NOTICE

SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT

Via Computer/Smart Device or Phone Tuesday, October 6, 2020, 10:30 a.m. CT/9:30 a.m. MT

PLEASE TAKE NOTICE that on **Tuesday**, **October 6**, **2020**, **at 10:30 a.m. CT/9:30 a.m. MT**, the League Association of Risk Management (LARM) will hold a Special Meeting by Telephone Conference Call of the LARM Board of Directors. An agenda of subjects known at this time is included with this notice, but 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. On October 1, 2020, notice of this Special Meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this Special Meeting with the agenda and other materials are available for public inspection at 1335 L Street, in Lincoln, Nebraska, and also are posted on LARM's and the League of Nebraska Municipalities' Facebook pages and their websites – larmpool.org and lonm.org/larm/.

Board Members are scheduled to be at the following locations, subject to change:

League of Nebraska Municipalities 1335 L Street Lincoln, NE 68508

Village of Ansley 217 Nile Street Ansley, NE 68814

City of Beaver City 301 10th Street Beaver City, NE 68926

City of Crete 243 East 13th Street Crete, NE 68333 City of Curtis 201 Garlick Avenue Curtis, NE 69025

City of Fremont 400 East Military Fremont, NE 68025

City of Gering 1025 P Street Gering, NE 69341

City of Gibbon 715 Front Street Gibbon, NE 68840 City of Imperial 740 Court Street Imperial, NE 69033

City of Nelson 580 S Main Street Nelson, NE 68961

City of North Platte 211 West 3rd Street North Platte, NE 69101

City of Wahoo 605 North Broadway Wahoo, NE 68066

AGENDA

SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT

Via Computer/Smart Device or Phone Tuesday, October 6, 2020, 10:30 a.m. CT/9:30 a.m. MT

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 this meeting 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.

Join the Special Meeting by Zoom via Computer or Smart Device – https://zoom.us/j/94770116452?pwd=U2FJL1luaGFCQnVUV2N1UzQxeWJIUT09 or via phone – 1-877-853-5257; the Meeting ID is 947 7011 6452 and the Passcode is 810185. 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 Special Meeting to Order:

- **b.** 10:30 a.m. CT Hickman Mayor Doug Hanson, Chair of the LARM Board, will call the special meeting to order.
- c. Indicate that on October 1, 2020, notice of this special meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this special meeting with the agenda and other materials were available for public inspection at 1335 L Street, in Lincoln, Nebraska, and also posted on LARM's and the League of Nebraska Municipalities' Facebook pages and their websites larmpool.org and lonm.org/larm/.
- **d.** Inform the public about the location of the Open Meetings Act which is posted and accessible to members of the public along with at least one copy of all reproducible written material to be discussed at this meeting.
- e. Pledge of Allegiance to the Flag of the United States of America.
- f. Roll call.
- **g.** Public comment period 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.
- **h.** No one on the phone or attending this meeting is required to identify themselves. However, if anyone would like to be listed in the minutes, please identify yourself at this time. If anyone wants to address the Board on any agenda item, you will be asked to identify yourself as authorized by the Open Meetings Act.
- 2. Consider a motion to approve the minutes of the September 23, 2020, "Meeting of the LARM Board of Directors."

See pages 1-6.

- 3. Consider a motion to select Lanette Doane, LARM's Vice Chair, to serve on the Nominating Committee to recommend candidates for the LARM Board of Directors to the participating members for election at a Members' Meeting.
 - LARM Bylaws: Article I, Section 2.1 Nominating Committee. A Nominating Committee shall recommend candidates for the LARM Board of Directors to the participating members for election at a Members' Meeting. The Nominating Committee shall consist of three persons: the Chairperson of the LARM Board, an elected or appointed official from a participating member municipality selected by the LARM Board, and the LARM Administrator as provided in LARM's Interlocal Agreement (8.1.4.1.) Additional nominations shall be requested from the floor of the Members' Meeting from participating members.
 - <u>L. Lynn Rex</u>, LARM Administrator
- 4. Consider a motion to accept the recommendation made by LARM's Administrator to appoint Ralston Mayor Don Groesser to fill the vacancy created by the retirement of Jim Hawks, former North Platte City Administrator.

LARM Bylaws: Article I, Section 1. LARM Board of Directors. ... A vacancy on the LARM Board shall be filled by a majority vote of the LARM Board upon a recommendation made by the LARM Administrator as provided in LARM's Interlocal Agreement (8.1.). The person appointed to fill a vacancy shall serve for the remainder of the term of the vacating LARM Board member.

- <u>L. Lynn Rex</u>, LARM Administrator
- 5. Consider a motion to approve the coverages for: a) communicable disease and b) sexual misconduct, as outlined in the letter dated September 30, 2020. See pages 7-12.
 - John Brockschmidt, CPCU, ARM, Senior Vice President of Pooling, Sedgwick
 - <u>Dave Bos</u>, LARM Executive Director
 - Andy Barry, Partner, Cline Williams, representing LARM
- 6. Consider a motion to accept the financial report of Lyndee Black entitled: "Independent Accountants' Compilation Report, Financial Statements Statutory Basis (June 30, 2020 and 2019 and September 30, 2019)."

 See pages 13-33.
- 7. Consider a motion to officially designate LARM's Annual Members' Meeting and Election to be held virtually in conjunction with the 2020 Virtual Annual Conference of the League of Nebraska Municipalities on Oct. 22 at 9:30 a.m. CT. See pages 34-38.

LARM Bylaws: Article III, Section 1. Annual Meeting. An annual meeting of all

participating members of LARM shall be held in conjunction with the annual conference of the League of Nebraska Municipalities, unless the LARM Board of Directors shall designate some other time or place, or other method for holding such annual meeting. Such annual meetings may be held in person or by videoconferencing, telephone conferencing or conferencing by other electronic means in accