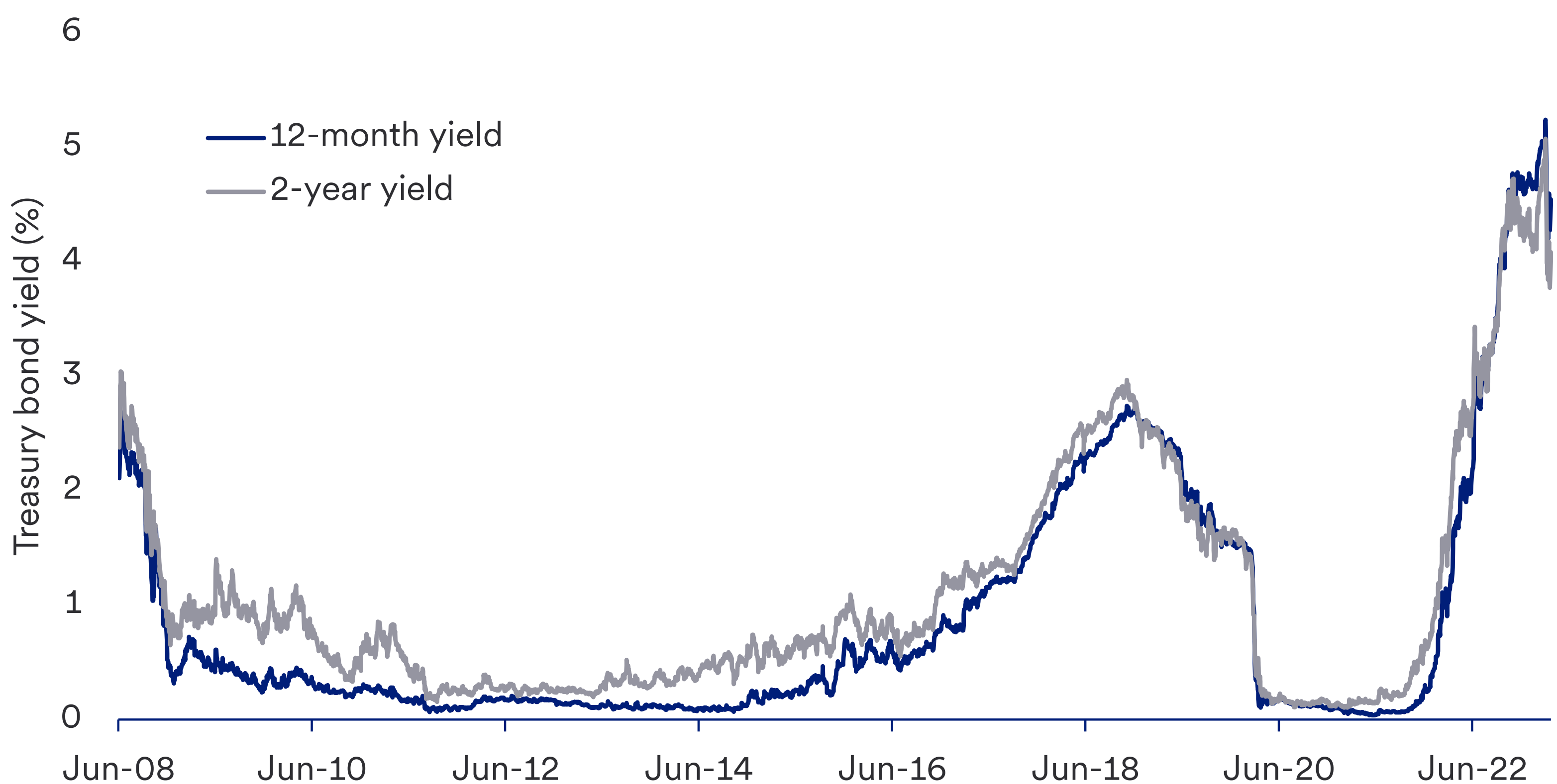
- Guidance for 2023 (guidance to-date has been muted)
- Profit margin trends and extent to which inflation is moderating
- “State of the Union”
  - Consumer and business spending trends, including length of sales cycles
  - Duration of consumer spending on “experiences” versus durable goods
  - Continued progress on resolution of supply chain inefficiencies
  - Inventory level status
  - Balance sheet status of banks, including lending and deposit trends

Source: U.S. Bank Asset Management Group, Bloomberg. FactSet Research Systems, S&P Capital IQ. Data as of March 28, 2023.

Federal Reserve rate hikes raise near-term borrowing costs

Short-term Treasury yields spiked to their highest levels in more than 15 years. Interest rate hikes are an attempt to tighten financial conditions, which should slow demand and ultimately reduce inflation.

U.S. 12-month and 2-year Treasury yields

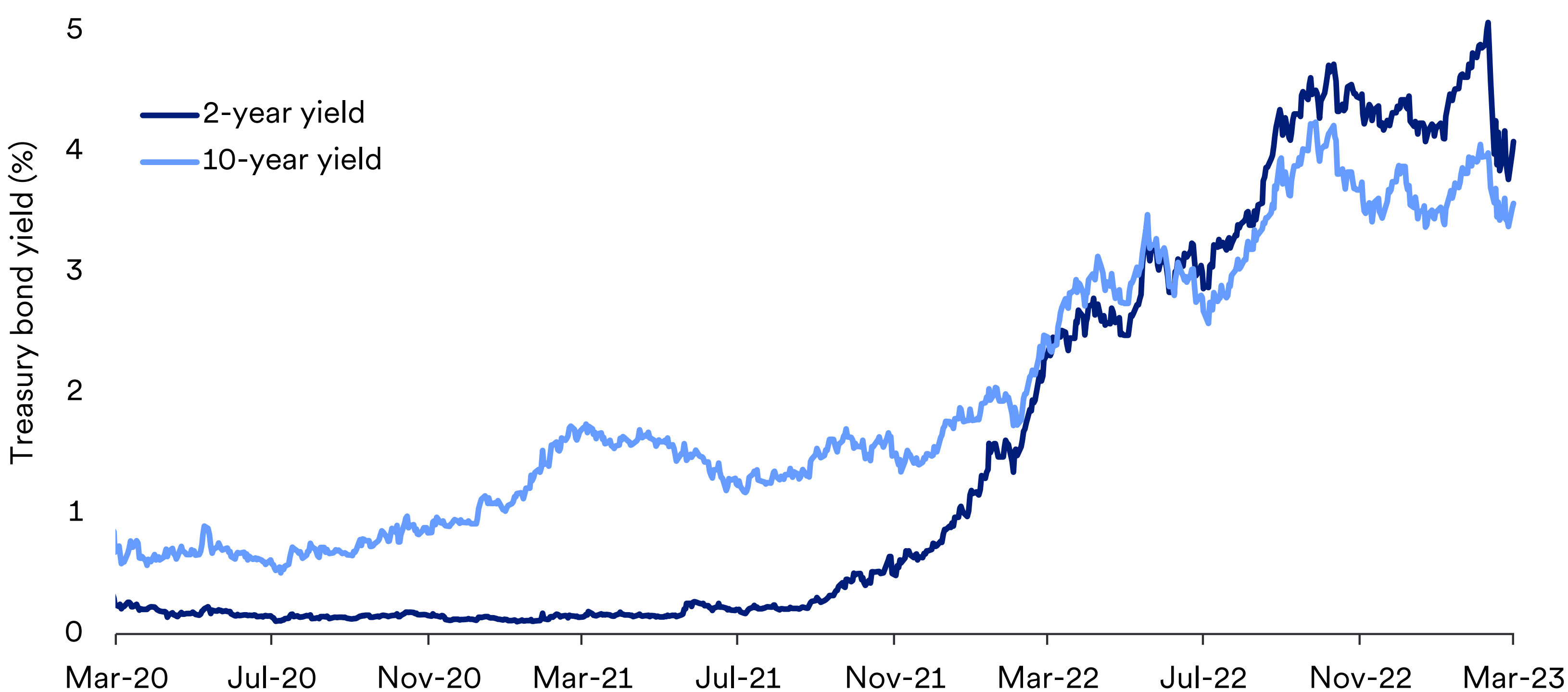


Source: Bloomberg. Data period: June 4, 2008-March 28, 2023.

High Treasury yields improve income opportunities on high-quality bonds but drag on bond prices

Treasuries offer important sources of income, but increasing yields drag on asset prices and raise borrowing costs.

U.S. 2-year and 10-year Treasury yields

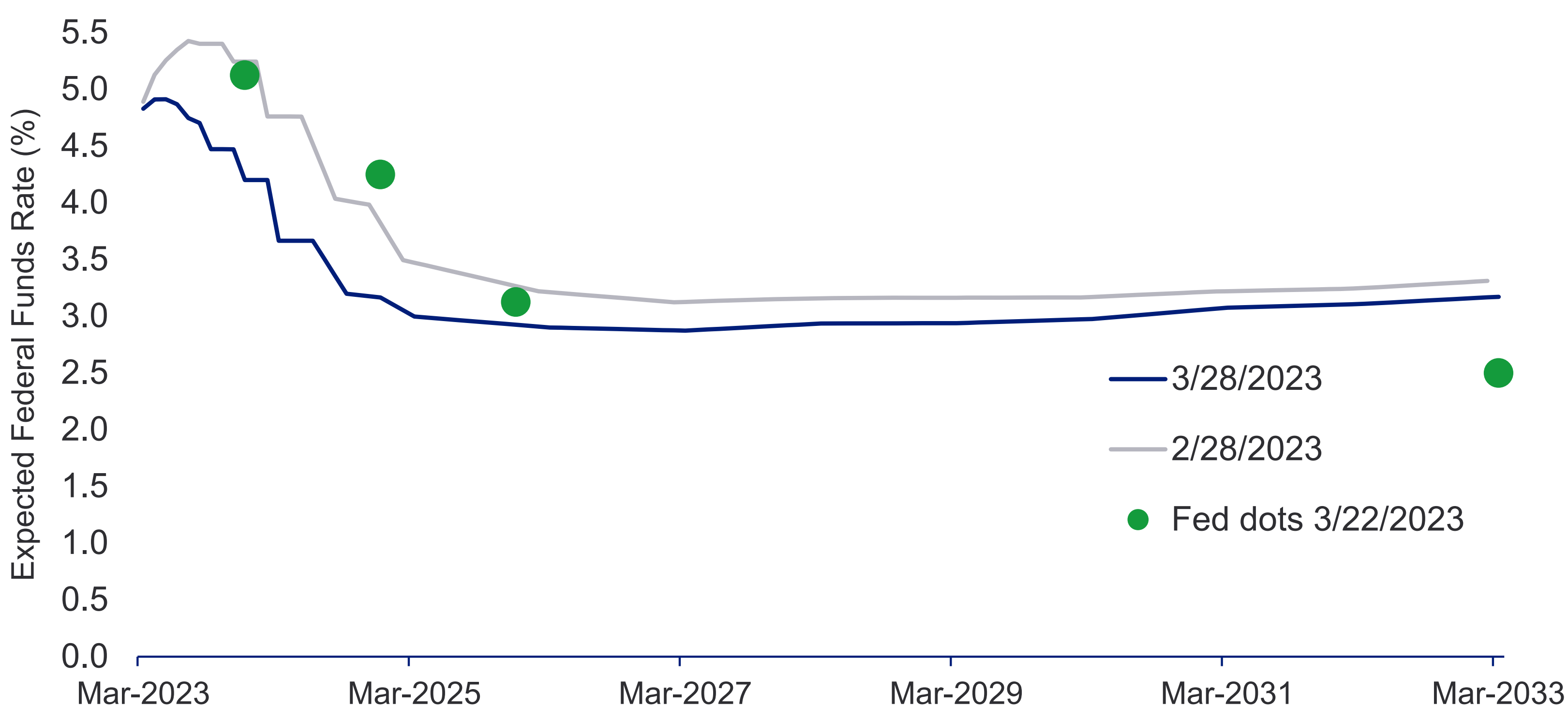


Source: Bloomberg, U.S. Bank Asset Management Group Research. Data period: March 28, 2020-March 28, 2023.

Markets and Fed remain conflicted on future policy rate levels

Investors are pricing in about a 50/50 chance that the Fed will increase ("hike") the effective policy rate by 0.25% in May, and then reduce interest rates starting as soon as July. Tightening credit conditions could replace the need for further hikes to slow inflation, but the Fed rate projections ("dots") anticipate holding rates at high levels through 2023.

Rate hikes priced in by the market and projected by the Fed dots



Source: U.S. Bank Asset Management Group analysis, Bloomberg data: Projected hikes through 2028. Data period: February 28, 2023-March 28, 2023.

A key component of our outlook rests on borrowing costs for riskier companies

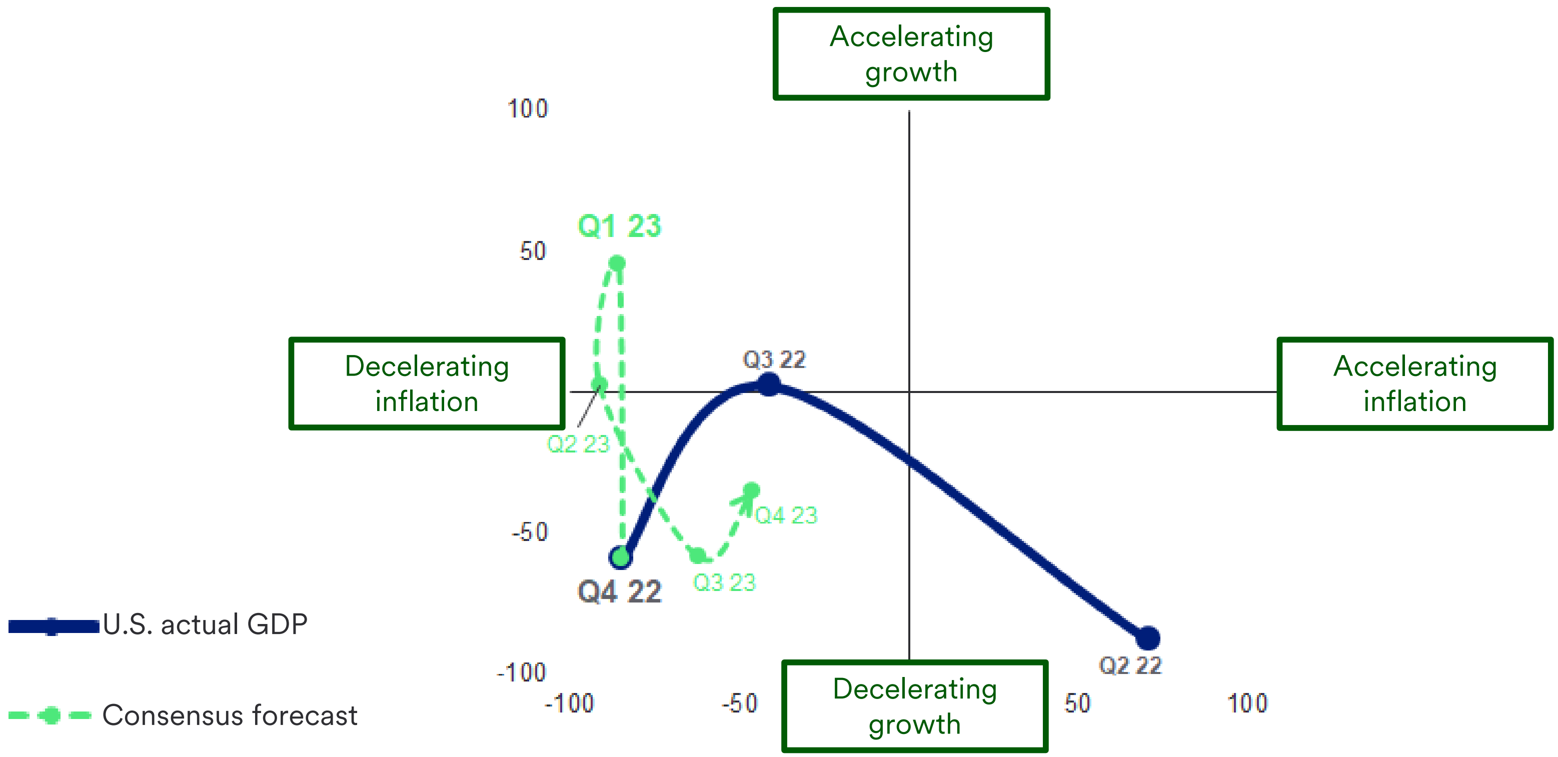
High yield credit spreads, which show the premium that riskier borrowers pay to issue debt, improved following the Fed's decisive action to promote pro-growth policies following the pandemic's outset. Spreads have widened as restrictive monetary policy tightens credit conditions.

Calculated spread between the Bloomberg Barclays U.S. Corporate High Yield Index yield-to-worst and the U.S. government 10-year yield

Source: Bloomberg. Data period: January 1987-March 28, 2023. Gray shaded bar areas indicate recessionary periods.

We are transitioning to a period of decelerating growth and inflation

The market consensus anticipates slower growth and slower inflation ahead, typically a challenging environment for markets.



Source: U.S. Bank Asset Management Group analysis, Bloomberg, Federal Reserve. Data period: September 30, 1953-March 29, 2023.
Growth measured as the quarter-minus-quarter change in year-over-year real gross domestic product scaled from -100 to 100. Inflation measured as the quarter-minus-quarter change in year-over-year Consumer Price Index scaled from -100 to 100. Consensus forecast: Bloomberg consensus economic forecast.

Purchasing manager surveys highlight global divergence between goods and services activity

Purchasing manager indexes (PMIs) shown below score economic conditions on a scale from 0 to 100. Scores above 50 reflect expanding activity, while below 50 represent contraction. Manufacturing surveys reflect generally subdued conditions across major regions while service sector activity has rebounded, highlighting consumer spending resilience.

Manufacturing PMIs

Country / Region	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	3m	Last
World	52.3	52.2	51.1	50.3	49.8	49.4	48.8	48.7	49.1	50.0			↑
United States	57.0	52.7	52.2	51.5	52.0	50.4	47.7	46.2	46.9	47.3	49.3		↑
Developed Markets	55.0	52.5	51.3	50.3	50.1	48.8	47.8	47.3	48.1	48.1			↓
Emerging Markets	49.5	51.7	50.8	50.2	49.4	49.8	49.7	49.8	49.9	51.6			↑
European Union	54.2	51.6	49.3	49.1	48.1	46.1	46.7	47.5	48.6	48.3			↓
Eurozone	54.6	52.1	49.8	49.6	48.4	46.4	47.1	47.8	48.8	48.5	47.1		↓

Services PMIs

Country / Region	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	3m	Last
World	51.9	53.9	51.1	49.2	50.0	49.2	48.0	48.0	50.0	52.6			↑
United States	53.4	52.7	47.3	43.7	49.3	47.8	46.2	44.7	46.8	50.6	53.8		↑
Developed Markets	53.9	53.1	49.1	46.7	49.6	48.8	47.5	47.2	48.7	51.8			↑
Emerging Markets	47.3	55.5	55.4	54.8	50.7	49.9	49.2	50.1	53.1	54.5			↑
European Union	56.1	53.0	51.2	49.8	48.8	48.6	48.5	49.8	50.8	52.7			↑
Eurozone	56.1	53.0	51.2	49.8	48.8	48.6	48.5	49.8	50.8	52.7	55.6		↑

Source: U.S. Bank Asset Management Group analysis, Bloomberg, S&P, Markit, Data period: May 2022-March 2023.

Global economic growth is expected to continue slowing

Economic growth is slowing across the world though pockets of emerging market and developed economies are expected to rebound in the first and second quarter.

GDP growth

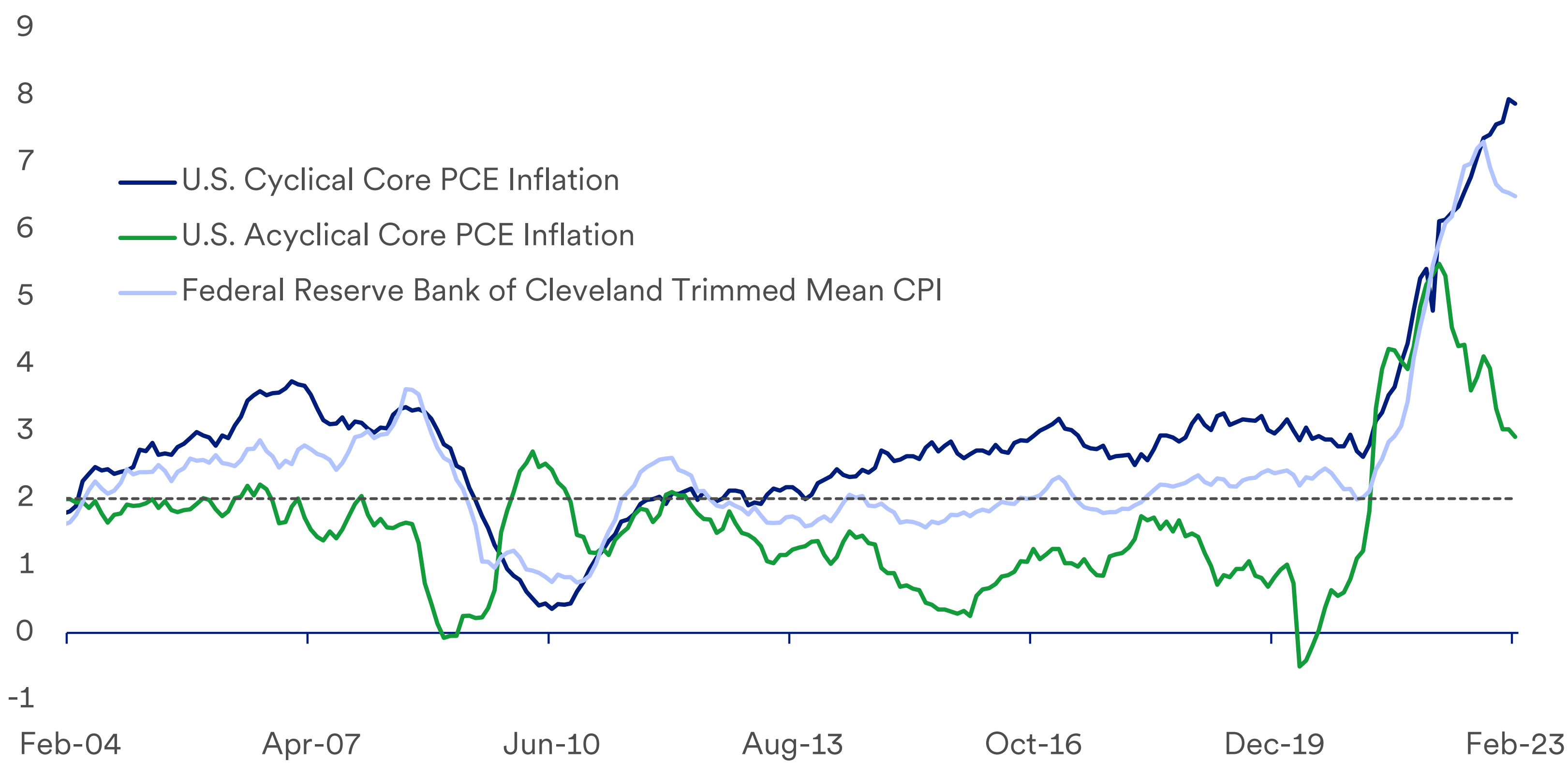
								Forecast Growth		
Country/Region	**Dec-20**	**Dec-21**	**Mar-22**	**Jun-22**	**Sep-22**	**Dec-22**	**Sep-Dec**	**Mar-23**	**Jun-23**	**Dec-Mar**
United States	-1.5	5.7	3.7	1.8	1.9	0.9	↓	1.6	1.7	↑
Eurozone	-4.1	4.9	5.5	4.4	2.5	1.8	↓	-0.2	0.1	↓
United Kingdom	-9.2	8.9	10.6	3.8	2.0	0.6	↓	-0.2	-0.6	↓
Japan	-0.5	0.8	0.5	1.7	1.5	0.4	↓	1.3	0.4	↑
China	6.4	4.3	4.8	0.4	3.9	2.9	↓	3.4	7.3	↑
India	1.6	5.2	4.0	13.2	6.3	4.4	↓	4.5	6.8	↑
Brazil	-0.4	2.1	2.4	3.7	3.6	1.9	↓	1.5	0.7	↓

Source: U.S. Bank Asset Management Group analysis, Bloomberg, Data period: December 31, 2020-March 31, 2023.

Inflation: Persistent and broad-based
Assessing more advanced inflationary measures

Inflation tied to cyclical economic components continues to run hot. The Fed's attempt at a "soft-landing" aims to slow the economy just enough to bring inflation down to its 2% average target, yet inflationary pressures remain sticky.

Various inflation measures (%)

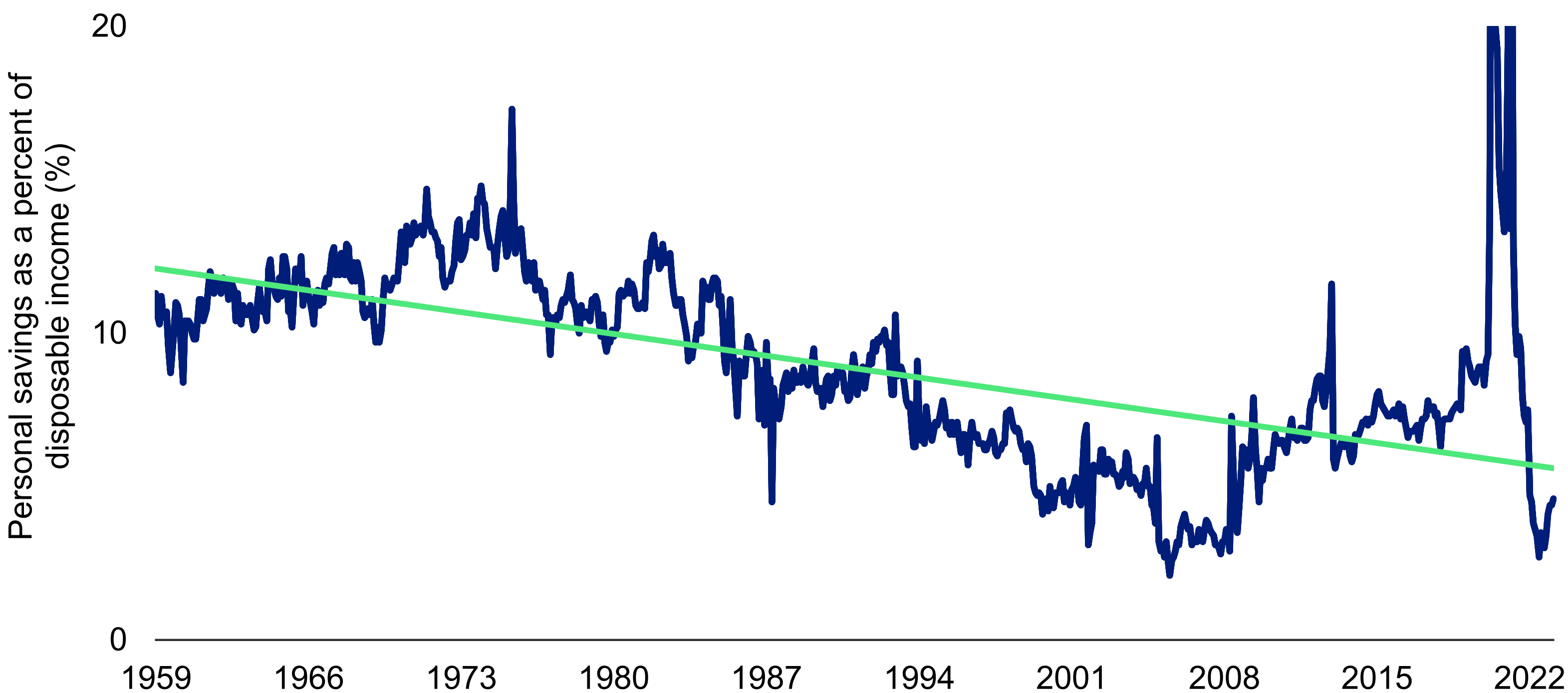


Sources: U.S. Bank Asset Management Group, Bloomberg. Data period: February 28, 2004-February 28, 2023. Definitions of indices are defined in the Disclosure section.

Consumers: Savings rates decline from COVID highs

Households appear to be dipping into accumulated savings to fuel recent purchases, with personal savings as a percentage of disposable income falling well below the longer-term trend of thrift (green trendline below).

Personal savings as a percent of disposable income

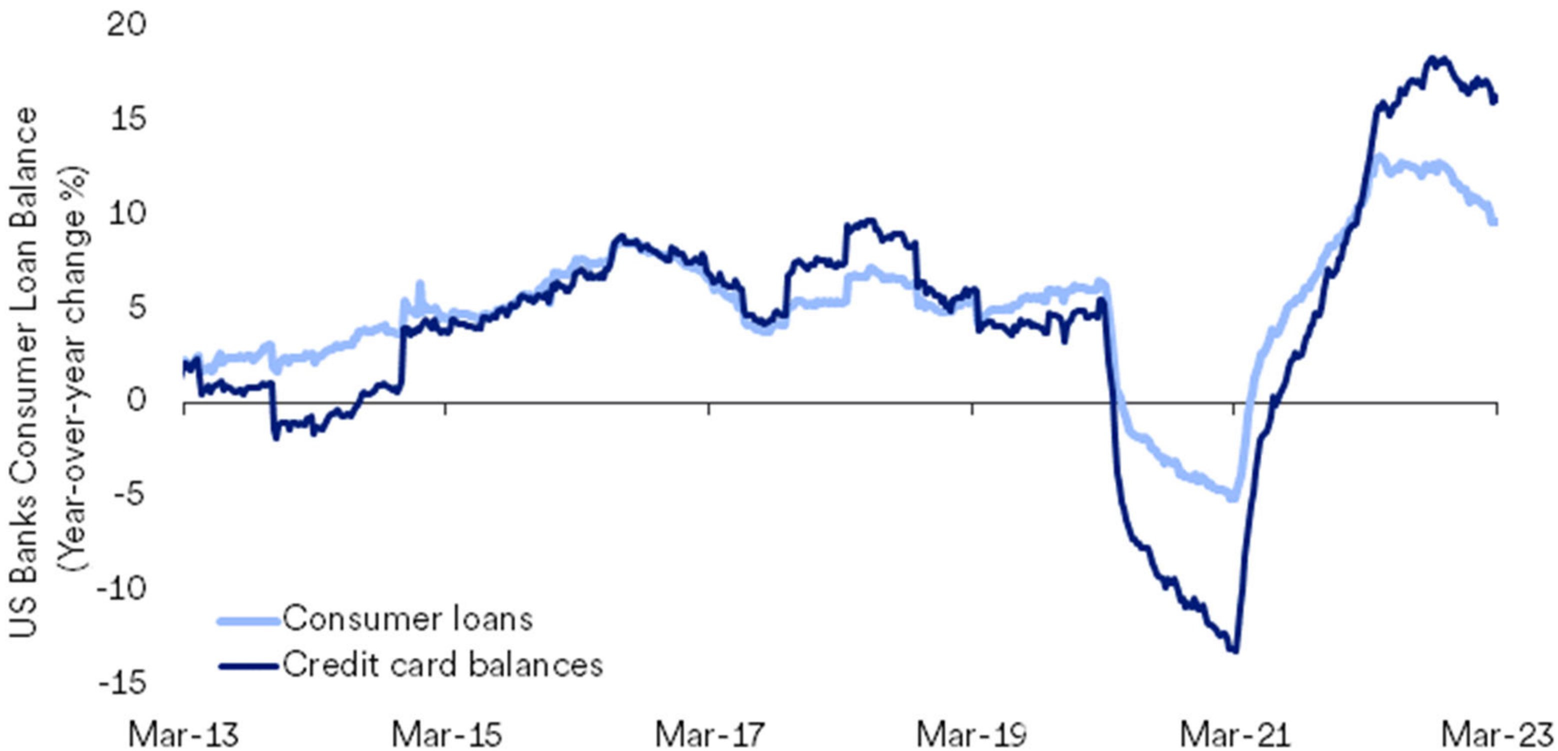


Source: U.S. Bank Asset Management Group analysis, Bloomberg data. Data period: January 31, 1959-February 28, 2023.

Consumers: Relying on credit to support spending

Inflation has exceeded average income growth this year; consequently, consumers have used credit cards to maintain spending. It will be important to monitor credit card usage going forward as lending standards tighten.

Year-over-year growth in U.S. consumer loans and credit card balances

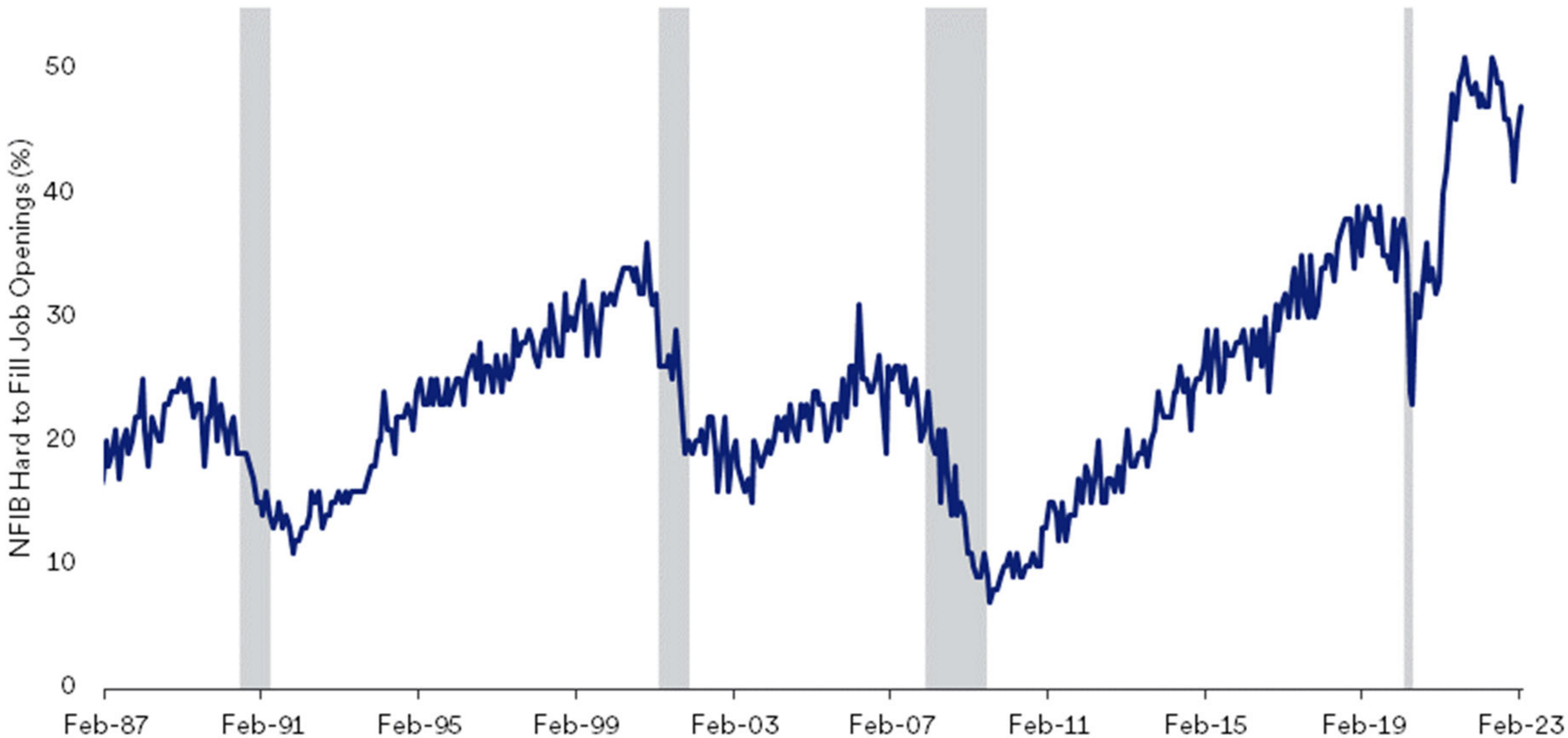


Source: U.S. Bank Asset Management Group analysis, Bloomberg data. Data period: March 15, 2013-March 15, 2023.

Small businesses continue to report significant difficulty in finding (and retaining) workers

Similarly, respondents to the NFIB Small Business Jobs Report have noted some recent improvement in filling job openings but continue to navigate a historically difficult environment, providing further evidence of a still-tight labor market.

NFIB hard-to-fill job openings (%)



Source: U.S. Bank Asset Management Group analysis, Bloomberg data. Data period: February 28, 1987-February 28, 2023. Gray bars indicate recessionary periods.

The bottom line

1. We are currently in the "chop" period between central banks initiating interest rate increases and seeing what impact those increases will have on economies, and major markets remain in defined trading ranges.

2. Inflation trends, consumer activity and central bank plans are all major variables in determining where markets may head next. The recent financial sector issues may offer a further growth challenge, but the net impact is still to be determined.

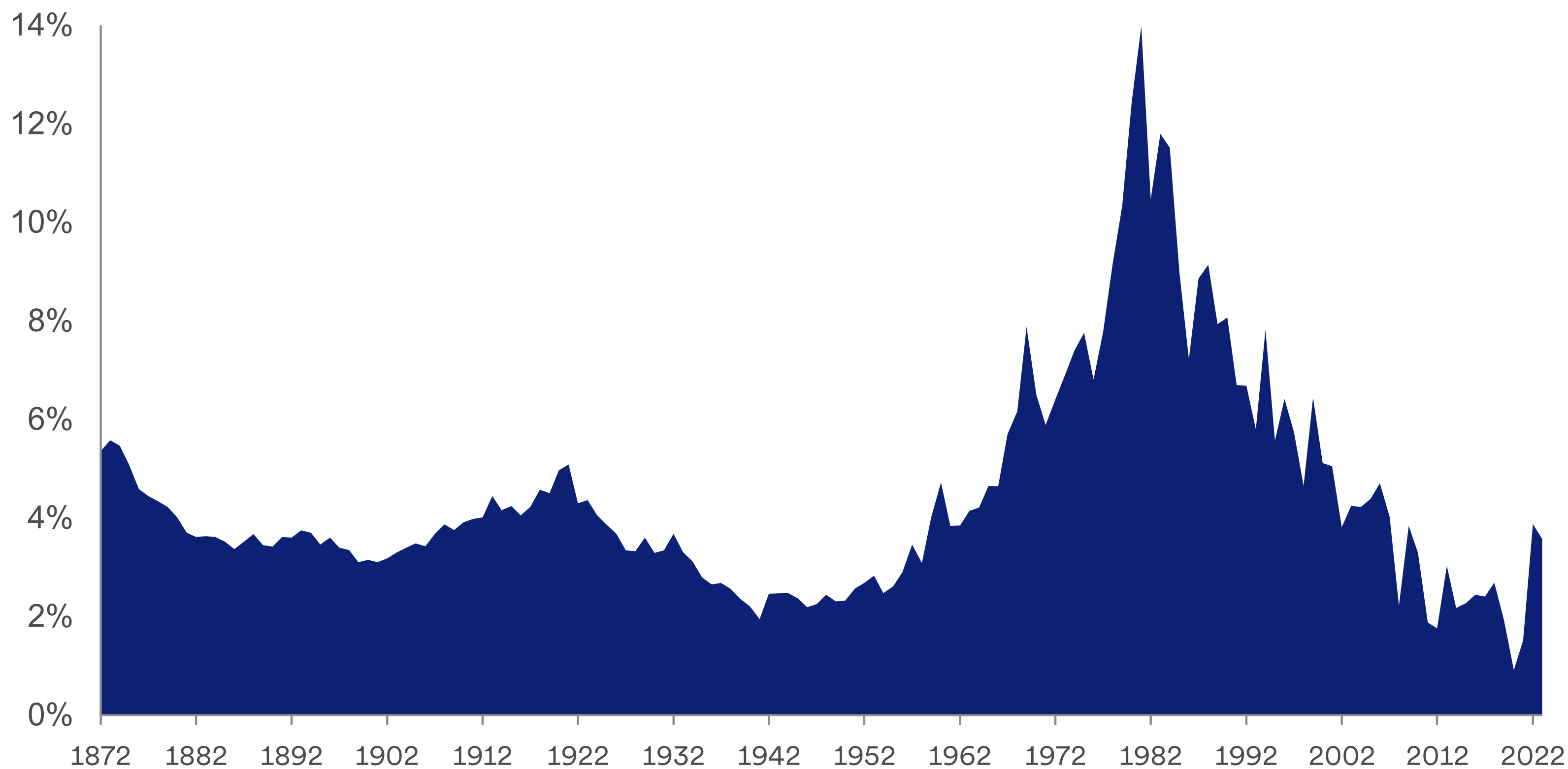
3. We do expect economic and corporate earnings weakness to emerge later this year, but the depth and duration of that weakness is still to be determined, and current economic resilience may cause the Federal Reserve and other central banks to overextend tight monetary policy.

Appendix

Borrowing costs have increased but remain modest relative to a multi-generational historical context

Rising Treasury yields are increasing borrowing costs, which could impact consumers' and businesses' willingness to borrow and, therefore, economic growth. Credit still appears reasonable when considering a longer-term perspective, but recent increases in mortgage borrowing costs are notable.

U.S. long Treasury yields

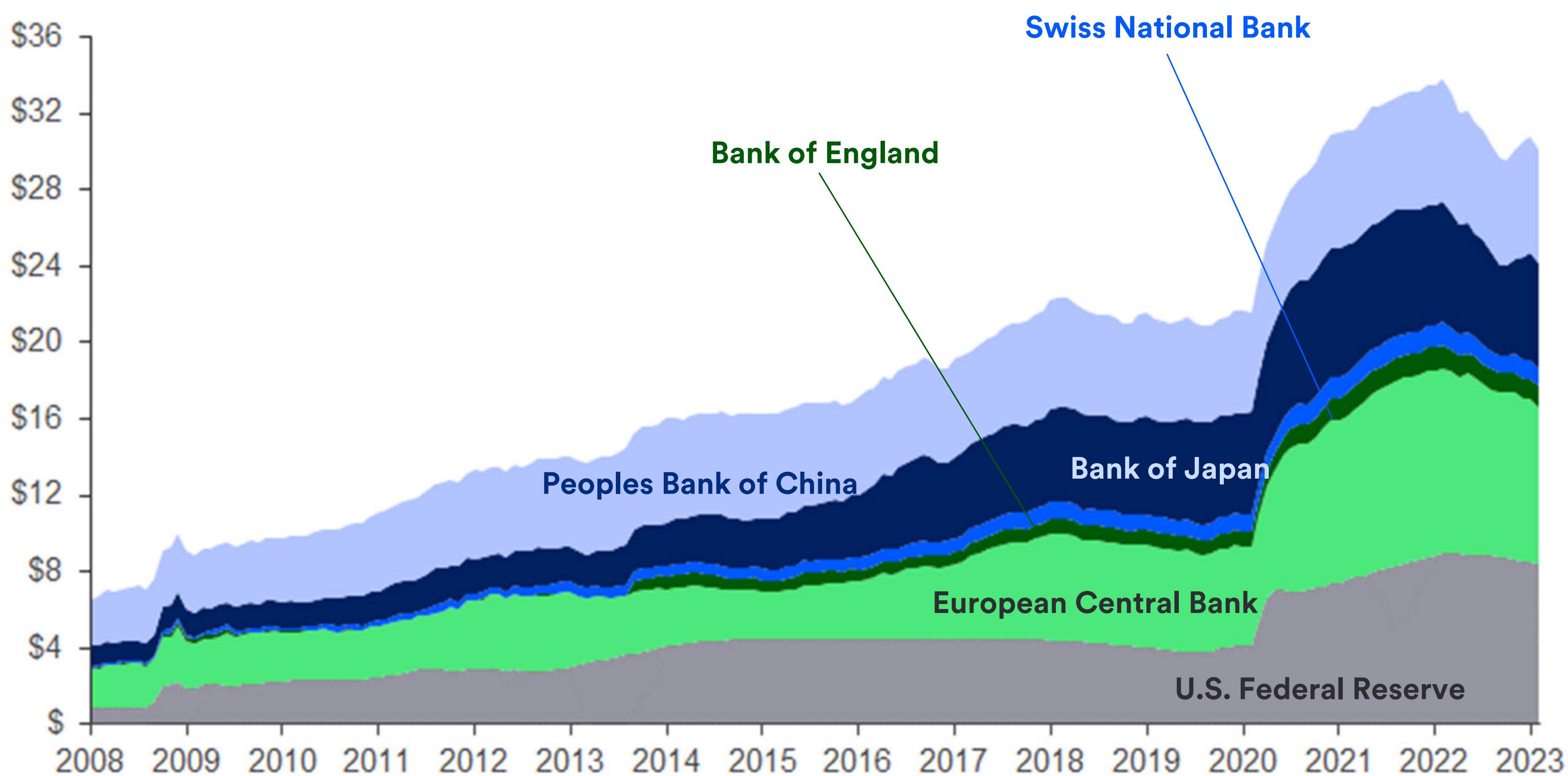


Source: Bloomberg. Data period: December 1871-March 28, 2023.

The "wall of money" remains high but began to shrink in 2022

Central banks have had a massive capital market presence since 2008, helping to keep interest rates low. The Federal Reserve is reducing its asset holdings by allowing bonds on its balance sheet to mature while simultaneously raising interest rates, a material policy shift from pandemic-era emergency policy support.

Total balance sheet size by major central banks
($ trillions)

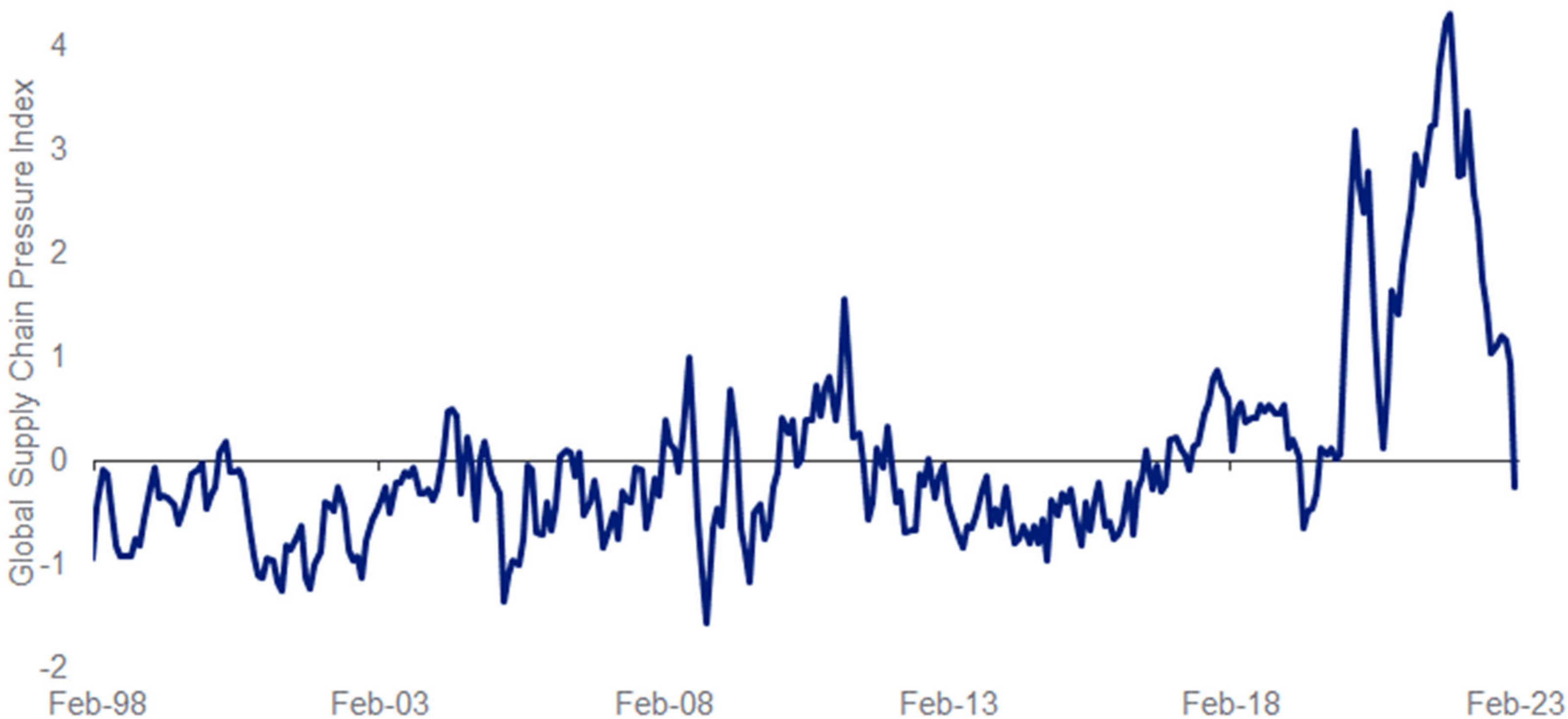


Sources: U.S. Bank Asset Management Group analysis, Bloomberg. Data period: January 2008-February 2023.

Supply chain conditions have returned to normal, alleviating goods inflationary pressures

The New York Federal Reserve Global Supply Chain Pressure Index measures overall stress in supply chains. After spiking during the COVID pandemic, the index has fallen below zero, indicating a return to normal supply chain conditions.

New York Federal Reserve Global Supply Chain Pressure Index

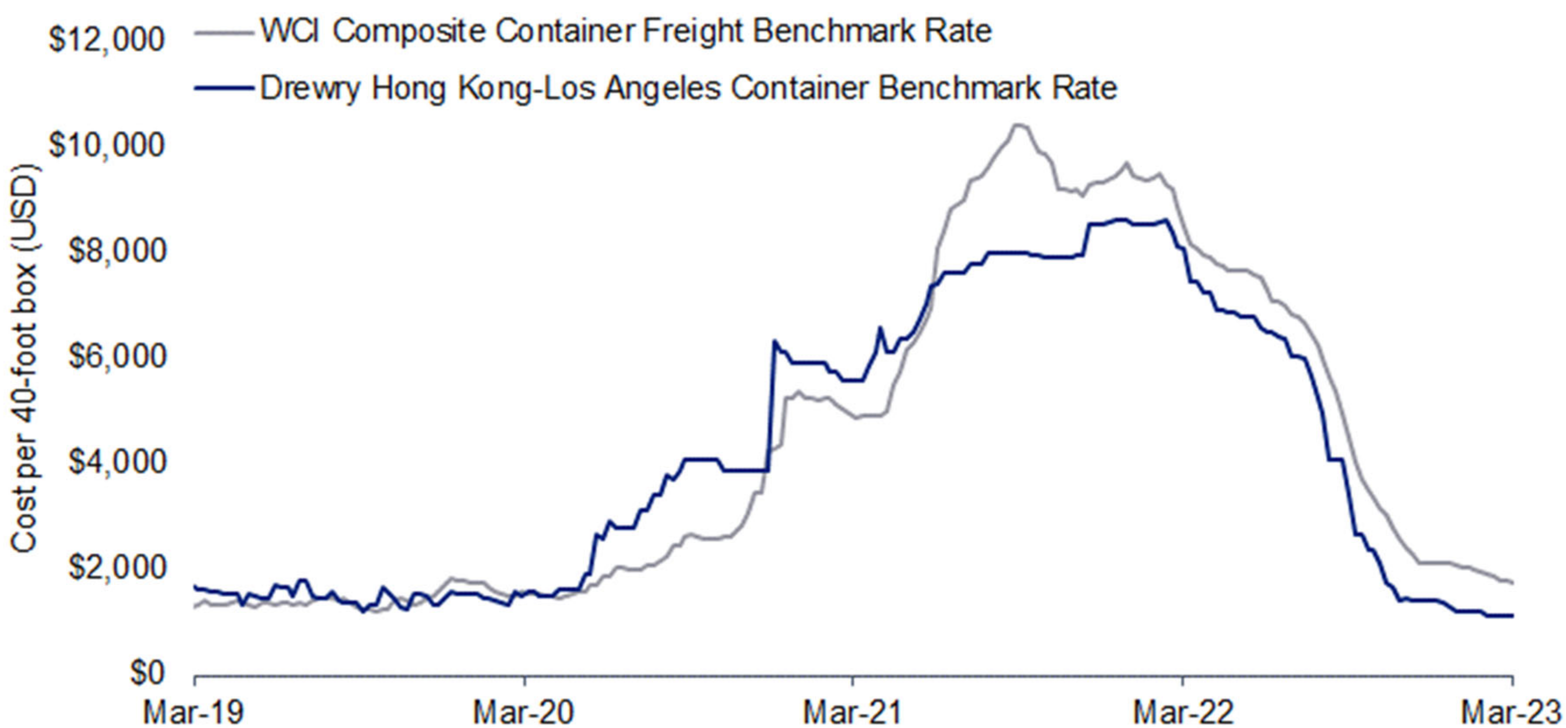


Source: U.S. Bank Asset Management Group analysis, New York Federal Reserve, Bloomberg data. Data period: February 28, 1998-February 28, 2023. Definitions of indices are defined in the Disclosure section.

Reduced supply chain pressures are reflected in declining shipping prices

Shipping costs have reverted to pre-pandemic rates, helping alleviate goods sector price inflation.

Container shipping rates

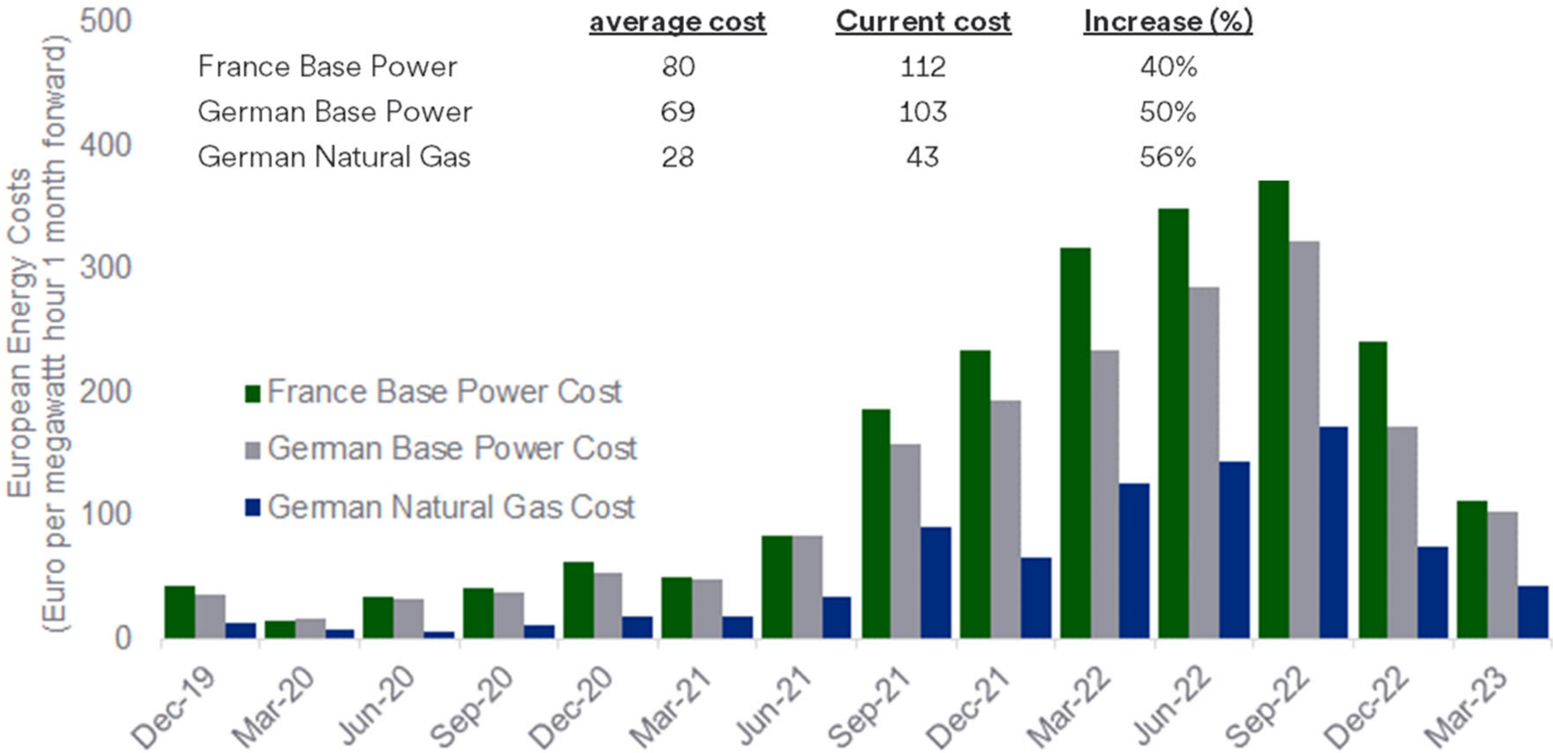


Source: U.S. Bank Asset Management Group analysis, Bloomberg data. Data period: March 23, 2019-March 23, 2023.

European energy costs receded from recent highs but remain elevated relative to pre-conflict levels

Dwindling Russian supplies forced Europe to import higher priced liquified natural gas (LNG), rapidly increasing the region's energy costs in 2022. While this winter's gas storage exceeds the European Union's target, the risk of renewed shortages in 2023-2024 highlights the Russia/Ukraine conflict's ongoing impact.

	2020-2021 average cost	Current cost	Increase (%)
France Base Power	80	112	40%
German Base Power	69	103	50%
German Natural Gas	28	43	56%



Source: U.S. Bank analysis, Bloomberg data. Data period: December 30, 2019-Mach 27, 2023.

Important disclosures, definitions of terms and index descriptions

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 Portfolio Manager.

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 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**: Firstar Capital Corporation (Firstar 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, Firstar 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 indicted. 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 counties 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)

HFRI 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.

HFRI 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.

Important disclosures

U.S. Bank and its representatives do not provide tax or legal advice. Each client's tax and financial situation is unique. Clients should consult their tax and/or legal advisor for advice and information concerning their particular situation.

EQUAL HOUSING LENDER

Deposit products offered by U.S. Bank National Association. Member FDIC. Credit products offer by U.S. Bank National Association and subject to normal credit approval.

Other disclosures may apply.

Important disclosures continued

This information represents the opinion of U.S. Bank Wealth Management. 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. It is not intended to provide specific advice or to be construed as an offering of securities or recommendation to invest. Not for use as a primary basis of investment decisions. Not to be construed to meet the needs of any particular investor. Not a representation or solicitation or an offer to sell/buy any security. Investors should consult with their investment professional for advice concerning their particular situation. 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 is not affiliated or associated with any organizations mentioned.

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.

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. The **S&P 500 Index** consists of 500 widely traded stocks that are considered to represent the performance of the U.S. stock market in general. The **MSCI EAFE Index** includes approximately 1,000 companies representing the stock markets of 21 countries in Europe, Australasia and the Far East (EAFE). The **MSCI Emerging Markets Index** is designed to measure equity market performance in global emerging markets. The **MSCI World Index** tracks equity market performance of developed markets through individual country indices. The **Consumer Price Index** (**CPI**) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them. The **Personal Consumption Expenditures (PCE) Price Index** measures the prices paid by consumers for goods and services without the volatility caused by movements in food and energy prices to reveal underlying inflation trends. The **Bloomberg Barclays U.S. Corporate High Yield Bond Index** measures the U.S. dollar denominated, high yield, fixed-rate corporate bond market. The **Bloomberg Barclays U.S. Aggregate Bond Index** is a broad-based benchmark that 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. The **Bloomberg Commodity Index** tracks prices of futures contracts on physical commodities in the commodity markets and is designed to minimize concentration in any one commodity or sector. The **Bloomberg Barclays Global Aggregate Index** measures **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. The **Wilshire U.S. REIT Index** is a broad measure of the U.S. real estate securities markets and a subset of the Wilshire Real Estate Securities Index and includes only Real Estate Investment Trusts (REITs). **West Texas Intermediate** (WTI) crude oil is the underlying commodity of the New York Mercantile Exchange's oil futures contracts. The **U.S. Dollar Index** (DY) is a measure of the value of the U.S. dollar relative to the value of a basket of currencies of the majority of the U.S.'s most significant trading partners. The **Hutchins Center Fiscal Impact Measure** shows how much local, state, and federal tax and spending policy adds to or subtracts from overall economic growth and provides a near-term forecast of fiscal policies' effects on economic activity. The **Global Supply Chain Pressure Index** (GSCPI) is a new measurement of supply chain conditions, created by the Federal Reserve Bank of New York. The index combines variables from several indices in transportation and manufacturing, such as those related to delivery times, prices, and inventory.

Important disclosures continued

The **Trade-Weighted Dollar Index** was created by the Federal Reserve to measure the value of the U.S. dollar based on its competitiveness versus trading partners. The **Bloomberg Barclays U.S. Commercial Mortgage-Backed Securities (CMBS) Investment Grade Index** measures the market of conduit and fusion CMBS deals, with a minimum current deal size of $300 million. **The S&P Global Leveraged Loan Index** is designed to measure the performance of the global senior loan market. This fixed-weight index is 75% weighted in the S&P/LSTA Leveraged Loan Index and 25% weighted in the S&P European Leveraged Loan Index. The **Chicago Board Options Exchange (CBOE) Crude Oil ETF Volatility Index** (Oil VIX) measures the market's expectation of 30-day volatility of crude oil prices. The **ICE BofAML MOVE Index** measures the implied yield volatility of a basket of one-month over-the-counter options on 2-year, 5-year, 10-year and 30-year Treasuries. The **Chicago Board Options Exchange (CBOE) Volatility Index (VIX)** measures the market's expectation of 30-day volatility and is a widely used measure of market risk and is often referred to as the "investor fear gauge." The **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. The **Russell Midcap Index** measures the performance of the mid-cap segment of the U.S. equity universe and is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **Russell 2000 Value Index** measures the performance of those Russell 2000 Index securities with lower price-to-book ratios and lower forecasted growth values and is representative of U.S. securities exhibiting value characteristics. The **NASDAQ Composite Index** is a market-capitalization weighted average of roughly 5,000 stocks that are electronically traded in the NASDAQ market. The Institute of Supply Management Manufacturing Index, also called the Purchasing Manager's Index, measures manufacturing activity based on a monthly survey, conducted by the Institute for Supply Management, of purchasing managers at more than 300 manufacturing firms. The **S&P CoreLogic Case-Shiller Home Price Indices** are the leading measures of U.S. residential real estate prices, tracking changes in the value of residential real estate nationally. The **MBA Purchase Index** is The Mortgage Bankers Association's weekly measurement of nationwide home loan applications based on a sample of about 75% of U.S. mortgage activity.

Equity securities are subject to stock market fluctuations that occur in response to economic and business developments. **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 **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. There are special risks associated with investments in **real assets** such as commodities and real estate securities. For commodities, risks may include market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors. 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).

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Independent Accountant's Compilation Report

Financial Statements - Statutory Basis

March 31, 2023 and 2022

and

September 30, 2022

QUARTERLY STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2023
FOR
LEAGUE ASSOCIATION OF RISK MANAGEMENT

Nebraska Company Code: 201675 Employer's ID Number: 47-0791192

Incorporated May 1, 1995 under the Laws of Nebraska

The offices and primary location of books and records are at 1335 "L" Street
Lincoln, Nebraska 68508

The mailing address is 1335 "L" Street
Lincoln, Nebraska 68508

Telephone Number 402-742-2600
Fax Number 402-476-4089
Contact Person L. Lynn Rex

Officers of the Association:
Chair: Lanette Doane
Vice-Chair: Joey Spellerberg
Secretary: L. Lynn Rex

Directors or Trustees:
Connie Jo Beck
Pamela Buethe
Lanette Doane
Don Groesser
Melissa Harrell
Pat Heath
Jo Leyland
Josh Moenning
Tom Ourada
Chris Rector
Sandra Schendt
Joey Spellerberg
Deb VanMatre – Ex-officio

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Table of Contents

TKB Certified Public Accountants

Thomas, Kunc & Black, LLP

Independent Accountant's Compilation Report

To the Board of Directors
League Association of Risk Management
Lincoln, Nebraska

Management is responsible for the accompanying financial statements of League Association of Risk Management, which comprise the balance sheets - statutory basis as of March 31, 2023 and 2022 and the related statutory statements of revenues and expenses, changes in surplus, and cash flows for the periods then ended, and the related notes to the financial statements in the accompanying prescribed form in accordance with the Insurance Department of the State of Nebraska. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the Insurance Department of the State of Nebraska and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

September 30, 2022 Financial Statements

The accompanying September 30, 2022 financial statements of League Association of Risk Management were audited by us, and we expressed an unqualified opinion on the statutory basis of accounting in our report dated November 30, 2022, but we have not performed any auditing procedures since that date.

Thomas, Kunc and Black, LLP

Lincoln, Nebraska
May 15, 2023

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Balance Sheets - Statutory Basis

March 31, 2023 and 2022 and September 30, 2022

Assets

		March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)	September 30, 2022 (Audited)
Cash:				
Cash on deposit	$	1,779,805	1,838,152	1,151,445
Short-term investments		3,911,356	996,437	-
Total cash		5,691,161	2,834,589	1,151,445
Long-term investments		14,788,291	16,232,261	13,711,558
Accounts receivable		5,000	16,524	14,547
Premiums receivable		50,451	132,726	10,683,529
Interest receivable		105,918	23,752	21,503
Reinsurance recoverable on paid losses		810,916	1,395,000	1,887,369
Total assets	$	21,451,737	20,634,852	27,469,951

Liabilities and Surplus

Loss reserves	$	5,037,721	4,160,981	4,621,930
Loss adjustment expenses		2,366,933	2,785,056	2,249,940
Unearned premium		5,436,554	4,632,086	11,662,104
Taxes payable		60,418	54,753	106,591
Other liabilities		353,212	173,328	373,730
Funds held under reinsurance treaties		25,000	25,000	25,000
Total liabilities		13,279,838	11,831,204	19,039,295
Surplus		8,171,899	8,803,648	8,430,656
Total liabilities and surplus	$	21,451,737	20,634,852	27,469,951

See accompanying notes to financial statements and independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Statements of Income - Statutory Basis

For the periods ended March 31, 2023 and 2022

and the year ended September 30, 2022

	Six Months Ended March 31, 2023 (Unaudited)	Six Months Ended March 31, 2022 (Unaudited)	Year Ended September 30, 2022 (Audited)
Revenues:			
Premiums earned, direct	$ 6,637,453	5,727,851	11,552,439
Premiums earned, transferred by excess	(2,244,463)	(1,731,532)	(3,923,186)
Net premiums	4,392,990	3,996,319	7,629,253
Investment income	155,827	35,250	1,142
Miscellaneous income	113,218	111,250	112,913
Total revenues	4,662,035	4,142,819	7,743,308
Expenses:			
Losses incurred, direct	2,651,317	2,222,229	7,134,579
Losses incurred, transferred by excess	(213,217)	(547,234)	(2,771,433)
Net losses	2,438,100	1,674,995	4,363,146
Loss expenses incurred	492,544	663,506	686,598
Other underwriting expenses incurred	1,990,148	1,870,595	3,132,833
Total expenses	4,920,792	4,209,096	8,182,577
Net income/(loss) - statutory basis	$ (258,757)	(66,277)	(439,269)

See accompanying notes to financial statements and independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Statements of Changes in Surplus - Statutory Basis

For the periods ended March 31, 2023 and 2022

and the year ended September 30, 2022

	Six Months Ended March 31, 2023 (Unaudited)	Six Months Ended March 31, 2022 (Unaudited)	Year Ended September 30, 2022 (Audited)
Surplus, beginning of period	$ 8,430,656	8,869,925	8,869,925
Net income/(loss) - statutory basis	(258,757)	(66,277)	(439,269)
Unrealized capital gain	-	-	410,693
Change in non-admitted assets	-	-	(410,693)
Dividends	-	-	-
Surplus, end of period	$ 8,171,899	8,803,648	8,430,656

See accompanying notes to financial statements and independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Statements of Cash Flows - Statutory Basis

For the periods ended March 31, 2023 and 2022

and the year ended September 30, 2022

		Six Months Ended		Year Ended
		March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)	September 30, 2022 (Audited)
Premiums collected, net of excess insurance	$	8,809,943	8,879,846	8,993,812
Loss and loss adjustment expenses paid		(1,321,407)	(3,252,715)	(6,530,494)
Underwriting expenses paid		(2,056,839)	(1,883,410)	(2,893,408)
Cash from underwriting		5,431,697	3,743,721	(430,090)
Investment income		71,412	26,983	405,817
Miscellaneous income		113,218	111,250	112,913
Net cash from operations		5,616,327	3,881,954	88,640
Transfers in:				
Other sources		122	-	-
Transfers out:				
Other applications		(1,076,733)	(2,990,063)	(879,893)
Net change in cash and short-term investments		4,539,716	891,891	(791,253)
Cash and short-term investments, beginning of period		1,151,445	1,942,698	1,942,698
Cash and short-term investments, end of period	$	5,691,161	2,834,589	1,151,445

See accompanying notes to financial statements and independent accountant's compilation report.

(1) Summary of significant accounting policies:

(a) Nature of organization:

The League Association of Risk Management (the Pool) is a risk management pool created under the provisions of the Intergovernmental Risk Management Act and the Interlocal Cooperation Act of the State of Nebraska. The Pool was created for the purpose of Nebraska municipalities to act jointly to provide risk management services and insurance coverage in the form of group self-insurance or standard insurance, including any combination of group self-insurance and standard insurance, to protect members against losses arising from general liability, property damage, destruction or loss, errors and omissions liability, and workers' compensation liability. Any county, city, village, school district, public power district, rural fire district, or other political subdivision of the State of Nebraska, the State of Nebraska, the University of Nebraska, and any corporation whose primary function is to act as an instrumentality or agency of the State of Nebraska is eligible to participate as a member of the pool.

The Pool is financed through the annual and supplemental contributions paid by the participating entities, through income earned from the investment of the Pool's funds, and through any other monies, which may be lawfully received by the Pool and made part of the Pool's assets. The Pool provides group self-insurance coverage for automobile physical damage, comprehensive property - all risk, boiler and machinery, basic crime, general liability, automobile liability, law enforcement liability, public officials liability, employment practices liability, non-monetary relief defense expense, reimbursement of criminal defense expense, workers' compensation, employers' liability, cyber liability, and terrorism.

The Pool is operated by a Board of Directors consisting of elected and appointed officials or employees of the Pool members. The Board has the power to establish the coverage document, ensure that all claims covered by the document are paid, take all necessary precautions to safeguard the assets of the Pool, and make and enter into any and all contracts and agreements necessary to carry out any of the powers granted or duties imposed under the Pool formation agreement, the Pool's bylaws, or any applicable law or regulation.

(b) Basis of presentation:

For purposes of this statement, the Pool uses the statutory basis of accounting as prescribed by the Insurance Department of the State of Nebraska, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under the statutory basis of accounting, certain fixed assets and prepaid expenses are not recognized on the balance sheet.

(c) Investment income:

Investment income consists primarily of interest and is recorded as earned.

(d) Contributions:

Contributions are earned over the terms of the related coverage document and reinsurance contracts. All coverage documents coincide with the fiscal year of the Pool. Unearned contribution reserves are established to cover the unexpired portion of contributions written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

(e) Unpaid loss and loss adjustment expenses:

Unpaid loss and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are reviewed and any adjustments are reflected in the period determined.

(1) Summary of significant accounting policies: (Continued)

(f) Reinsurance:

In the normal course of operation, the Pool seeks to reduce the loss that may arise from events that cause unfavorable underwriting results by reinsuring certain levels of risk in various areas of exposure with other insurance enterprises or reinsurers. Amounts recoverable from reinsurers are estimated in a manner consistent with the reinsurance policy.

(g) Income taxes:

The Pool is exempt under Section 115 of the Internal Revenue Code. Accordingly, no provision for income taxes is required and the Pool is not required to file any returns or reports with the Internal Revenue Service related to income taxes.

(h) Management estimates:

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

(2) NLC Mutual Insurance Company:

The Pool joined the NLC Mutual Insurance Company (NLC) as of October 1, 2002. NLC is a mutual insurance company, formed with the assistance of the National League of Cities in 1986.

Each entity is charged a capitalization fee based on a percentage of premiums. The Pool contributed a total of $377,664, which is reflected on NLC's financial statements as member surplus. In addition, NLC allocates a portion of their net income to the member surplus each year. As a mutual company, NLC returns earnings that are not needed to pay claims and the expenses of operations to the members in the form of dividends. NLC paid dividends of $110,625 (March 31, 2023), $0 (March 31, 2022), and $109,273 (September 30, 2022). The total member surplus reflected on NLC's financials for LARM were $3,075,396 (March 31, 2023), $2,664,703 (March 31, 2022), and $3,075,396 (September 30, 2022).

The Nebraska Department of Insurance classifies this investment as non-admitted as it is not easily liquidated into cash.

(3) Cash on deposit and investments:

Cash on deposit, which includes cash in checking accounts, certificates of deposit with original maturities of one year or less, and money market deposit accounts are carried at cost, which approximates market value. The Pool maintains its cash on deposit in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000.

Long term investments are investments with original maturities of more than one year. Included in long term investments are certificates of deposit and governmental agency bonds. Certificates of deposit are carried at cost, which approximates market value. Statutory accounting principles require that bonds be reported at amortized cost.

Statutes authorize the Pool to invest in bank certificates of deposit, repurchase agreements collateralized by U.S. government and government-guaranteed obligations, or U.S. agency and instrumentality obligations and mutual funds that invest in these investments.

For purposes of this footnote, the cost basis does not include checks issued and outstanding.

(3) Cash on deposit and investments: (Continued)

The Pool's cash and investment balances were as follows:

	Cost		
	Insured or Direct U.S. Government	Uninsured	Total
At March 31, 2023			
Cash on deposit	$ 250,000	1,785,276	2,035,276
Short-term investments	3,911,356	-	3,911,356
Long-term investments	14,788,291	-	14,788,291
	$ 18,949,647	1,785,276	20,734,923
At March 31, 2022			
Cash on deposit	$ 250,000	1,888,065	2,138,065
Short-term investments	996,437	-	996,437
Long-term investments	16,232,261	-	16,232,261
	$ 17,478,698	1,888,065	19,366,763
At September 30, 2022			
Cash on deposit	$ 250,000	1,447,721	1,697,721
Short-term investments	-	-	-
Long-term investments	13,711,558	-	13,711,558
	$ 13,961,558	1,447,721	15,409,279

The Pool has adopted Statement of Statutory Accounting Principles (SSAP) No. 100, *Fair Value*. This standard defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Pool considers the primary or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions and risk of nonperformance.

The Pool classified its investments based upon an established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. SSAP 100 describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value, which are the following:

- Level 1 – Quoted prices in active markets for *identical* assets or liabilities.
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly; such as quoted prices for *similar* assets or liabilities, quoted prices in markets that are not active; or other inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

(3) Cash on deposit and investments: (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value.

Bonds – Mortgage and Other Asset Backed Bonds: Valued based on Residential Mortgage Backed Securities modeling file provided by FINRA. The prepayment assumptions used for single class and multi-class mortgage backed/asset backed securities were obtained from broker/dealer survey values. These assumptions are consistent with the current interest rate and economic environment.

	March 31, 2023					
	Less Than 12 Months		Greater Than 12 Months		Total	
Bonds:	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
U.S. Governments	$ 3,985,900	-	4,608,302	211,551	8,594,202	211,551
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	-	-	8,969,859	751,229	8,969,859	751,229
Industrial and miscellaneous unaffiliated	-	-	-	-	-	-
Total bonds	3,985,900	-	13,578,161	962,780	17,564,061	962,780
Total temporarily impaired securities	$ 3,985,900	-	13,578,161	962,780	17,564,061	962,780

The amortized cost and estimated statutory fair value of bonds at March 31, 2023, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Bonds not due at a single maturity date have been included in the table below in the year of final maturity.

	Amortized Cost	Estimated Statutory Fair Value
Due in one year or less	$ 3,911,356	3,985,900
Due after one year through five years	11,539,345	10,840,693
Due after five years through ten years	2,999,138	2,737,468
Due after ten years	-	-
	$ 18,449,839	17,564,061

(3) Cash on deposit and investments: (Continued)

	March 31, 2022						
	Less Than 12 Months		Greater Than 12 Months		Total		
Bonds:	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
U.S. Governments	$ 990,310	6,127	4,325,085	164,688	5,315,395	170,815
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	-	-	10,855,707	637,893	10,855,707	637,893
Industrial and miscellaneous unaffiliated	-	-	-	-	-	-
Total bonds	990,310	6,127	15,180,792	802,581	16,171,102	808,708
Total temporarily impaired securities	$ 990,310	6,127	15,180,792	802,581	16,171,102	808,708

The amortized cost and estimated statutory fair value of bonds at March 31, 2022, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Bonds not due at a single maturity date have been included in the table below in the year of final maturity.

	Amortized Cost	**Estimated Statutory Fair Value**
Due in one year or less	$ 996,437	990,310
Due after one year through five years	12,983,763	12,374,355
Due after five years through ten years	2,998,817	2,806,437
Due after ten years	-	-
	$ 16,979,017	16,171,102

See independent accountant's compilation report.

(3) Cash on deposit and investments: (Continued)

	September 30, 2022					
	Less Than 12 Months		Greater Than 12 Months		Total	
Bonds:	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
U.S. Governments	$ -	-	3,459,518	282,002	3,459,518	282,002
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	-	-	8,725,148	995,147	8,725,148	995,147
Industrial and miscellaneous unaffiliated	-	-	-	-	-	-
Total bonds	-	-	12,184,666	1,277,149	12,184,666	1,277,149
Total temporarily impaired securities	$ -	-	12,184,666	1,277,149	12,184,666	1,277,149

The amortized cost and estimated statutory fair value of bonds at September 30, 2022, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Bonds not due at a single maturity date have been included in the table below in the year of final maturity.

	Amortized Cost	Estimated Statutory Fair Value
Due in one year or less	$ -	-
Due after one year through five years	10,462,837	9,533,676
Due after five years through ten years	2,998,978	2,650,990
Due after ten years	-	-
	$ 13,461,815	12,184,666

The Pool regularly reviews its investment portfolio for factors that may indicate that a decline in fair value of an investment is other than temporary. Based on an evaluation of the prospects of the issuers, including, but not limited to 1) the Pool's intentions and ability to hold the investments; 2) the length of time and the magnitude of the unrealized loss; 3) the credit ratings of the issuers of the investments, and 4) other information specific to the issuer, the Pool has concluded that any declines in the fair values of the Pool's investments in bonds at March 31, 2023 and 2022 and September 30, 2022 are temporary and are presented on the following page.

(3) Cash on deposit and investments: (Continued)

The cost, gross unrealized gains, gross unrealized losses and estimated fair values are as follows:

March 31, 2023	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Obligations of U.S. Government sponsored enterprises	$ 18,449,839	77,002	962,780	17,564,061
Total	$ 18,449,839	77,002	962,780	17,564,061

March 31, 2022	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Obligations of U.S. Government sponsored enterprises	$ 16,979,017	793	808,708	16,171,102
Total	$ 16,979,017	793	808,708	16,171,102

September 30, 2022	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Obligations of U.S. Government sponsored enterprises	$ 13,461,815	-	1,277,149	12,184,666
Total	$ 13,461,815	-	1,277,149	12,184,666

The statement value and estimated fair value of financial instruments at March 31, 2023 and 2022 and September 30, 2022 are as follows:

		March 31, 2023			
Financial assets:	Statement Value	Estimated Fair Value	Level 1	Level 2	Level 3
Bonds	$ 18,449,840	17,564,061	-	17,564,061	-
Cash on deposit (including certificates of deposit)	2,029,612	2,012,262	1,779,612	232,650	-
Investment income due and accrued	105,918	105,918	105,918	-	-
Total	$ 20,585,370	19,682,241	1,885,530	17,796,711	-

See independent accountant's compilation report.

(3) Cash on deposit and investments: (Continued)

Financial assets:		March 31, 2022				
		Statement Value	Estimated Fair Value	Level 1	Level 2	Level 3
Bonds	$	16,979,017	16,171,102	-	16,171,102	-
Cash on deposit (including certificates of deposit)		2,087,833	2,075,378	1,837,833	237,545	-
Investment income due and accrued		23,752	23,752	23,752	-	-
Total	$	19,090,602	18,270,232	1,861,585	16,408,647	-

Financial assets:		September 30, 2022				
		Statement Value	Estimated Fair Value	Level 1	Level 2	Level 3
Bonds	$	13,461,815	12,184,666	-	12,184,666	-
Cash on deposit (including certificates of deposit)		1,401,188	1,381,868	1,151,188	230,680	-
Investment income due and accrued		21,503	21,503	21,503	-	-
Total	$	14,884,506	13,588,037	1,172,691	12,415,346	-

(4) Retirement plan:

The Pool maintains a 401(a) - retirement savings plan and 457(b) - deferred compensation plan for all employees. The Pool makes contributions into the 401(a) plan up to 10% of compensation. The employee may also make elective deferrals into either/both plans.

(5) Related party transactions:

LARM contracted with the League of Nebraska Municipalities for office space and miscellaneous administrative services. The total amount paid to the League of Nebraska Municipalities was $69,623 (March 31, 2023), $50,108 (March 31, 2022), and $91,649 (September 30, 2022). The total amount of payables to the League of Nebraska Municipalities was $307 (March 31, 2023), $365 (March 31, 2022), and $1,106 (September 30, 2022).

(6) Reinsurance recoverables:

Amounts recoverable from reinsurers are estimated based upon assumptions consistent with those used in establishing the liabilities related to the underlying reinsured coverage document. The Pool's management believes the recoverables are appropriately established. The Pool had reinsurance recoverable amounts from seven third-party reinsurers.

		March 31, 2023	March 31, 2022	September 30, 2022
Contributions:				
Direct	$	6,637,453	5,727,851	11,552,439
Ceded		(2,244,463)	(1,731,532)	(3,923,186)
Net contributions earned	$	4,392,990	3,996,319	7,629,253
Losses:				
Direct	$	2,651,317	2,222,229	7,134,579
Ceded		(213,217)	(547,234)	(2,771,433)
Net losses incurred	$	2,438,100	1,674,995	4,363,146

The Pool has recorded reinsurance recoverables on paid losses from reinsurance companies of $810,916 (March 31, 2023), $1,395,000 (March 31, 2022), and $1,887,369 (September 30, 2022).

The Pool has recorded reinsurance recoverables on unpaid loss and loss adjustment expenses payable of $4,880,009 (March 31, 2023), $4,023,168 (March 31, 2022), and $5,792,125 (September 30, 2022).

The Pool has entered into quota share, stop loss and per occurrence reinsurance agreements. As part of a reinsurance agreement, the Pool has withheld $25,000 from the balance payable to a reinsurer. At March 31, 2023 and 2022 and September 30, 2022, the Pool had the funds withheld recorded as a liability.

The accompanying financial statements reflect the financial position and results of operations net of related reinsurance. To the extent that any reinsuring companies are unable to meet their obligations under the reinsurance agreements, the Pool would remain liable.

(7) Self-insured retention:

The Pool retains responsibility for the payment of claims within specified self-insured retention limits prior to the application of coverage provided by the reinsurance contracts and excess insurance contracts.

The per-claim retention limit for the current coverage was as follows:

$	300,000	per occurrence	General Liability, Auto Liability, Police, Errors and Omissions
$	300,000	per occurrence	Public Official's Liability
$	100,000	per loss	Property, Auto Physical Damage
$	450,000	per occurrence	Wind and Hail Damage
$	750,000	per location and loss	Workers' Compensation
$	10,000	per occurrence	Boiler and Machinery
$	50,000	per occurrence	Cyber
$	10,000	per occurrence	Terrorism

(8) Retrospective assessments and credits:

Nine months following the close of the fiscal year and at annual intervals thereafter, the Pool may recalculate each member's retrospective premium or premium credit for the year.

No dividends were declared for the periods ended March 31, 2023 and 2022 and September 30, 2022.

(9) Surplus:

Assets are reported under statutory accounting on an admitted assets basis. The non-admitted assets are excluded through a charge against surplus.

The portion of surplus represented or reduced by the following items are as follows:

		March 31, 2023	March 31, 2022	September 30, 2022
Non-admitted assets:				
Accounts receivable over 90 days past due	$	-	-	-
Agents balances receivable over 90 days past due		-	-	-
Investment in NLC		3,075,396	2,664,703	3,075,396
	$	3,075,396	2,664,703	3,075,396

(10) Commitments and contingencies:

From time to time, the Pool is involved in pending and threatened litigation in the normal course of business in which claims for monetary damages are asserted. In the opinion of management, the ultimate liability, if any, arising from such pending or threatened litigation is not expected to have a material effect on the results of operations, liability, or financial position of the Pool.

(11) Financial statement presentation:

Amounts for March 31, 2022 and September 30, 2022 have been restated in some instances to conform with current statement presentation.

(12) Subsequent events:

The Pool evaluated subsequent events through May 15, 2023. There were no subsequent events that require disclosure and/or adjustments.

SUPPLEMENTAL INFORMATION

Independent Accountant's Compilation Report
on Supplemental Information

To the Board of Directors
League Association of Risk Management
Lincoln, Nebraska

The March 31, 2023 and 2022 supplementary information contained in the Reconciliation of Unpaid Claims is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

The September 30, 2022 supplementary information contained in the Reconciliation of Unpaid Claim Liabilities is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information was subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Our report stated that the information was fairly stated in all material respects in relation to the financial statements as a whole based upon the statutory basis of accounting. We have not performed any auditing procedures on the supplementary information since November 30, 2022.

Thomas, Kunc and Black, LLP

Lincoln, Nebraska
May 15, 2023

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Reconciliation of Unpaid Claim Liabilities

For the periods ended March 31, 2023 and 2022

and the year ended September 30, 2022

	Six Months Ended		Year Ended
	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)	September 30, 2022 (Audited)
Unpaid claims and claims adjustment expenses at beginning of period	$ 6,871,870	7,246,215	7,246,215
Incurred claims and claims adjustment expenses:			
Provision for insured events of current policy year	3,120,000	2,345,000	6,137,435
Increase/(decrease) in provision in insured events of prior policy years	(189,356)	(6,499)	(1,087,691)
Total incurred claims and claims adjustment expenses	2,930,644	2,338,501	5,049,744
Payments:			
Claims and claims adjustment expenses attributable to insured events of the current policy year	1,113,836	638,798	2,555,720
Claims and claims adjustment expenses attributable to insured events of prior policy years	1,284,024	1,999,881	2,868,369
Total payments	2,397,860	2,638,679	5,424,089
Total unpaid claims and claims adjustment expenses at end of period	$ 7,404,654	6,946,037	6,871,870

See independent accountant's compilation report on supplemental information.

By the Numbers
Actuarial Consulting, Inc.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

WORKER COMPENSATION
LIABILITY
PROPERTY

ACTUARIAL REPORT
Indicated Premium for 10/1/23-24

Elizabeth Long, ACAS, MAAA
Principal & Consulting Actuary
9 Forrest Blend Drive
Titusville, NJ 08560
P:609.474.0508
elong@bynac.com

5/12/23

By the Numbers
Actuarial Consulting, Inc.

May 12, 2023

Ms. L. Lynn Rex
Executive Director
League Association of Risk Management
1335 L Street
Lincoln, NE 68508

Dear Ms. Rex:

Enclosed is a *draft* of the actuarial report prepared for the League Association of Risk Management (LARM) at your request. This report calculates the indicated premium for the upcoming 10/1/23-24 policy period.

The estimates contained in this report are based on data provided by Sedgwick. These data and the associated assumptions should be reviewed for their consistency with the internal records of LARM. Any discrepancy in the completeness, interpretation, or accuracy of the information used may require a revision to this report.

If you have any questions, please contact us. It is a pleasure to be of service to LARM.

Sincerely,

Elizabeth Long, ACAS, MAAA
Principal and Consulting Actuary

PO Box 35 - Titusville, NJ 08560 - 609.474.0508
elong@bynac.com - www.bynac.com

LEAGUE ASSOCIATION OF RISK MANAGEMENT

ACTUARIAL REPORT

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LEAGUE ASSOCIATION OF RISK MANAGEMENT

ACTUARIAL REPORT

PURPOSE

By the Numbers Actuarial Consulting, Inc. (BYNAC) prepared this actuarial report to present a professional analysis of the League Association of Risk Management's (LARM's) indicated workers compensation, other liability, and property premium structure for the upcoming 10/1/23-24 policy period. Other liability includes auto liability, general liability, public officials E&O, and police professional liability lines of business. Property includes auto physical damage, property, inland marine, wind/storm/vandalism, and boiler and machinery lines of business. The basis for the premium analysis is the experience of LARM's members limited to the anticipated specific retentions.

BYNAC is an independent consultant to LARM and provides this report as input to management in its rate setting process. During the course of the preparation of this report, a draft has been provided to Ms. L. Lynn Rex, Executive Director, LARM. BYNAC is available to present the report at LARM's convenience.

The information contained in this report has been prepared by Elizabeth Long, ACAS, MAAA, in accordance with applicable Actuarial Standards of Practice as promulgated by the Actuarial Standards Board. Ms. Long meets the Qualification Standards of the American Academy of Actuaries.

FINDINGS

The findings are the product of loss experience, actuarial assumptions, quantitative analysis, and professional judgment. The estimates are expressed in terms of ranges that indicate the reliance on assumptions believed to be reasonable and are subject to all the limitations expressed herein.

INDICATED PREMIUM NEED

The indicated premium for 10/1/23-24 for all coverages combined on an undiscounted and discounted for investment income basis is shown below. Indicated premium by coverage is on the following page. Sedgwick provided the discount rate of 3.5% per year. Evaluating the reasonableness of the discount rate is outside the scope of this report.

INDICATED PREMIUM NEED FOR 10/1/23-24 - ALL COVERAGES

	Undiscounted for Investment Income		
	Low	Expected	High
Indicated Premium	$14,830,000	$15,420,000	$16,480,000
Proposed Premium		14,963,590	
Premium Indication	- 1.0%	+ 3.1%	+10.1%

	Discounted for Investment Income at 3.5% per Annum		
	Low	Expected	High
Indicated Premium	$14,510,000	$15,050,000	$16,050,000
Proposed Premium		14,963,590	
Premium Indication	- 3.0%	+ 0.6%	+ 7.3%

The low and high figures shown are judgmental and are not intended to establish absolute minimums or maximums on the estimates, but rather to depict a reasonable range for the establishment of premium in this particular situation. The indicated premium is the amount that LARM needs to collect from its members to cover expected losses and expenses. The proposed premium is based on the premium LARM expects to collect for 10/1/23-24. The premium indication is the comparison of the indicated premium and the proposed premium for 10/1/23-24. As shown, it is expected that LARM's losses and expenses for all coverages combined will be 0.6% more than the proposed premium on a discounted for investment income basis.

INDICATED PREMIUM NEED FOR 10/1/23-24 - WORKERS COMPENSATION

	Undiscounted for Investment Income		
	Low	Expected	High
Indicated Premium	$3,440,000	$3,530,000	$3,840,000
Proposed Premium		3,547,988	
Premium Indication	- 3.0%	- 0.5%	+ 8.2%

	Discounted for Investment Income at 3.5% per Annum		
	Low	Expected	High
Indicated Premium	$3,310,000	$3,400,000	$3,690,000
Proposed Premium		3,547,988	
Premium Indication	- 6.7%	- 4.2%	+ 4.0%

INDICATED PREMIUM NEED FOR 10/1/23-24 - OTHER LIABILITY

	Undiscounted for Investment Income		
	Low	Expected	High
Indicated Premium	$3,240,000	$3,310,000	$3,450,000
Proposed Premium		3,324,255	
Premium Indication	- 2.5%	- 0.4%	+ 3.8%

	Discounted for Investment Income at 3.5% per Annum		
	Low	Expected	High
Indicated Premium	$3,090,000	$3,160,000	$3,280,000
Proposed Premium		3,324,255	
Premium Indication	- 7.0%	- 4.9%	- 1.3%

INDICATED PREMIUM NEED FOR 10/1/23-24 - PROPERTY

	Undiscounted for Investment Income		
	Low	Expected	High
Indicated Premium	$8,150,000	$8,580,000	$9,190,000
Proposed Premium		8,091,347	
Premium Indication	+ 0.7%	+ 6.0%	+13.6%

	Discounted for Investment Income at 3.5% per Annum		
	Low	Expected	High
Indicated Premium	$8,090,000	$8,490,000	$9,090,000
Proposed Premium		8,091,347	
Premium Indication	- 0.0%	+ 4.9%	+12.3%

ASSUMPTIONS

DEFINITIONS

Losses in this report include allocated loss adjustment expense (ALAE). ALAE are those expenses that can be directly attributed to a specific claim, such as litigation costs. Loss adjustment expenses that cannot be directly associated with an individual claim are known as unallocated loss adjustment expense (ULAE). Reserves for unearned premiums, unpaid administrative expenses, contingencies, catastrophes, or future premium deficiencies are not included in the estimates.

HISTORICAL INFORMATION

For the upcoming period, LARM will assume its members' workers compensation, other liability, and property losses. The historical loss development patterns of LARM are utilized to determine the ultimate losses expected to be incurred for the periods analyzed. This methodology assumes that the historical development patterns are indicative of the future development expected for the periods considered.

All data are based on information provided by Sedgwick. The indicated premium need for the 10/1/23-24 policy period is based on data evaluated as of 3/31/23 and additional information provided through 5/11/23. These data are reviewed for reasonableness and used without audit.

RETENTIONS

LARM's anticipated specific retentions for 10/1/23-24 are $750,000 for workers compensation, $300,000 for other liability, and $100,000 for standard property perils. The retention for wind, hailstorms, and catastrophes is $450,000. ALAE is assumed to be included within the retention for workers compensation, other liability, and property. The retentions are a critical part of this analysis. It is assumed that the reinsurance will be collectable on all claims that ultimately develop beyond the applicable retentions. An analysis of the collectability of the reinsurance is beyond the scope of this report.

PREMIUM INDICATION – WORKERS COMPENSATION

OVERVIEW

LARM's indicated premium for 10/1/23-24 is calculated by adding estimated expenses to projected losses. The basic methodology used to project losses is to develop a pure loss rate for each of the five most recent complete periods. The pure loss rate is the expected dollar of loss per unit of exposure. To project the pure loss rate, the losses of the five most recent complete periods are developed to their estimated ultimate value and adjusted to a 10/1/23-24 cost level. These adjusted losses are divided by exposure trended to a 10/1/23-24 level to calculate pure loss rates for each period. These pure loss rates are evaluated, and an estimate for the 10/1/23-24 period is selected. Losses are projected by multiplying the selected pure loss rate by the projected exposure for 10/1/23-24.

Four procedures are used to estimate the ultimate incurred losses to provide a check for reasonableness and consistency. Following is a brief description of each method and the circumstances under which each works best.

Incurred loss development is the most widely used method of estimating ultimate incurred losses. By using the reserves on a claim-by-claim basis, the most recent claims adjusters' estimates are included in the analysis in addition to the cumulative paid losses. Inherent in the incurred loss development technique is the assumption that there are no changes in reserving practices.

A paid loss approach attempts to eliminate distortions that can occur in incurred methods when there is a suspected change in reserving procedures. Inherent in paid loss development techniques is the assumption that there are no changes in claims settlement practices.

The incurred Bornhuetter-Ferguson technique estimates ultimate incurred losses based on the expected losses and reporting pattern of incurred losses. This method is dependent on the accuracy of these two parameters in addition to the considerations discussed for the incurred method.

The last method, the paid Bornhuetter-Ferguson approach, estimates ultimate incurred losses based on the expected losses and payment pattern. Similar to the incurred Bornhuetter-Ferguson method, this approach is dependent on the accuracy of these two parameters in addition to the considerations for the paid method.

INCURRED LOSS DEVELOPMENT

The ultimate cost of claims incurred for a specific time period is usually not known until several years after the close of that period. Loss development factors project the additional cost expected on claims. These factors quantify the late developing aspects of certain losses, such as claims involving medical complications not recognized in the early stages of treatment or verdict values for litigated claims that are different than the amount previously reserved to pay the claims. They also account for losses that occurred during the policy period but are not reported until a later date.

In Section A of Table 1, incurred losses are limited to the specific retention. As shown, one claim is reported in excess of $750,000 in the periods under review. Ultimate incurred losses are estimated in Section B by multiplying the limited incurred losses by the loss development factors. For example, limited incurred losses for the 10/1/21-22 period evaluated at $1,651,133 on 3/31/23 are estimated to ultimately cost $1,954,941 ($1,651,133 x 1.184). The loss development factor of 1.184 means that the losses are expected to ultimately cost 18.4% more than incurred losses evaluated on 3/31/23.

PAID LOSS DEVELOPMENT

The paid loss procedure employs an analysis similar to the previous method, but based on paid loss data. This estimation technique is not influenced by changes in the loss reserve estimates of the adjusters. However, larger development factors are required at a given age than the incurred method. This analysis is shown in Table 2.

INCURRED BORNHUETTER-FERGUSON

The incurred Bornhuetter-Ferguson method for developing an estimate of ultimate incurred losses requires two parameters, the expected losses and reporting pattern. The accuracy of this method depends on these parameters.

The incurred Bornhuetter-Ferguson method involves two calculation steps. In Section A of Table 3, unreported losses are estimated by multiplying the expected losses by the expected percent of unreported losses implied by the incurred loss development factor. Ultimate incurred losses are estimated in Section B by adding the estimated unreported losses to the incurred losses as of 3/31/23.

Table 1

LEAGUE ASSOCIATION OF RISK MANAGEMENT

WORKERS COMPENSATION

ESTIMATED ULTIMATE INCURRED LOSSES
INCURRED LOSS DEVELOPMENT
(Net of Non-Excess Recoveries)

A. LOSSES LIMITED TO $750,000

Policy Period	Incurred Losses as of 3/31/23	Number of Claims in Excess of $750,000	Incurred Losses in Excess of $750,000	Limited Incurred Losses as of 3/31/23
10/1/17-18	$ 3,452,936	1	$ 1,783,256	$ 1,669,680
10/1/18-19	1,105,942	0	0	1,105,942
10/1/19-20	1,036,711	0	0	1,036,711
10/1/20-21	1,488,531	0	0	1,488,531
10/1/21-22	1,651,133	0	0	1,651,133
Total	$ 8,735,253	1	$ 1,783,256	$ 6,951,997

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Incurred Losses as of 3/31/23	Age of Policy Period in Months	Incurred Loss Development Factor#	Estimated Ultimate Incurred Losses
10/1/17-18	$ 1,669,680	66.0	1.000*	$ 1,669,680
10/1/18-19	1,105,942	54.0	1.000*	1,105,942
10/1/19-20	1,036,711	42.0	1.047	1,085,436
10/1/20-21	1,488,531	30.0	1.098	1,634,407
10/1/21-22	1,651,133	18.0	1.184	1,954,941
Total	$ 6,951,997			$ 7,450,406

Interpolated from Section C of Table 1 of the 11/30/22 actuarial report.
* Selected a loss development factor of 1.000 since all reported claims are closed.

Table 2

LEAGUE ASSOCIATION OF RISK MANAGEMENT

WORKERS COMPENSATION

ESTIMATED ULTIMATE INCURRED LOSSES
PAID LOSS DEVELOPMENT
(Net of Non-Excess Recoveries)

A. LOSSES LIMITED TO $750,000

Policy Period	Paid Losses as of 3/31/23	Number of Claims in Excess of $750,000	Paid Losses in Excess of $750,000	Limited Paid Losses as of 3/31/23
10/1/17-18	$ 2,496,094	1	$ 826,414	$ 1,669,680
10/1/18-19	1,105,942	0	0	1,105,942
10/1/19-20	994,897	0	0	994,897
10/1/20-21	1,262,282	0	0	1,262,282
10/1/21-22	1,243,393	0	0	1,243,393
Total	$ 7,102,608	1	$ 826,414	$ 6,276,194

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Paid Losses as of 3/31/23	Age of Policy Period in Months	Paid Loss Development Factor#	Estimated Ultimate Incurred Losses
10/1/17-18	$ 1,669,680	66.0	1.000*	$ 1,669,680
10/1/18-19	1,105,942	54.0	1.000*	1,105,942
10/1/19-20	994,897	42.0	1.187	1,180,943
10/1/20-21	1,262,282	30.0	1.260	1,590,475
10/1/21-22	1,243,393	18.0	1.728	2,148,583
Total	$ 6,276,194			$ 7,695,623

\# Interpolated from Section C of Table 3 of the 11/30/22 actuarial report.
* Selected a loss development factor of 1.000 since all reported claims are closed.

Table 3

LEAGUE ASSOCIATION OF RISK MANAGEMENT

WORKERS COMPENSATION

ESTIMATED ULTIMATE INCURRED LOSSES
INCURRED BORNHUETTER-FERGUSON
(Losses Including ALAE Limited to $750,000, Net of Non-Excess Recoveries)

A. ESTIMATED UNREPORTED LOSSES

Policy Period	Expected Losses*	Incurred Loss Development Factor	Expected Ratio Unreported	Estimated Unreported Losses
10/1/17-18	$ 1,672,880	1.000	0.000	$ 0
10/1/18-19	1,230,538	1.000	0.000	0
10/1/19-20	1,184,003	1.047	0.045	53,280
10/1/20-21	1,617,048	1.098	0.089	143,917
10/1/21-22	2,087,472	1.184	0.155	323,558
Total	$ 7,791,941			$ 520,755

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Incurred Losses as of 3/31/23	Estimated Unreported Losses	Estimated Ultimate Incurred Losses
10/1/17-18	$ 1,669,680	$ 0	$ 1,669,680
10/1/18-19	1,105,942	0	1,105,942
10/1/19-20	1,036,711	53,280	1,089,991
10/1/20-21	1,488,531	143,917	1,632,448
10/1/21-22	1,651,133	323,558	1,974,691
Total	$ 6,951,997	$ 520,755	$ 7,472,752

* See Section A of Table 7 of the 11/30/22 actuarial report.

PAID BORNHUETTER-FERGUSON

The paid Bornhuetter-Ferguson method also uses two parameters to estimate ultimate incurred losses. These parameters are the expected losses and payment pattern. In Section A of Table 4, outstanding losses are estimated by multiplying the expected losses by the expected ratio of outstanding losses implied by the paid loss development factor. Ultimate incurred losses are estimated in Section B by adding paid losses and the estimate of outstanding losses.

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

The results of the methods are compared in Table 5, and the ultimate incurred losses are selected for each period. An average of all methods is selected for each period since no method is deemed biased. The selected estimated ultimate incurred losses are illustrated in Figure 1.

COST LEVEL ADJUSTMENT

Cost level adjustment factors adjust the estimated ultimate incurred losses and exposure to the cost level appropriate for the projected period. The adjustment has two parts for workers compensation losses, a benefit level change and a loss trend factor.

Benefit level change factors quantify increases and decreases in the benefit level attributable to changes in the Nebraska workers compensation law. These factors, shown in Section A of Table 6, are developed from data compiled by the National Council on Compensation Insurance, Inc.

Table 4

LEAGUE ASSOCIATION OF RISK MANAGEMENT

WORKERS COMPENSATION

ESTIMATED ULTIMATE INCURRED LOSSES
PAID BORNHUETTER-FERGUSON
(Losses Including ALAE Limited to $750,000, Net of Non-Excess Recoveries)

A. ESTIMATED OUTSTANDING LOSSES

Policy Period	Expected Losses	Paid Loss Development Factor	Expected Ratio Outstanding	Estimated Outstanding Losses
10/1/17-18	$ 1,672,880	1.000	0.000	$ 0
10/1/18-19	1,230,538	1.000	0.000	0
10/1/19-20	1,184,003	1.187	0.158	187,072
10/1/20-21	1,617,048	1.260	0.206	333,112
10/1/21-22	2,087,472	1.728	0.421	878,826
Total	$ 7,791,941			$ 1,399,010

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Paid Losses as of 3/31/23	Estimated Outstanding Losses	Estimated Ultimate Incurred Losses
10/1/17-18	$ 1,669,680	$ 0	$ 1,669,680
10/1/18-19	1,105,942	0	1,105,942
10/1/19-20	994,897	187,072	1,181,969
10/1/20-21	1,262,282	333,112	1,595,394
10/1/21-22	1,243,393	878,826	2,122,219
Total	$ 6,276,194	$ 1,399,010	$ 7,675,204

Table 5

LEAGUE ASSOCIATION OF RISK MANAGEMENT

WORKERS COMPENSATION

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES
(Losses Including ALAE Limited to $750,000, Net of Non-Excess Recoveries)

Policy Period	Incurred Loss Development Method	Paid Loss Development Method	Incurred Bornhuetter-Ferguson	Paid Bornhuetter-Ferguson	Selected Estimated Ultimate Incurred Losses#
10/1/17-18	$ 1,669,680	$ 1,669,680	$ 1,669,680	$ 1,669,680	$ 1,669,680
10/1/18-19	1,105,942	1,105,942	1,105,942	1,105,942	1,105,942
10/1/19-20	1,085,436	1,180,943	1,089,991	1,181,969	1,134,585
10/1/20-21	1,634,407	1,590,475	1,632,448	1,595,394	1,613,181
10/1/21-22	1,954,941	2,148,583	1,974,691	2,122,219	2,050,109
Total	$ 7,450,406	$ 7,695,623	$ 7,472,752	$ 7,675,204	$ 7,573,497

Selected the average since no method is deemed biased.

Figure 1

LEAGUE ASSOCIATION OF RISK MANAGEMENT

WORKERS COMPENSATION

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES
(Losses Including ALAE Limited to $750,000, Net of Non-Excess Recoveries)

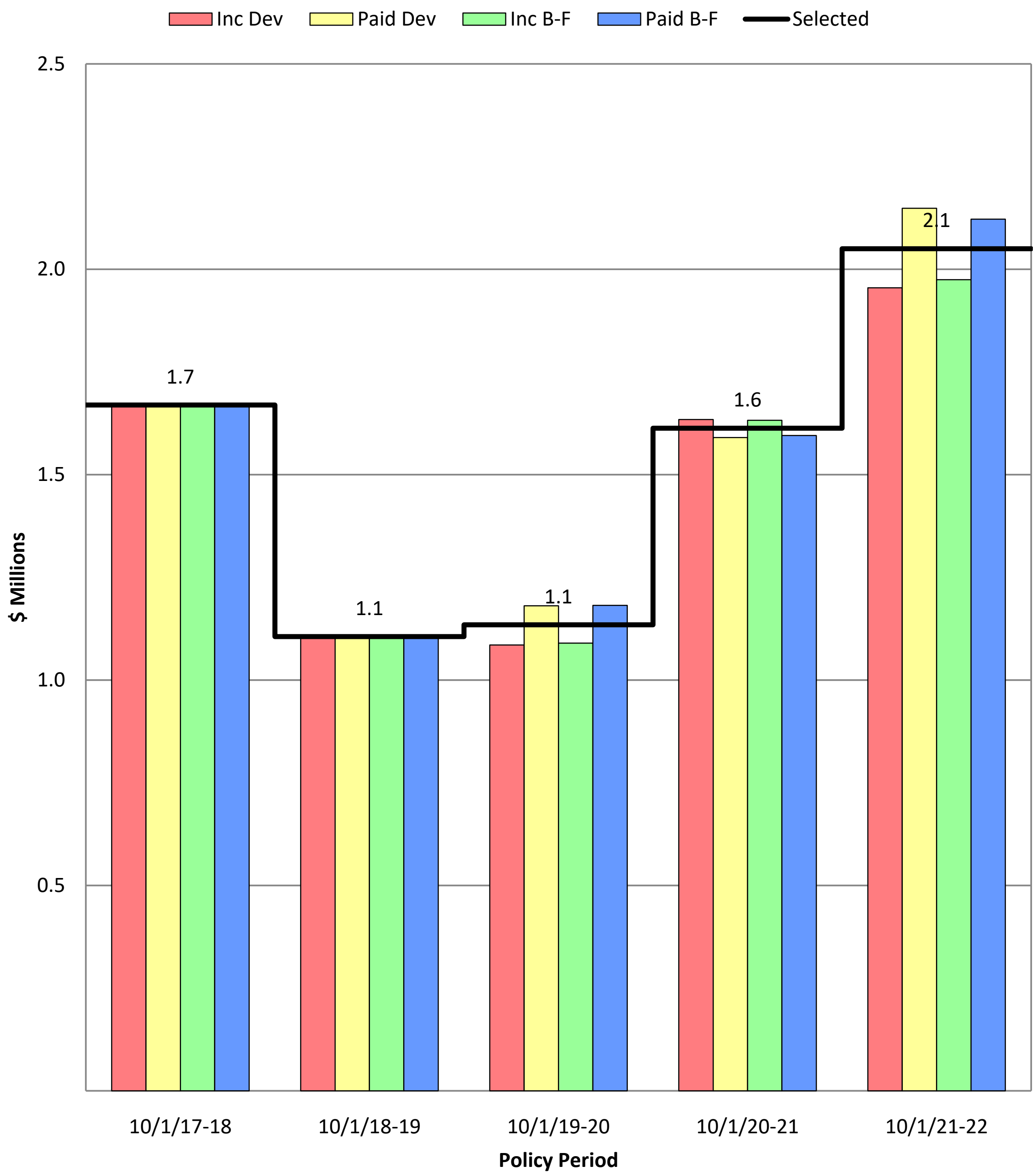


Table 6

LEAGUE ASSOCIATION OF RISK MANAGEMENT

WORKERS COMPENSATION

COST LEVEL ADJUSTMENT
(Losses Including ALAE Limited to $750,000, Net of Non-Excess Recoveries)

A. LOSSES ADJUSTED TO 10/1/23-24

Policy Period	Estimated Ultimate Incurred Losses	Benefit Level Change Factor*	Loss Trend Factor**	Adjusted Losses#
10/1/17-18	$ 1,669,680	1.000	1.111	$ 1,771,764
10/1/18-19	1,105,942	1.000	1.082	1,196,629
10/1/19-20	1,134,585	1.000	1.077	1,221,948
10/1/20-21	1,613,181	1.000	1.079	1,740,622
10/1/21-22	2,050,109	1.000	1.057	2,166,965
Total	$ 7,573,497			$ 8,097,928

B. PAYROLL ADJUSTED TO 10/1/23-24

Policy Period	Payroll (100)^	Payroll Trend Factor>	Adjusted Payroll (100)
10/1/17-18	$ 817,783	1.249	$1,021,411
10/1/18-19	811,750	1.207	979,782
10/1/19-20	883,688	1.151	1,017,125
10/1/20-21	1,012,661	1.098	1,111,902
10/1/21-22	1,185,840	1.055	1,251,061
Total	$4,711,722		$5,381,281

* Calculated based on information for Nebraska published by the NCCI.
** See Section A of Appendix B, Exhibit I.
\# Losses have not been adjusted above the retention.
^ Provided by Sedgwick.
> See Section A of Appendix B, Exhibit II.

(NCCI). In this set of factors, the factor of 1.000 for 10/1/17-18 indicates that changes in the workers compensation law have resulted in an increase of 0.0% in benefits since that period. The loss trend factor quantifies changes in average workers compensation claims costs as measured by the NCCI. For example, the factor of 1.111 for 10/1/17-18 indicates than an average loss incurred during that period would cost 11.1% more during the projected period. These factors are calculated in Appendix B, Exhibit I.

Having developed LARM's historical losses to ultimate and adjusted them to the projected cost level, the next step is to trend the historical exposure to the level appropriate for the projected period. The exposure base selected for LARM's workers compensation losses is payroll. In Section B, the payroll is adjusted to the anticipated wage level of the projected period.

LOSS PROJECTION

As discussed earlier, the pure loss rate is the expected dollar loss cost per unit of exposure. The adjusted losses are divided by the trended payroll for each period to yield pure loss rates in Section A of Table 7. Each of these pure loss rates is an estimate of the pure loss rate for the projected 10/1/23-24 period. A pure loss rate of $1.50 per $100 payroll is selected for the projected period. In other words, it is estimated that LARM will expend on average $1.50 per $100 payroll for loss and ALAE. Figure 2 graphically illustrates the selection of the pure loss rate. In Section B, the pure loss rate of $1.50 is multiplied by the projected payroll in hundreds to forecast workers compensation losses of $1,890,000 for 10/1/23-24.

Table 7

LEAGUE ASSOCIATION OF RISK MANAGEMENT

WORKERS COMPENSATION

PROJECTED LOSSES FOR 10/1/23-24
(Losses Including ALAE Limited to $750,000, Net of Non-Excess Recoveries)

A. PURE LOSS RATES

Policy Period	Adjusted Losses	Adjusted Payroll (100)	Pure Loss Rate per Payroll (100)
10/1/17-18	$ 1,771,764	$1,021,411	$1.73
10/1/18-19	1,196,629	979,782	1.22
10/1/19-20	1,221,948	1,017,125	1.20
10/1/20-21	1,740,622	1,111,902	1.57
10/1/21-22	2,166,965	1,251,061	1.73
Total	$ 8,097,928	$5,381,281	
		Average	$1.49
		Wtd Average	1.50
		3 Yr Average	1.50
		5 Yr Mid Average	1.51
		Prior*	1.50
		Selected^	1.50

B. PROJECTED LOSSES FOR 10/1/23-24

Level	Pure Loss Rate	Projected Payroll (100)	Projected Losses
Low	$1.40	$1,259,057 #	$1,760,000
Expected	1.50		1,890,000
High	1.70		2,140,000

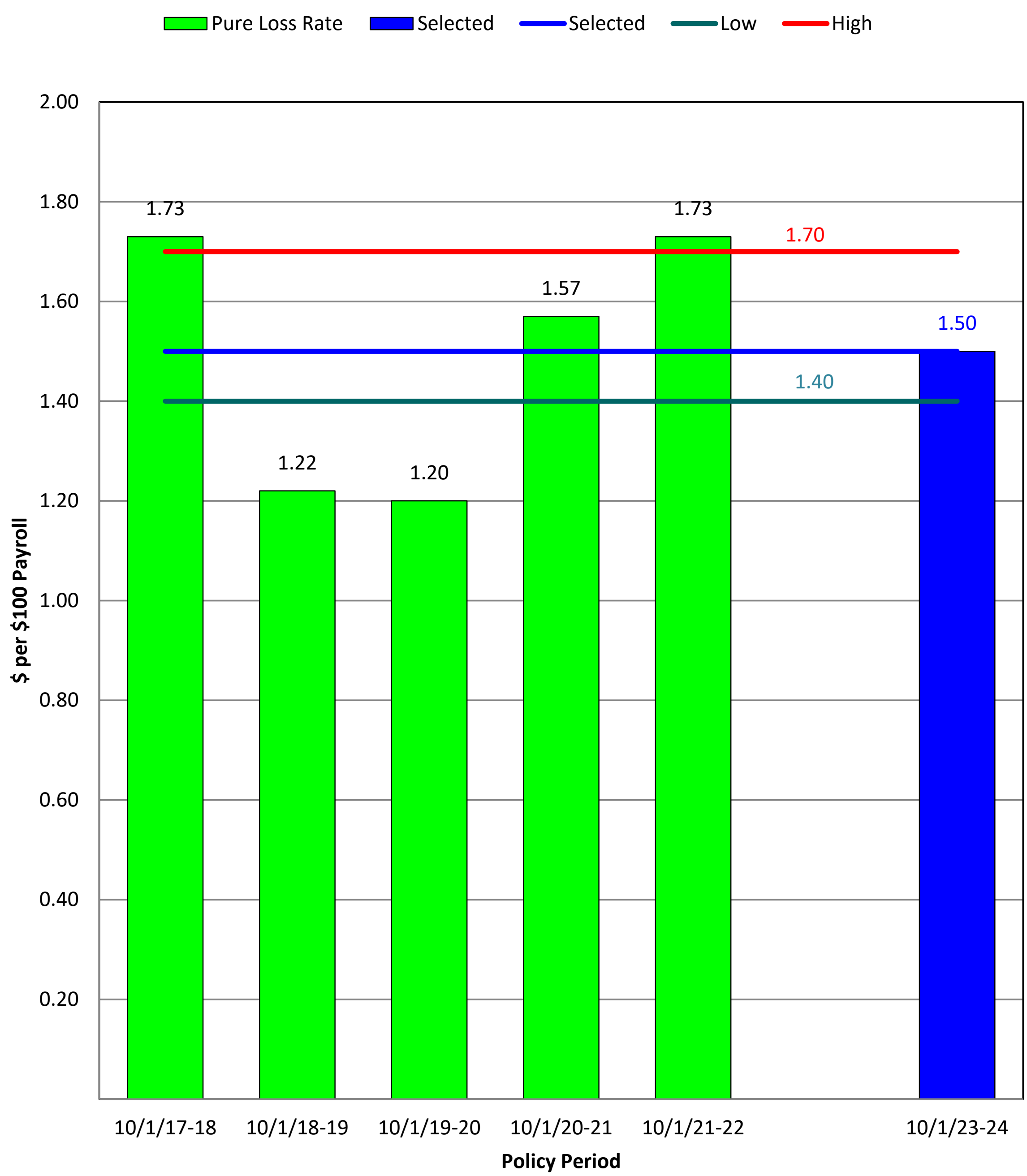
* 10/1/22-23 level.
^ Selected the weighted average.
# Provided by Sedgwick.

Figure 2

LEAGUE ASSOCIATION OF RISK MANAGEMENT

WORKERS COMPENSATION

PURE LOSS RATES ADJUSTED TO A 10/1/23-24 COST LEVEL
(Losses Including ALAE Limited to $750,000, Net of Non-Excess Recoveries)



By the Numbers
Actuarial Consulting, Inc.

PREMIUM INDICATION

In Table 8, the indicated premium for 10/1/23-24 for workers compensation is estimated by combining the projected losses and estimated expenses. Sections B and C show estimated fixed and variable expenses for the upcoming period. The premium need undiscounted for investment income is calculated in Section D and compared in Section F to the premium for 10/1/23-24 provided by Sedgwick shown in Section E. As shown in Section F, the indicated premium at the expected level on an undiscounted for investment income basis is 0.5% less than the proposed premium provided by Sedgwick.

The indicated premium discounted at 3.5% per annum is calculated in Sections G through J. The indicated premium on a discounted for investment income basis is 4.2% less than the premium provided by Sedgwick.

Table 8

LEAGUE ASSOCIATION OF RISK MANAGEMENT

WORKERS COMPENSATION

PREMIUM INDICATION FOR 10/1/23-24

			Low	Expected	High
A.	LOSS PROJECTION~		$1,886,654	$1,973,434	$2,275,948
B.	FIXED EXPENSES*	$1,460,000			
C.	VARIABLE EXPENSES*	0.026			
D.	INDICATED PREMIUM UNDISCOUNTED (A + B)/(1-C)		$3,440,000	$3,530,000	$3,840,000
E.	PROPOSED PREMIUM*	$3,547,988			
F.	UNDISCOUNTED PREMIUM INDICATION D/E - 1		- 3.0%	- 0.5%	+ 8.2%
G.	LOSS PRESENT VALUE FACTOR#	0.934			
H.	PREMIUM PRESENT VALUE FACTOR^	0.999			
I.	INDICATED PREMIUM DISC. AT 3.5% PER ANNUM [A x G + B]/(H - C)		$3,310,000	$3,400,000	$3,690,000
J.	DISCOUNTED PREMIUM INDICATION AT 3.5% PER ANNUM I/E - 1		- 6.7%	- 4.2%	+ 4.0%

~ Includes $83,434 claim fee expense per Sedgwick. Includes loss portion of new business projected premium.
* See Appendix B, Exhibit III.
\# See Section A of Appendix B, Exhibit IV.
^ See Appendix B, Exhibit V.

PREMIUM INDICATION – OTHER LIABILITY

Projections for other liability are performed in the same manner as workers compensation. The analysis is shown in Tables 9 through 16 and Figures 3 and 4. The exposure base for other liability is net operating expenditures.

Table 9

LEAGUE ASSOCIATION OF RISK MANAGEMENT

OTHER LIABILITY

ESTIMATED ULTIMATE INCURRED LOSSES
INCURRED LOSS DEVELOPMENT
(Net of Non-Excess Recoveries)

A. LOSSES LIMITED TO $300,000 INCLUDING ALAE

Policy Period	Incurred Losses as of 3/31/23	Number of Claims in Excess of $300,000	Incurred Losses in Excess of $300,000	Limited Incurred Losses as of 3/31/23
10/1/17-18	$1,116,918	1	$ 13,960	$1,102,958
10/1/18-19	1,166,934	1	407,711	759,223
10/1/19-20	1,113,255	1	128,121	985,134
10/1/20-21	1,254,871	1	336,894	917,977
10/1/21-22	1,012,133	1	250,136	761,997
Total	$5,664,111	5	$1,136,822	$4,527,289

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Incurred Losses as of 3/31/23	Age of Policy Period in Months	Incurred Loss Development Factor#	Estimated Ultimate Incurred Losses
10/1/17-18	$1,102,958	66.0	1.000*	$1,102,958
10/1/18-19	759,223	54.0	1.065	808,572
10/1/19-20	985,134	42.0	1.109	1,092,514
10/1/20-21	917,977	30.0	1.247	1,144,717
10/1/21-22	761,997	18.0	1.863	1,419,600
Total	$4,527,289			$5,568,361

Interpolated from Section C of Table 11 of the 11/30/22 actuarial report.
* Selected a loss development factor of 1.000 since all reported claims are closed.

Table 10

LEAGUE ASSOCIATION OF RISK MANAGEMENT

OTHER LIABILITY

ESTIMATED ULTIMATE INCURRED LOSSES
PAID LOSS DEVELOPMENT
(Net of Non-Excess Recoveries)

A. LOSSES LIMITED TO $300,000 INCLUDING ALAE

Policy Period	Paid Losses as of 3/31/23	Number of Claims in Excess of $300,000	Paid Losses in Excess of $300,000	Limited Paid Losses as of 3/31/23
10/1/17-18	$1,116,918	1	$ 13,960	$1,102,958
10/1/18-19	1,112,834	1	407,711	705,123
10/1/19-20	535,439	0	0	535,439
10/1/20-21	488,698	0	0	488,698
10/1/21-22	424,821	0	0	424,821
Total	$3,678,710	2	$ 421,671	$3,257,039

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Paid Losses as of 3/31/23	Age of Policy Period in Months	Paid Loss Development Factor#	Estimated Ultimate Incurred Losses
10/1/17-18	$1,102,958	66.0	1.000*	$1,102,958
10/1/18-19	705,123	54.0	1.370	966,019
10/1/19-20	535,439	42.0	1.642	879,191
10/1/20-21	488,698	30.0	2.277	1,112,765
10/1/21-22	424,821	18.0	4.080	1,733,270
Total	$3,257,039			$5,794,203

Interpolated from Section C of Table 13 of the 11/30/22 actuarial report.
* Selected a loss development factor of 1.000 since all reported claims are closed.

Table 11

LEAGUE ASSOCIATION OF RISK MANAGEMENT

OTHER LIABILITY

ESTIMATED ULTIMATE INCURRED LOSSES
INCURRED BORNHUETTER-FERGUSON
(Losses Including ALAE Limited to $300,000, Net of Non-Excess Recoveries)

A. ESTIMATED UNREPORTED LOSSES

Policy Period	Expected Losses*	Incurred Loss Development Factor	Expected Ratio Unreported	Estimated Unreported Losses
10/1/17-18	$1,116,918	1.000	0.000	$ 0
10/1/18-19	878,514	1.065	0.061	53,589
10/1/19-20	1,219,140	1.109	0.098	119,476
10/1/20-21	1,265,822	1.247	0.198	250,633
10/1/21-22	1,538,563	1.863	0.463	712,355
Total	$6,018,957			$1,136,053

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Incurred Losses as of 3/31/23	Estimated Unreported Losses	Estimated Ultimate Incurred Losses
10/1/17-18	$1,102,958	$ 0	$ 1,102,958
10/1/18-19	759,223	53,589	812,812
10/1/19-20	985,134	119,476	1,104,610
10/1/20-21	917,977	250,633	1,168,610
10/1/21-22	761,997	712,355	1,474,352
Total	$4,527,289	$1,136,053	$5,663,342

* From Table 17 of the 11/30/22 actuarial report adjusted to reflect ALAE is included in the limit.

Table 12

LEAGUE ASSOCIATION OF RISK MANAGEMENT

OTHER LIABILITY

ESTIMATED ULTIMATE INCURRED LOSSES
PAID BORNHUETTER-FERGUSON
(Losses Including ALAE Limited to $300,000, Net of Non-Excess Recoveries)

A. ESTIMATED OUTSTANDING LOSSES

Policy Period	Expected Losses	Paid Loss Development Factor	Expected Ratio Outstanding	Estimated Outstanding Losses
10/1/17-18	$1,116,918	1.000	0.000	$ 0
10/1/18-19	878,514	1.370	0.270	237,199
10/1/19-20	1,219,140	1.642	0.391	476,684
10/1/20-21	1,265,822	2.277	0.561	710,126
10/1/21-22	1,538,563	4.080	0.755	1,161,615
Total	$6,018,957			$2,585,624

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Paid Losses as of 3/31/23	Estimated Outstanding Losses	Estimated Ultimate Incurred Losses
10/1/17-18	$1,102,958	$ 0	$ 1,102,958
10/1/18-19	705,123	237,199	942,322
10/1/19-20	535,439	476,684	1,012,123
10/1/20-21	488,698	710,126	1,198,824
10/1/21-22	424,821	1,161,615	1,586,436
Total	$3,257,039	$2,585,624	$5,842,663

Table 13

LEAGUE ASSOCIATION OF RISK MANAGEMENT

OTHER LIABILITY

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

(Losses Including ALAE Limited to $300,000, Net of Non-Excess Recoveries)

Policy Period	Incurred Loss Development Method	Paid Loss Development Method	Incurred Bornhuetter-Ferguson Method	Paid Bornhuetter-Ferguson Method	Selected Estimated Ultimate Incurred Losses#
10/1/17-18	$1,102,958	$1,102,958	$1,102,958	$1,102,958	$1,102,958
10/1/18-19	808,572	966,019	812,812	942,322	810,692
10/1/19-20	1,092,514	879,191	1,104,610	1,012,123	1,098,562
10/1/20-21	1,144,717	1,112,765	1,168,610	1,198,824	1,156,664
10/1/21-22	1,419,600	1,733,270	1,474,352	1,586,436	1,530,394 ^
Total	$5,568,361	$5,794,203	$5,663,342	$5,842,663	$5,699,270

\# Selected the average of the incurred methods unless otherwise noted.
^ Selected the average of the Bornhuetter-Ferguson methods due to the immaturity of the period.

Figure 3

LEAGUE ASSOCIATION OF RISK MANAGEMENT

OTHER LIABILITY

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES
(Losses Including ALAE Limited to $300,000, Net of Non-Excess Recoveries)

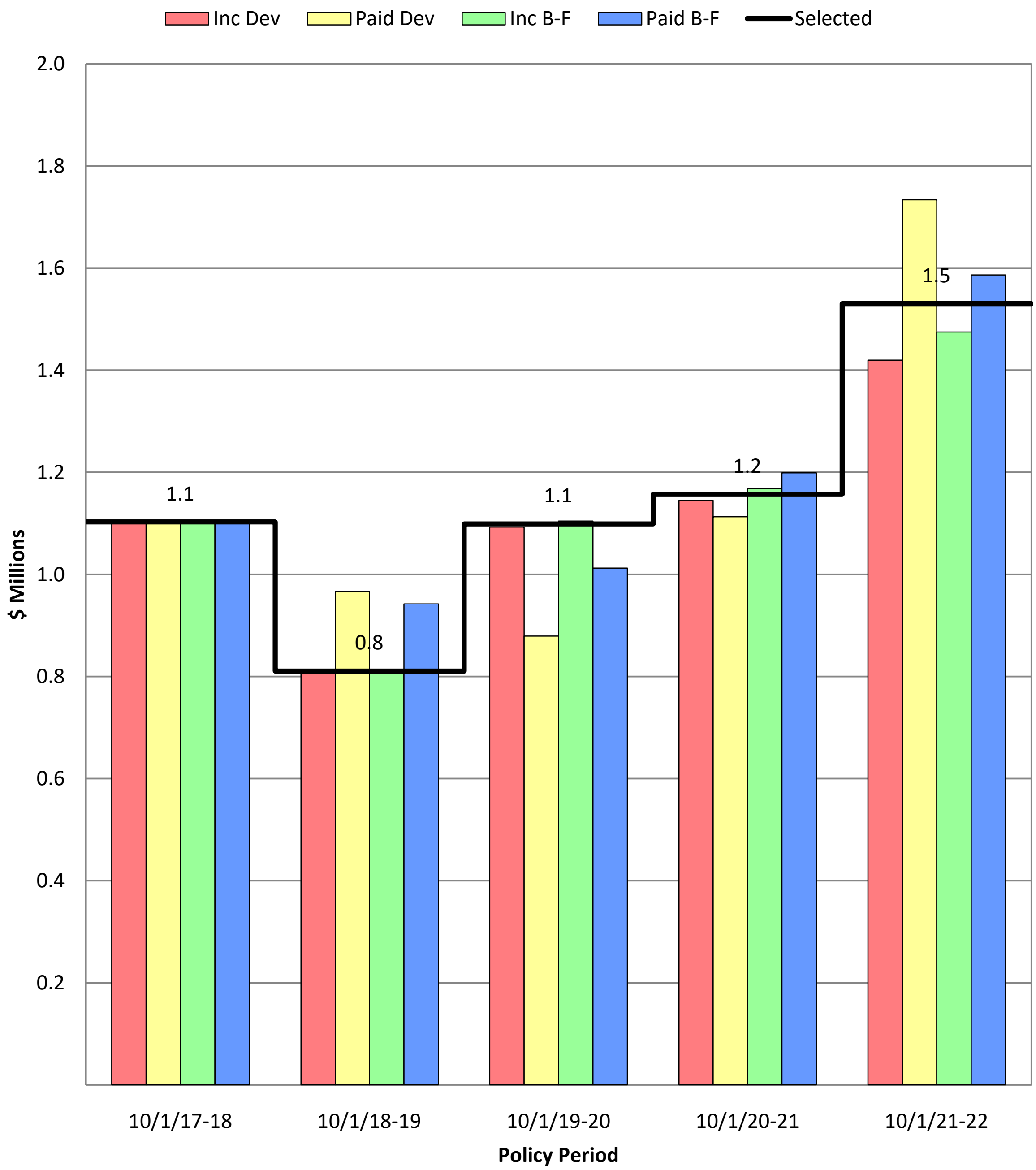


Table 14

LEAGUE ASSOCIATION OF RISK MANAGEMENT

OTHER LIABILITY

COST LEVEL ADJUSTMENT
(Losses Including ALAE Limited to $300,000, Net of Non-Excess Recoveries)

A. LOSSES ADJUSTED TO 10/1/23-24

Policy Period	Estimated Ultimate Incurred Losses	Loss Trend Factor*	Adjusted Losses#
10/1/17-18	$1,102,958	1.232	$1,289,244
10/1/18-19	810,692	1.193	909,256
10/1/19-20	1,098,562	1.151	1,219,145
10/1/20-21	1,156,664	1.108	1,249,184
10/1/21-22	1,530,394	1.071	1,617,752
Total	$5,699,270		$6,284,581

B. EXPOSURE ADJUSTED TO 10/1/23-24

Policy Period	Expenditures (1000)~	Exposure Trend Factor^	Adjusted Expenditures (1,000)
10/1/17-18	$ 425,224	1.195	$ 508,143
10/1/18-19	427,172	1.160	495,520
10/1/19-20	480,279	1.126	540,794
10/1/20-21	491,717	1.093	537,447
10/1/21-22	600,685	1.061	637,327
Total	$2,425,077		$2,719,231

* See Section B of Appendix B, Exhibit I.
\# Losses have not been adjusted above the retention.
~ Provided by Sedgwick.
^ See Section B of Appendix B, Exhibit II.

Table 15

LEAGUE ASSOCIATION OF RISK MANAGEMENT

OTHER LIABILITY

PROJECTED LOSSES FOR 10/1/23-24
(Losses Including ALAE Limited to $300,000, Net of Non-Excess Recoveries)

A. PURE LOSS RATES

Policy Period	Adjusted Losses	Adjusted Expenditures (1,000)	Pure Loss Rate per $1,000 Expenditures
10/1/17-18	$1,289,244	$ 508,143	$2.54
10/1/18-19	909,256	495,520	1.83
10/1/19-20	1,219,145	540,794	2.25
10/1/20-21	1,249,184	537,447	2.32
10/1/21-22	1,617,752	637,327	2.54
Total	$6,284,581	$2,719,231	
		Average	$2.30
		Wtd Average	2.31
		3 Yr Average	2.37
		5 Yr Mid Average	2.37
		Prior*	2.40
		Selected^	2.30

B. PROJECTED LOSSES FOR 10/1/23-24

Level	Pure Loss Rate	Projected Expenditures (1,000)	Projected Losses
Low	$2.20	$ 638,065 #	$1,400,000
Expected	2.30		1,470,000
High	2.50		1,600,000

* 10/1/22-23 level.
^ Based on the weighted average.
\# Provided by Sedgwick.

Figure 4

LEAGUE ASSOCIATION OF RISK MANAGEMENT

OTHER LIABILITY

PURE LOSS RATES ADJUSTED TO A 10/1/23-24 COST LEVEL
(Losses Including ALAE Limited to $300,000, Net of Non-Excess Recoveries)

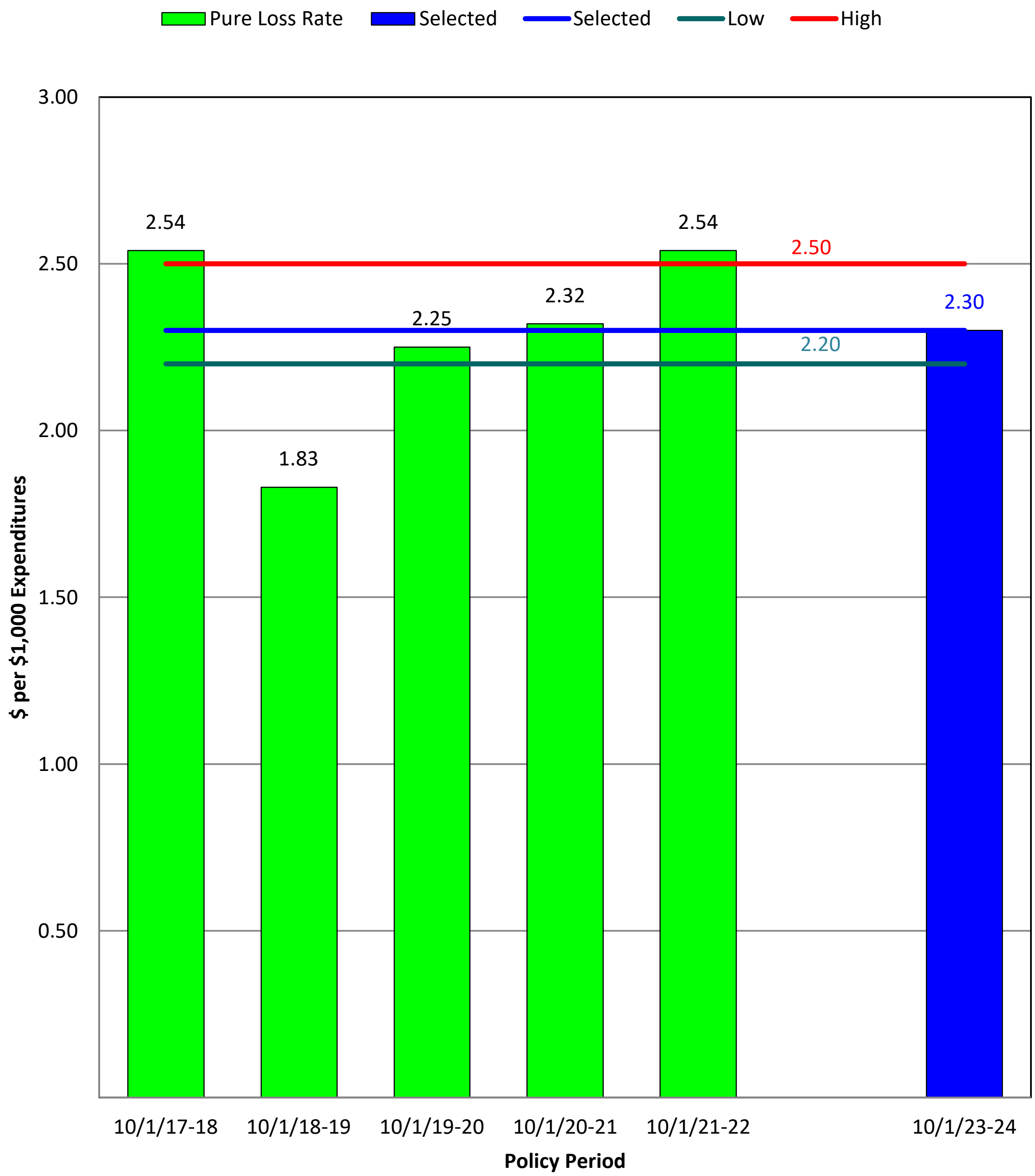


Table 16

LEAGUE ASSOCIATION OF RISK MANAGEMENT

OTHER LIABILITY

PREMIUM INDICATION FOR 10/1/23-24

			Low	Expected	High
A.	LOSS PROJECTION~		$1,434,336	$1,506,993	$1,638,986
B.	FIXED EXPENSES*	$1,720,000			
C.	VARIABLE EXPENSES*	0.026			
D.	INDICATED PREMIUM UNDISCOUNTED (A + B)/(1-C)		$3,240,000	$3,310,000	$3,450,000
E.	PROPOSED PREMIUM*	$3,324,255			
F.	UNDISCOUNTED PREMIUM INDICATION D/E - 1		- 2.5%	- 0.4%	+ 3.8%
G.	LOSS PRESENT VALUE FACTOR#	0.898			
H.	PREMIUM PRESENT VALUE FACTOR^	0.999			
I.	INDICATED PREMIUM DISC. AT 3.5% PER ANNUM [A x G + B]/(H - C)		$3,090,000	$3,160,000	$3,280,000
J.	DISCOUNTED PREMIUM INDICATION AT 3.5% PER ANNUM I/E - 1		- 7.0%	- 4.9%	- 1.3%

~ Includes loss portion of new business projected premium.
* See Appendix B, Exhibit III.
\# See Section B of Appendix B, Exhibit IV.
^ See Appendix B, Exhibit V.

PREMIUM INDICATION – PROPERTY

The analysis for property is shown in Tables 17 through 22 and Figures 5 and 6. The methodology follows the analysis for workers compensation. The exposure base for this coverage is insured value.

Table 17

LEAGUE ASSOCIATION OF RISK MANAGEMENT

PROPERTY

ESTIMATED ULTIMATE INCURRED LOSSES
INCURRED LOSS DEVELOPMENT
(Net of Non-Excess Recoveries)

A. LOSSES LIMITED TO $100,000^

Policy Period	Incurred Losses as of 3/31/23	Number of Claims in Excess of Retention	Incurred Losses in Excess of Retention	Limited Incurred Losses as of 3/31/23
10/1/17-18	$1,521,737	1	$ 163,754	$1,357,983
10/1/18-19	4,177,244	2	2,274,567	1,902,677
10/1/19-20	667,030	1	44,551	622,479
10/1/20-21	1,580,992	3	280,851 <	1,300,141
10/1/21-22	5,029,518	3	2,928,144	2,101,374
Total	$12,976,521	10	$5,691,867	$7,284,654

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Incurred Losses as of 3/31/23	Age of Policy Period in Months	Incurred Loss Development Factor#	Estimated Ultimate Incurred Losses
10/1/17-18	$1,357,983	66.0	1.000	$1,357,983
10/1/18-19	1,902,677	54.0	1.000	1,902,677
10/1/19-20	622,479	42.0	1.000	622,479
10/1/20-21	1,300,141	30.0	1.000	1,300,141
10/1/21-22	2,101,374	18.0	1.024	2,127,807 *
Total	$7,284,654			$7,311,087

^ A $450,000 retention applies to wind, hailstorm, and catastrophe.
< Includes excess recovery for equipment breakdown claims LARP10733 and LARP10849.
Interpolated from Section C of Table 21 of the 11/30/22 actuarial report.
* Excess losses are not developed above the retention.

Table 18

LEAGUE ASSOCIATION OF RISK MANAGEMENT

PROPERTY

ESTIMATED ULTIMATE INCURRED LOSSES
PAID LOSS DEVELOPMENT
(Net of Non-Excess Recoveries)

A. LOSSES LIMITED TO $100,000^

Policy Period	Paid Losses as of 3/31/23	Number of Claims in Excess of Retention	Paid Losses in Excess of Retention	Limited Paid Losses as of 3/31/23
10/1/17-18	$1,521,737	1	$ 163,754	$1,357,983
10/1/18-19	3,749,887	2	1,972,839	1,777,048
10/1/19-20	653,707	1	44,551	609,156
10/1/20-21	1,368,525	3	100,006 <	1,268,519
10/1/21-22	3,671,769	2	1,961,603	1,710,166
Total	$10,965,625	9	$4,242,753	$6,722,872

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Paid Losses as of 3/31/23	Age of Policy Period in Months	Paid Loss Development Factor#	Estimated Ultimate Incurred Losses
10/1/17-18	$1,357,983	66.0	1.000	$1,357,983
10/1/18-19	1,777,048	54.0	1.015	1,795,454 **
10/1/19-20	609,156	42.0	1.031	624,940 **
10/1/20-21	1,268,519	30.0	1.083	1,334,796 **
10/1/21-22	1,710,166	18.0	1.512	2,304,171 **
Total	$6,722,872			$7,417,344

^ A $450,000 retention applies to wind, hailstorm, and catastrophe.
< Includes excess recovery for equipment breakdown claims LARP10733 and LARP10849.
\# Interpolated from Section C of Table 23 of the 11/30/22 actuarial report.
** Excess losses are not developed above the retention.

Table 19

LEAGUE ASSOCIATION OF RISK MANAGEMENT

PROPERTY

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES
(Losses Including ALAE Limited to $100,000)~
(Net of Non-Excess Recoveries)

Policy Period	Incurred Loss Development Method	Paid Loss Development Method	Selected Estimated Ultimate Incurred Losses
10/1/17-18	$1,357,983	$1,357,983	$1,357,983 *
10/1/18-19	1,902,677	1,795,454	1,902,677 *
10/1/19-20	622,479	624,940	622,479 *
10/1/20-21	1,300,141	1,334,796	1,300,141 *
10/1/21-22	2,127,807	2,304,171	2,127,807 *
Total	$7,311,087	$7,417,344	$7,311,087

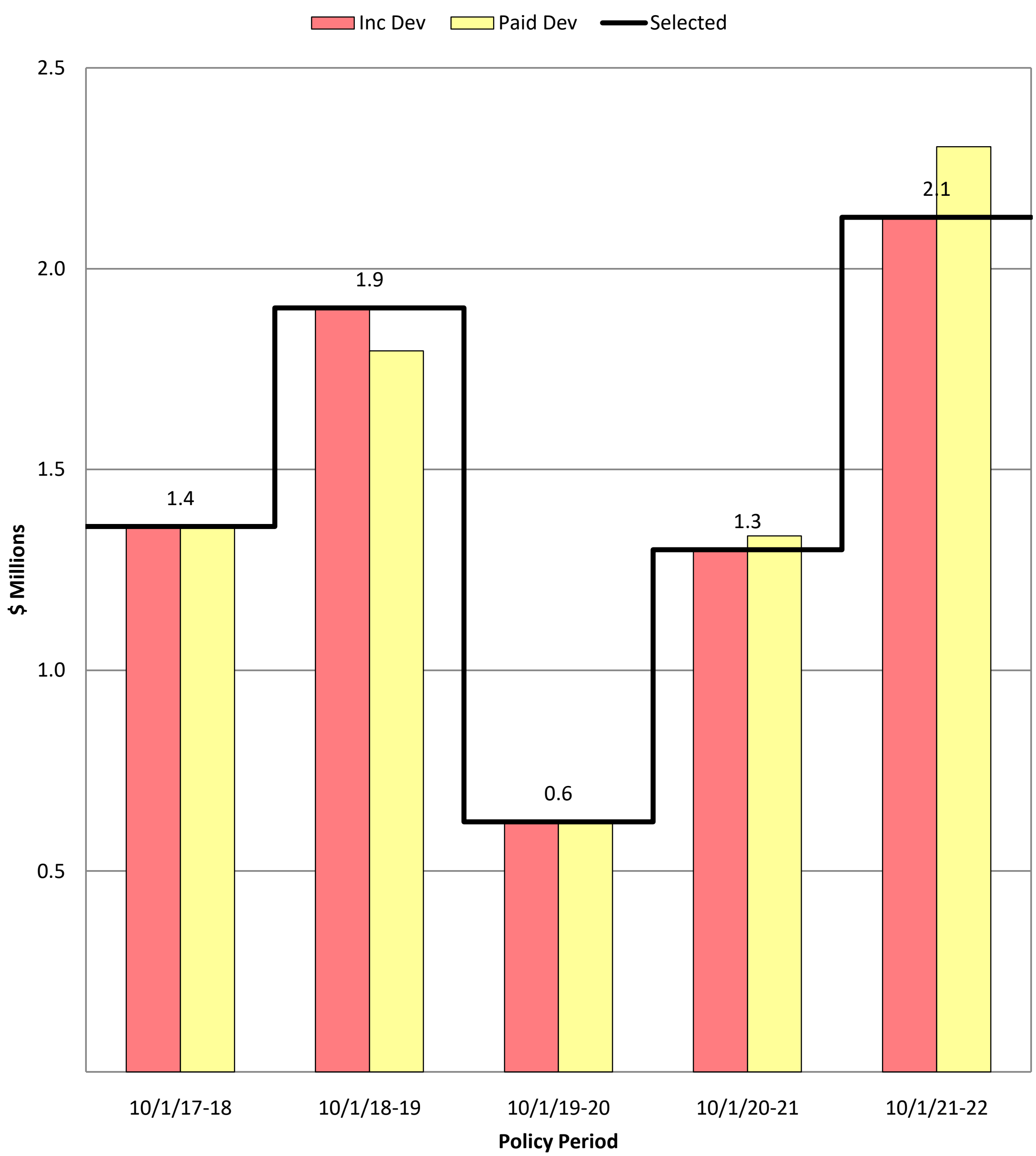
~ Limited to $450,000 for wind, hailstorm, catastrophe.
* Selected the incurred method.

Figure 5

LEAGUE ASSOCIATION OF RISK MANAGEMENT

PROPERTY

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES
(Losses Including ALAE Limited to $100,000)~
(Net of Non-Excess Recoveries)



~ Limited to $450,000 for wind, hailstorm, and catastrophe.

By the Numbers
Actuarial Consulting, Inc.

Table 20

LEAGUE ASSOCIATION OF RISK MANAGEMENT

PROPERTY

COST LEVEL ADJUSTMENT
(Losses Including ALAE Limited to $100,000)~
(Net of Non-Excess Recoveries)

A. LOSSES ADJUSTED TO 10/1/23-24

Policy Period	Estimated Ultimate Incurred Losses	Loss Trend Factor*	Adjusted Losses#
10/1/17-18	$1,357,983	1.253	$1,676,253
10/1/18-19	1,902,677	1.244	2,187,683
10/1/19-20	622,479	1.205	729,587
10/1/20-21	1,300,141	1.118	1,398,098
10/1/21-22	2,127,807	1.070	2,206,753
Total	$7,311,087		$8,198,374

B. EXPOSURE ADJUSTED TO 10/1/23-24

Policy Period	Insured Value (100)<	Exposure Trend Factor^	Adjusted Insured Value (100)
10/1/17-18	$13,548,107	1.192	$16,149,344
10/1/18-19	13,351,374	1.169	15,607,756
10/1/19-20	12,644,017	1.146	14,490,043
10/1/20-21	16,142,582	1.124	18,144,262
10/1/21-22	18,656,570	1.102	20,559,540
Total	$74,342,650		$84,950,945

~ Limited to $450,000 for wind, hailstorm, catastrophe.
* See Section C of Appendix B, Exhibit I.
# Losses have not been adjusted above the retention.
< Provided by Sedgwick.
^ See Section C of Appendix B, Exhibit II.

Table 21

LEAGUE ASSOCIATION OF RISK MANAGEMENT

PROPERTY

PROJECTED LOSSES FOR 10/1/23-24
(Losses Including ALAE Limited to $100,000)~
(Net of Non-Excess Recoveries)

A. PURE LOSS RATES

Policy Period	Adjusted Losses	Adjusted Insured Value (100)	Pure Loss Rate per $100 Insured Value
10/1/17-18	$1,676,253	$16,149,344	$0.1038
10/1/18-19	2,187,683	15,607,756	0.1402
10/1/19-20	729,587	14,490,043	0.0504
10/1/20-21	1,398,098	18,144,262	0.0771
10/1/21-22	2,206,753	20,559,540	0.1073
Total	$8,198,374	$84,950,945	
		Average	$0.0958
		Wtd Average	0.0965
		3 Yr Average	0.0783
		5 Yr Mid Average	0.0961
		Prior*	0.0910
		Selected^	0.0970

B. PROJECTED LOSSES FOR 10/1/23-24

Level	Pure Loss Rate	Projected Insured Vaue (100)	Projected Losses
Low	$0.0800	$23,417,498 #	$1,870,000
Expected	0.0970		2,270,000
High	0.1220		2,860,000

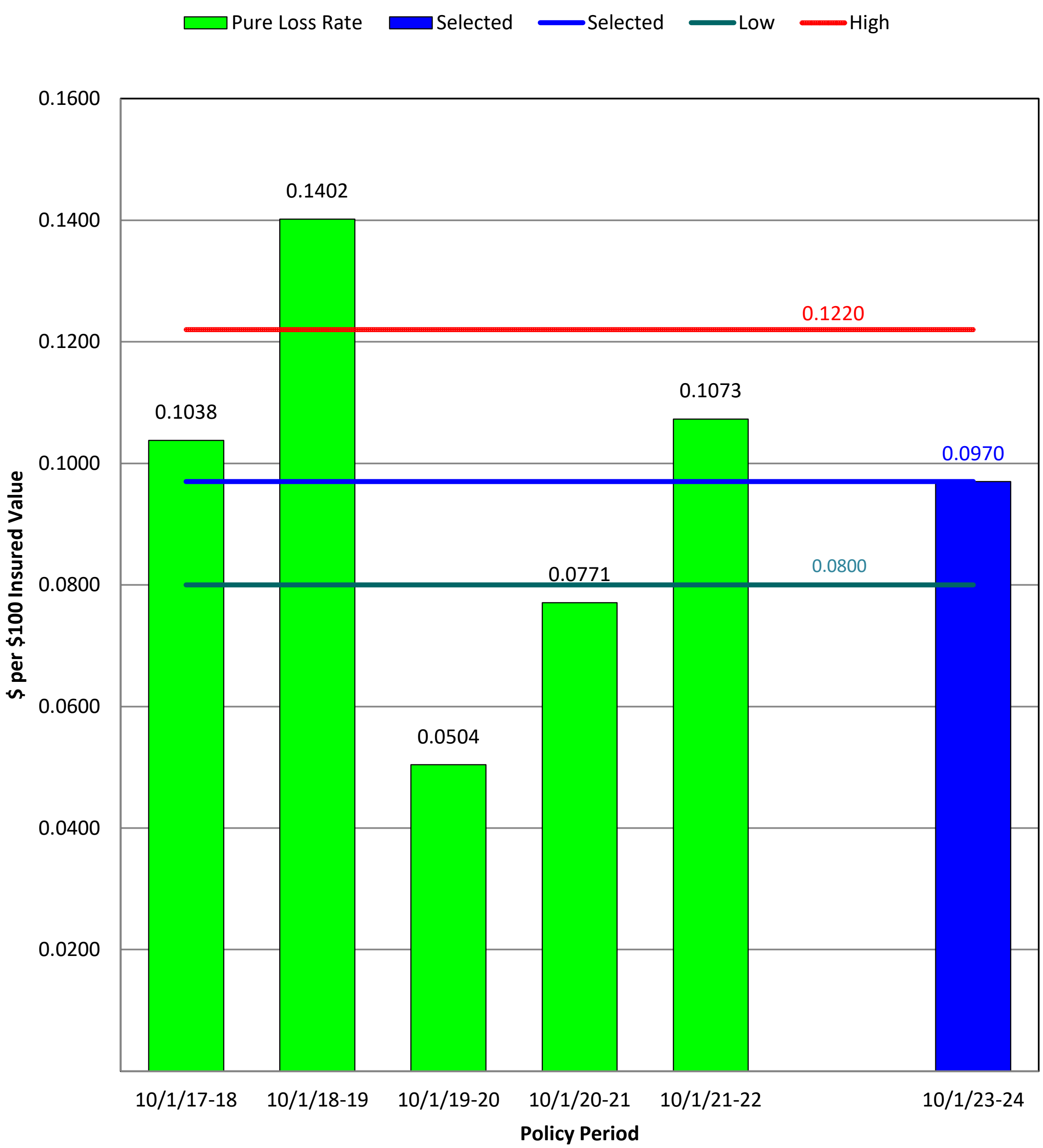
~ Limited to $450,000 for wind, hailstorm, catastrophe.
* 10/1/22-23 level.
^ Based on the weighted average.
\# Provided by Sedgwick.

Figure 6

LEAGUE ASSOCIATION OF RISK MANAGEMENT

PROPERTY

PURE LOSS RATES ADJUSTED TO A 10/1/23-24 COST LEVEL
(Losses Including ALAE Limited to $100,000)~
(Net of Non-Excess Recoveries)



~ Limited to $450,000 for wind, hailstorm, and catastrophe.

Table 22

LEAGUE ASSOCIATION OF RISK MANAGEMENT

PROPERTY

PREMIUM INDICATION FOR 10/1/23-24

			Low	Expected	High
A.	LOSS PROJECTION~		$1,911,901	$2,322,073	$2,924,385
B.	FIXED EXPENSES*	$6,030,000			
C.	VARIABLE EXPENSES*	0.026			
D.	INDICATED PREMIUM UNDISCOUNTED (A + B)/(1-C)		$8,150,000	$8,580,000	$9,190,000
E.	PROPOSED PREMIUM*	$8,091,347			
F.	UNDISCOUNTED PREMIUM INDICATION D/E - 1		+ 0.7%	+ 6.0%	+13.6%
G.	LOSS PRESENT VALUE FACTOR#	0.961			
H.	PREMIUM PRESENT VALUE FACTOR^	0.999			
I.	INDICATED PREMIUM DISC. AT 3.5% PER ANNUM [A x G + B]/(H - C)		$8,090,000	$8,490,000	$9,090,000
J.	DISCOUNTED PREMIUM INDICATION AT 3.5% PER ANNUM I/E - 1		- 0.0%	+ 4.9%	+12.3%

~ Includes loss portion of new business projected premium.
* See Appendix B, Exhibit III.
\# See Section C of Appendix B, Exhibit IV.
^ See Appendix B, Exhibit V.

COMBINED PREMIUM INDICATION

In Table 23, the indicated premium for 10/1/23-24 for all coverages combined is determined. As shown in Section F, the indicated premium at the expected level on an undiscounted for investment income basis is 3.1% more than the estimated premium provided by LARM.

The indicated premium on a discounted for investment income basis is 0.6% more than the premium provided by LARM.

Table 23

LEAGUE ASSOCIATION OF RISK MANAGEMENT

ALL COVERAGES

PREMIUM INDICATION FOR 10/1/22-23

			Low	Expected	High
A.	LOSS PROJECTION		$ 5,232,891	$ 5,802,500	$ 6,839,319
B.	FIXED EXPENSES*	$ 9,220,000			
C.	VARIABLE EXPENSES*	0.026			
D.	INDICATED UNDISCOUNTED PREMIUM		$14,830,000	$15,420,000	$16,480,000
E.	PROPOSED PREMIUM*	$14,963,590			
F.	UNDISCOUNTED PREMIUM INDICATION D/E - 1		- 1.0%	+ 3.1%	+10.1%
G.	LOSS PRESENT VALUE FACTOR#	0.935			
H.	PREMIUM PRESENT VALUE FACTOR^	0.999			
I.	INDICATED PREMIUM DISC. AT 3.5% PER ANNUM		$14,510,000	$15,050,000	$16,050,000
I.	DISCOUNTED PREMIUM INDICATION AT 3.5% PER ANNUM I/E - 1		- 3.0%	+ 0.6%	+ 7.3%

* See Appendix B, Exhibit III.
\# Weighted average based on the total discounted indicated premium for all coverages combined.
^ See Appendix B, Exhibit V.

QUALIFICATIONS AND LIMITATIONS

The estimates contained in this report depend upon the following:

- The actuarial assumptions, quantitative analysis, and professional judgment expressed in this report.
- The reliability of loss experience to serve as an indicator of future losses.
- The completeness and accuracy of data provided by Sedgwick.
- The completeness and accuracy of the discussion of LARM's reinsurance expressed in this report.
- The assumption that there are no significant benefit level changes in Nebraska other than those reflected in the factors in Section A of Table 6.
- The trend indices obtained from industry sources.
- The appropriateness of the discount rate.

The information used in this report should be reviewed for its consistency and accuracy with the internal records of LARM. Material changes in any of the assumptions or information upon which the findings are based will require a re-evaluation of the results of this report and a possible revision of those findings.

The quantitative methodologies and actuarial factors used in this report are specifically developed for the losses and time periods described above and may not be appropriate for any other losses or periods. As LARM's loss experience matures and new business is written, it is important to update this analysis at least annually. Such a report should review changes in the prior periods' losses as well as any new information that might become available.

This report is intended for the use of LARM and its auditors, service providers, and regulators. If the report is released to any third party, it should be released in its entirety. Please advise BYNAC if this report is distributed to any other third party.

CONSULTATION

The professional opinion given in this report is based on the judgment and experience of BYNAC. An analysis by another actuary may not arrive at the same conclusion. In the event that another actuary is consulted regarding the findings of this report, both actuaries should make themselves available for supplemental advice and consultation.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

APPENDIX A

LARGE LOSSES

Appendix A, Exhibit I

LEAGUE ASSOCIATION OF RISK MANAGEMENT

WORKERS COMPENSATION

INCURRED LOSSES $350,000 OR GREATER
(Net of Non-Excess Recoveries)

Policy Period	Claim Number	Accident Date	St.	Incurred Losses Including ALAE as of 3/31/18	3/31/19	3/31/20	3/31/21	3/31/22	3/31/23	Paid Losses Including ALAE as of 3/31/23
10/1/17-18	LARN-9745	11/1/17	O	1,505,498	1,505,498	1,505,550	2,612,059	2,612,059	2,533,256	1,576,414
10/1/18-19	--- None ---									
10/1/19-20	--- None ---									
10/1/20-21	--- None ---									
10/1/21-22	--- None ---									
10/1/22-23	C2665B2820-0001-01	10/23/22	O						655,677	88,522
	4A2212JJVPC-0001	12/16/22	O						881,258	387,193
									1,536,935	475,715

Appendix A, Exhibit II

LEAGUE ASSOCIATION OF RISK MANAGEMENT

OTHER LIABILITY

INCURRED LOSSES $200,000 OR GREATER
(Net of Non-Excess Recoveries)

Policy Period	Claim Number	Accident Date	St.	Incurred Losses Including ALAE as of 3/31/18	3/31/19	3/31/20	3/31/21	3/31/22	3/31/23	Paid Losses Including ALAE as of 3/31/23
10/1/17-18	LARL-9920	5/25/18	C		<	151,552	202,746	313,960	313,960	313,960
10/1/18-19	LARL-0318	3/26/19	C		<	551,208	743,580	707,711	707,711	707,711
10/1/19-20	LARL10133	3/4/20	N/A				207,750	<	<	
	LARL10365	9/2/20	O						428,121	31,538
							207,750		428,121	31,538
10/1/20-21	LARL10794	9/22/21	O				<	575,994	636,894	50,942
10/1/21-22	LARL10756	10/16/21	O					611,691	550,136	99,741
10/1/22-23	--- None ---									

< Less than $200,000.

Appendix A, Exhibit III

LEAGUE ASSOCIATION OF RISK MANAGEMENT

PROPERTY

INCURRED LOSSES $100,000 OR GREATER
(Net of Non-Excess Recoveries, Gross of Reinsurance Recovery Received)

Policy Period	Claim Number	Accident Date	St.	10/1/23-24 Retention	Incurred Losses Including ALAE as of 3/31/18	3/31/19	3/31/20	3/31/21	3/31/22	3/31/23	Paid Losses Including ALAE as of 3/31/23
10/1/17-18	LARP-9795	1/14/18	C	100,000	234,547	263,754	263,754	263,754	263,754	263,754	263,754
	LARP-9891#	5/1/18	C	450,000		197,733	352,556	360,288	360,567	328,860	328,860
	LARP-9967#	6/30/18	C	450,000		278,881	229,524	229,524	229,524	229,524	229,524
	LARP-0004#	8/6/18	C	450,000		389,400	354,959	314,386	314,386	314,386	314,386
					234,547	1,129,768	1,200,793	1,167,952	1,168,231	1,136,524	1,136,524
10/1/18-19	LARP-0225#	3/14/19	C	450,000			256,556	400,207	397,948	397,948 <	397,948
	LARP-0498	3/29/19	C	100,000			2,269	158,736	157,173	157,173	157,173
	LARP-0402#	7/26/19	C	450,000			116,061	117,127	102,111	102,111	102,111
	LARP-0424#	8/14/19	O	450,000			2,880,565	2,615,218	2,569,524	2,667,394	2,365,666
	LARP-0467#	9/11/19	O	450,000			327,107	328,734	330,174	325,775	224,924
							3,582,558	3,620,022	3,556,930	3,650,401	3,247,822
10/1/19-20	LARP10022	12/13/19	N/A	100,000			151,613	30,828	<	<	
	LARP10080	2/23/20	C	100,000			85,659	148,333	144,551	144,551	144,551
	LARP10161#	6/7/20	N/A	450,000				127,198	<	<	
							237,272	306,359	144,551	144,551	144,551
10/1/20-21	LARP10657#	8/7/21	O	450,000					735,697	706,194	525,349
	LARP10733*	9/30/21	C	10,000					23,375	23,653	23,653
	LARP10849*	9/24/21	C	10,000						21,004	21,004
									759,072	750,851	570,006
10/1/21-22	LARP10743	10/16/21	C	100,000					303,174	263,440	263,440
	LARP10802#	12/15/21	O	450,000					159,137	162,225	158,473
	LARP10933#	4/29/22	O	450,000						106,414	99,369
	LARP10999#	6/5/22	O	450,000						3,173,242	2,248,163
	LARP11020#	6/11/22	O	450,000						491,462	285,758
	LARP11077#	6/25/22	O	450,000						128,131	70,500
									462,311	4,324,914	3,125,703
10/1/22-23	C2665A8489-0001-01	10/12/22	O	100,000						139,876	42,031

\# Wind, Hail, or catastrophe claim.
< Not a covered claim per Sedgwick.
* Equipment breakdown claim with a $10,000 retention.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

APPENDIX B

SUPPORT EXHIBITS

LEAGUE ASSOCIATION OF RISK MANAGEMENT

ALL COVERAGES

LOSS TREND FACTORS

A. WORKERS COMPENSATION

Policy Period	Indemnity Claim Cost Index#	Indemnity Trend Factor	Medical Claim Cost Index#	Medical Trend Factor	Loss Trend Factor (30% Ind/70% Med)^
10/1/17-18	146.2	1.211	177.1	1.068	1.111
10/1/18-19	151.9	1.166	180.9	1.046	1.082
10/1/19-20	159.3	1.112	178.1	1.062	1.077
10/1/20-21	161.2	1.099	176.8	1.070	1.079
10/1/21-22	165.4~	1.071	180.1~	1.051	1.057
10/1/22-23	171.2~	1.034	184.6~	1.025	1.028
10/1/23-24	177.1~	1.000	189.2~	1.000	1.000

B. LIABILITY

Policy Period	Other Bodily Injury Claim Cost Index*	Other Bodily Injury Trend Factor	Automobile Bodily Injury Claim Cost Index*	Automobile Bodily Injury Trend Factor	Loss Trend Factor (65% OL/35% AL)
10/1/17-18	287.0	1.240	294.8	1.217	1.232
10/1/18-19	297.4	1.197	302.5	1.186	1.193
10/1/19-20	308.2	1.155	313.6	1.144	1.151
10/1/20-21	320.8	1.109	324.1	1.107	1.108
10/1/21-22	332.4	1.071	335.1	1.071	1.071
10/1/22-23	343.9~	1.035	346.8~	1.035	1.035
10/1/23-24	355.9~	1.000	358.9~	1.000	1.000

C. PROPERTY

Policy Period	Auto Physical Damage Claim Cost Index*	Auto Physical Damage Trend Factor	Fire Claim Cost Index*	Fire Trend Factor	Loss Trend Factor (20% APD/80% Fire)
10/1/17-18	210.8	1.236	225.7	1.257	1.253
10/1/18-19	217.2	1.200	226.1	1.255	1.244
10/1/19-20	223.4	1.167	233.6	1.215	1.205
10/1/20-21	233.1	1.118	253.9	1.118	1.118
10/1/21-22	243.0	1.072	265.3	1.070	1.070
10/1/22-23	251.8~	1.035	274.2~	1.035	1.035
10/1/23-24	260.6~	1.000	283.8~	1.000	1.000

Source: NCCI State of the Workers Compensation Line Presentation, May, 2021 (base year 2001).
^ Weighting based on an evaluation of LARM's historical incurred losses.
~ Estimated by BYNAC.
* Willis Towers Watson Claim Cost Index, September 2022.

Appendix B, Exhibit II

LEAGUE ASSOCIATION OF RISK MANAGEMENT

ALL COVERAGES

EXPOSURE TREND FACTORS

A. PAYROLL

Policy Period	Average Hourly Wages for Professional and Business Services*	Exposure Trend Factor
10/1/17-18	26.61	1.249
10/1/18-19	27.54	1.207
10/1/19-20	28.88	1.151
10/1/20-21	30.26	1.098
10/1/21-22	31.52~	1.055
10/1/22-23	32.42~	1.025
10/1/23-24	33.24~	1.000

B. EXPENDITURES

Policy Period	Exposure Trend Factor#
10/1/17-18	1.195
10/1/18-19	1.160
10/1/19-20	1.126
10/1/20-21	1.093
10/1/21-22	1.061
10/1/22-23	1.030
10/1/23-24	1.000

C. INSURED VALUES

Policy Period	Exposure Trend Factor^
10/1/17-18	1.192
10/1/18-19	1.169
10/1/19-20	1.146
10/1/20-21	1.124
10/1/21-22	1.102
10/1/22-23	1.080
10/1/23-24	1.000

* *Employment and Earnings.* U.S. Department of Labor, Bureau of Labor Statistics.

~ Estimated by BYNAC.

\# Assumed trend of 3.0% per year.

^ Assumed trend of 2.0% per year prior to 10/1/23. Per Sedgwick trend in insured values is 8.0% for 10/1/23-24.

Appendix B, Exhibit III

LEAGUE ASSOCIATION OF RISK MANAGEMENT

ALL COVERAGES

ESTIMATED EXPENSES AND PREMIUM FOR 10/1/23-24

Expense		Workers Compensation	Other Liability	Property	Total
Reinsurance*		$ 631,979	$ 941,508	$ 4,135,818	$ 5,709,305
Other Fixed Expenses#		832,200	779,800	1,898,000	3,510,000
Total Fixed Expenses		$ 1,464,179	$ 1,721,308	$ 6,033,818	$ 9,219,305
Variable Expenses#	2.6%	$ 92,500	$ 86,600	$ 210,900	$ 390,000
Total Expenses		$ 1,556,679	$ 1,807,908	$ 6,244,718	$ 9,609,305
10/1/23-24 Proposed Premium*~		$ 3,547,988	$ 3,324,255	$ 8,091,347	$14,963,590

* Provided by Sedgwick. Includes premium expected for new business.
\# Total expenses excluding reinsurance of $3,900,000 provided by Sedgwick. Variable expenses are assumed to be 10.0% of total expenses excluding reinsurance. Allocated to coverage based on proposed premium.
~ Includes $350,000 of projected new business prorated by coverage.

Appendix B, Exhibit IV

LEAGUE ASSOCIATION OF RISK MANAGEMENT

ALL COVERAGES

LOSS PRESENT VALUE FACTORS

A. WORKERS COMPENSATION

Age of Policy Period in in Months	Estimated Cumulative Ratio of Losses Paid^	Amount Paid in Prior Interval Discounted at 3.5% per Annum
12	0.390	0.383
24	0.710	0.304
36	0.800	0.083
48	0.850	0.044
60	0.880	0.026
72	0.910	0.025
84	0.940	0.024
96	0.970	0.023
108	0.990	0.015
120	1.000	0.007
	Loss Present Value Factor	0.934

B. OTHER LIABILITY

Age of Policy Period in in Months	Estimated Cumulative Ratio of Losses Paid*	Amount Paid in Prior Interval Discounted at 3.5% per Annum
12	0.140	0.138
24	0.240	0.095
36	0.550	0.284
48	0.680	0.115
60	0.800	0.103
72	0.920	0.099
84	0.990	0.056
96	0.995	0.004
108	1.000	0.004
	Loss Present Value Factor	0.898

C. PROPERTY

Age of Policy Period in in Months	Estimated Cumulative Ratio of Losses Paid#	Amount Paid in Prior Interval Discounted at 3.5% per Annum
12	0.520	0.511
24	0.870	0.332
36	0.960	0.083
48	0.980	0.018
60	0.990	0.009
72	1.000	0.008
	Loss Present Value Factor	0.961

^ From Section B of Table 9 of the 11/20/22 actuarial report.
* From Section B of Table 19 of the 11/30/22 actuarial report.
\# From Section B of Table 27 of the 11/30/22 actuarial report.

Appendix B, Exhibit V

LEAGUE ASSOCIATION OF RISK MANAGEMENT

ALL COVERAGES

PREMIUM PRESENT VALUE FACTOR

Age of Policy Period in in Months	Estimated Cumulative Ratio of Prem. Rec'd*	Prem. Rec'd in Prior Interval Discounted at 3.5% per Annum
1	0.994	0.993
2	0.994	0.000
3	0.994	0.000
4	0.996	0.002
5	0.996	0.000
6	0.996	0.000
7	0.998	0.002
8	0.998	0.000
9	0.998	0.000
10	1.000	0.002
11	1.000	0.000
12	1.000	0.000
		0.999

* Provided by Sedgwick.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

APPENDIX C

AVERAGE SEVERITIES

Appendix C, Exhibit I

LEAGUE ASSOCIATION OF RISK MANAGEMENT

WORKERS COMPENSATION

ESTIMATED ULTIMATE CLAIM COUNT
(Excluding Claims Closed without Payment)

Policy Period	Reported Claims as of 3/31/23	Age of Policy Period in Months	Claim Count Development Factor*	Estimated Ultimate Claim Count
10/1/17-18	122	66.0	1.000	122
10/1/18-19	144	54.0	1.000	144
10/1/19-20	46	42.0	1.000	46
10/1/20-21	40	30.0	1.000	40
10/1/21-22	45	18.0	1.016	46
Total	397			398

* Based on Section C of Appendix B, Exhibit I of the 11/30/22 actuarial report.

Appendix C, Exhibit II

LEAGUE ASSOCIATION OF RISK MANAGEMENT

WORKERS COMPENSATION

PROJECTED CLAIMS FOR 10/1/23-24
(Excluding Claims Closed without Payment)

A. FREQUENCIES

Policy Period	Estimated Ultimate Claim Count	Adjusted Payroll (100)	Claim Frequency per $1,000,000 Payroll
10/1/17-18	122	$1,021,411	1.194
10/1/18-19	144	979,782	1.470
10/1/19-20	46	1,017,125	0.452
10/1/20-21	40	1,111,902	0.360
10/1/21-22	46	1,251,061	0.368
Total	398	$5,381,281	
		Average	0.769
		Wtd Average	0.740
		3 Yr Average	0.393
		5 Yr Mid Average	0.671
		Prior*	0.960
		Selected^	0.740

B. PROJECTED CLAIMS

Policy Period	Selected Frequency	Projected Payroll (100)	Projected Claims
10/1/23-24	0.740	$1,259,057	90

* 10/1/22-23 level.
^ Selected the weighted average.

Appendix C, Exhibit III

LEAGUE ASSOCIATION OF RISK MANAGEMENT

WORKERS COMPENSATION

AVERAGE SEVERITIES
(Losses Including ALAE Limited to $750,000, Net of Non-Excess Recoveries)
(Excluding Claims Closed without Payment)

A. LOSS AND CLAIM SUMMARY

Policy Period	Incurred Losses as of 3/31/23	Estimated Ultimate Incurred Losses	Losses Adjusted to 10/1/23-24	Reported Claims as of 3/31/23	Estimated Ultimate Claim Count
10/1/17-18	$1,669,680	$1,669,680	$1,771,764	122	122
10/1/18-19	1,105,942	1,105,942	1,196,629	144	144
10/1/19-20	1,036,711	1,134,585	1,221,948	46	46
10/1/20-21	1,488,531	1,613,181	1,740,622	40	40
10/1/21-22	1,651,133	2,050,109	2,166,965	45	46
10/1/23-24		$1,890,000	$1,890,000		90

B. AVERAGE SEVERITIES

Policy Period	Incurred as of 3/31/23	Estimated Ultimate Incurred	Adjusted
10/1/17-18	$ 13,686	$ 13,686	$ 14,523
10/1/18-19	7,680	7,680	8,310
10/1/19-20	22,537	24,665	26,564
10/1/20-21	37,213	40,330	43,516
10/1/21-22	36,692	44,568	47,108
10/1/23-24		21,000	21,000

LEAGUE ASSOCIATION OF RISK MANAGEMENT

OTHER LIABILITY

ESTIMATED ULTIMATE CLAIM COUNT
(Excluding Claims Closed without Payment)

Policy Period	Reported Claims as of 3/31/23	Age of Policy Period in Months	Claim Count Development Factor*	Estimated Ultimate Claim Count
10/1/17-18	108	66.0	1.000	108
10/1/18-19	121	54.0	1.002	121
10/1/19-20	95	42.0	1.010	96
10/1/20-21	132	30.0	1.019	135
10/1/21-22	102	18.0	1.070	109
Total	558			569

* Based on Section C of Appendix B, Exhibit V of the 11/30/22 actuarial report.

Appendix C, Exhibit V

LEAGUE ASSOCIATION OF RISK MANAGEMENT

OTHER LIABILITY

PROJECTED CLAIMS FOR 10/1/23-24
(Excluding Claims Closed without Payment)

A. CLAIM FREQUENCIES

Policy Period	Estimated Ultimate Claim Count	Adjusted Expenditures (1,000)	Claim Frequency per $1,000,000 Expenditures
10/1/17-18	108	$ 508,143	0.213
10/1/18-19	121	495,520	0.244
10/1/19-20	96	540,794	0.178
10/1/20-21	135	537,447	0.251
10/1/21-22	109	637,327	0.171
Total	569	$2,719,231	
		Average	0.211
		Wtd Average	0.209
		3 Yr Average	0.200
		5 Yr Mid Average	0.212
		Prior*	0.230
		Selected^	0.210

B. PROJECTED CLAIMS

Policy Period	Selected Claim Frequency	Projected Expenditures (1,000)	Projected Claims
10/1/23-24	0.210	$ 638,065	130

* 10/1/22-23 level.
^ Based on the weighted average.

Appendix C, Exhibit VI

LEAGUE ASSOCIATION OF RISK MANAGEMENT

OTHER LIABILITY

AVERAGE SEVERITIES
(Losses Including ALAE Limited to $300,000, Net of Non-Excess Recoveries)
(Excluding Claims Closed without Payment)

A. LOSS AND CLAIM SUMMARY

Policy Period	Incurred Losses as of 3/31/23	Estimated Ultimate Incurred Losses	Losses Adjusted to 10/1/23-24	Reported Claims as of 3/31/23	Estimated Ultimate Claim Count
10/1/17-18	$1,102,958	$1,102,958	$1,289,244	108	108
10/1/18-19	759,223	810,692	909,256	121	121
10/1/19-20	985,134	1,098,562	1,219,145	95	96
10/1/20-21	917,977	1,156,664	1,249,184	132	135
10/1/21-22	761,997	1,530,394	1,617,752	102	109
10/1/23-24		$1,470,000	$1,470,000		130

B. AVERAGE SEVERITIES

Policy Period	Incurred as of 3/31/23	Estimated Ultimate Incurred	Adjusted
10/1/17-18	$ 10,213	$ 10,213	$ 11,937
10/1/18-19	6,275	6,700	7,515
10/1/19-20	10,370	11,443	12,699
10/1/20-21	6,954	8,568	9,253
10/1/21-22	7,471	14,040	14,842
10/1/23-24		11,308	11,308

Appendix C, Exhibit VII

LEAGUE ASSOCIATION OF RISK MANAGEMENT

PROPERTY

ESTIMATED ULTIMATE CLAIM COUNT
(Excluding Claims Closed without Payment)

Policy Period	Reported Claims as of 3/31/23	Age of Policy Period in Months	Claim Count Development Factor*	Estimated Ultimate Claim Count
10/1/17-18	76	66.0	1.000	76
10/1/18-19	95	54.0	1.000	95
10/1/19-20	88	42.0	1.000	88
10/1/20-21	125	30.0	1.000	125
10/1/21-22	119	18.0	1.030	123
Total	503			507

* Based on Section C of Appendix B, Exhibit IX of the 11/30/22 actuarial report.

Appendix C, Exhibit VIII

LEAGUE ASSOCIATION OF RISK MANAGEMENT

PROPERTY

PROJECTED CLAIMS FOR 10/1/23-24
(Excluding Claims Closed without Payment)

A. CLAIM FREQUENCIES

Policy Period	Estimated Ultimate Claim Count	Adjusted Insured Value (100)	Claim Frequency per $1,000,000 Ins. Value
10/1/17-18	76	$16,149,344	0.047
10/1/18-19	95	15,607,756	0.061
10/1/19-20	88	14,490,043	0.061
10/1/20-21	125	18,144,262	0.069
10/1/21-22	123	20,559,540	0.060
Total	507	$84,950,945	
		Average	0.060
		Wtd Average	0.060
		3 Yr Average	0.063
		5 Yr Mid Average	0.061
		Prior*	0.065
		Selected^	0.060

B. PROJECTED CLAIMS

Policy Period	Selected Claim Frequency	Projected Insured Value (100)	Projected Claims
10/1/23-24	0.060	$23,417,498	140

* 10/1/22-23 level.
^ Selected the weighted average.

Appendix C, Exhibit IX

LEAGUE ASSOCIATION OF RISK MANAGEMENT

PROPERTY

AVERAGE SEVERITIES
(Losses Including ALAE Limited to $100,000)~
(Net of Non-Excess Recoveries)
(Excluding Claims Closed without Payment)

A. LOSS AND CLAIM SUMMARY

Policy Period	Incurred Losses as of 3/31/23	Estimated Ultimate Incurred Losses	Losses Adjusted to 10/1/23-24	Reported Claims as of 3/31/23	Estimated Ultimate Claim Count
10/1/17-18	$1,357,983	$1,357,983	$1,676,253	76	76
10/1/18-19	1,902,677	1,902,677	2,187,683	95	95
10/1/19-20	622,479	622,479	729,587	88	88
10/1/20-21	1,300,141	1,300,141	1,398,098	125	125
10/1/21-22	2,101,374	2,127,807	2,206,753	119	123
10/1/23-24		$2,270,000	$2,270,000		140

B. AVERAGE SEVERITIES

Policy Period	Incurred Severity as of 3/31/23	Estimated Ultimate Incurred	Adjusted to 10/1/23-24
10/1/17-18	$ 17,868	$ 17,868	$ 22,056
10/1/18-19	20,028	20,028	23,028
10/1/19-20	7,074	7,074	8,291
10/1/20-21	10,401	10,401	11,185
10/1/21-22	17,659	17,299	17,941
10/1/23-24		16,214	16,214

~ Limited to $450,000 for wind, hailstorm, catastrophe.

LARM

REINSURANCE UPDATE AND ANNUAL CONTRIBUTIONS

Board of Directors Meeting
May 24th, 2023

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Reinsurance – current market status and overview

Property Insurance:

- ✓ Key market driver continues to be Cat losses across the US
- ✓ Lower investment income has led to increased underwriter scrutiny
- ✓ Reduced capacity means less options and higher premiums
- ✓ Inflation, cost of construction materials, supply chain issues and skilled labor shortages
- ✓ Reinsurance costs significantly increased in 2023

Cyber Insurance:

- ✓ Stabilized market conditions, pricing and terms & conditions

Liability:

- ✓ Market is firming with social inflation driving up settlements and jury verdicts

Workers' Compensation:

- ✓ Remains stable

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2023/2024 Fiscal Year – rate study applied assumptions

- New business: $350,000
- Investment rate of return: 3.5% [discount rate]
- G&A expense up slightly
- Renewal Exposures:
  - ✓ 12% increase in Property TIV
  - ✓ 3% increase in Casualty NOE
  - ✓ 5% increase in Workers' Compensation Estimated Payroll
- Reinsurance rate increases:
  - ✓ Property: +28%
  - ✓ Casualty: +7.5%
  - ✓ Workers' Compensation: +5%

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2023/2024 Fiscal Year – BYNAC rate study results

BYNAC's rate study incorporates the assumptions from the prior slide, along with their loss projections for the upcoming year. The overall rate would be sufficient per their calculations by 5.5%.

BYNAC's discounted indications by line of coverage are as follows:

- ✓ Property: +5.1% sufficient
- ✓ Liability: +6.6% sufficient
- ✓ Workers' Compensation: +5.7% sufficient

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2023/2024 Fiscal Year – property program

- 2022/2023 Expiring Contributions:
  - ✓ $6,993,000
  - ✓ Exposure Change: +12%

Exposure	2022	2023	~ % Change
Building & Contents	$1.766 Billion	$1.992 Billion	+13%
Additional Property	$205.1 Million	$225.2 Million	+10%
Automobiles	$118.8 Million	$124.7 Million	+5%
TOTAL	$2.090 Billion	$2.342 Billion	+12%

  - ✓ Rate increases: +14.5%
  - ✓ New Business: $200,000
- 2023/2024 Target Renewal Contributions
  - ✓ $9,045,000
  - ✓ $2,052,000 increase - Due to unpredictability of weather-related large loss activity, as well as the continued hard reinsurance market, inflation and increased cost of materials and skilled labor shortages, it is recommended to seek some additional property rate above BYNAC's indications.

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2023/2024 Fiscal Year – general liability program

- 2022/2023 Expiring Contributions:
  - ✓ $3,020,000
  - ✓ Exposure Change +3%

Exposure	2022	2023	~ % Change
Net Operating Expense	$618.6 Million	$638.1 Million	+ 3%

  - ✓ Rate increases: +4.5%
  - ✓ New Business: $75,000
- 2023/2024 Target Renewal Contributions
  - ✓ $3,320,000
  - ✓ $300,000 increase - Recommend some additional cushion over BYNAC's rate study in GL to cover unfavorable loss development and/or reinsurance pricing.

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2023/2024 Fiscal Year – workers' compensation program

- 2022/2023 Expiring Contributions:
  - ✓ $3,300,000
  - ✓ Exposure Change +5%

Exposure	2022	2023	~ % Change
Estimated Payroll	$125.8 Million	$119.3 Million	+ 5%

  - ✓ Rate increases: +0%
  - ✓ New Business: $75,000
- 2023/2024 Target Renewal Contributions
  - ✓ $3,543,000
  - ✓ $243,000 increase - BYNAC's indications provide cushion as there is variability in the final contributions for workers' compensation, driven by NCCI loss costs, payroll changes within class codes, and experience modification factors.

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LARM - 2023/2024 renewal funding targets

Recommending setting rates to achieve the overall funding targets of:

- ✓ $9,045,000 in contributions for Property
- ✓ $3,320,000 in contributions for General Liability
- ✓ $3,543,000 in contributions for Workers' Compensation contribution

This will result in an overall total contribution of $15,908,000 based on review of By the Numbers Actuarial Consulting's (BYNAC) "Proposed Premium draft actuarial report for October 1, 2023-2024."

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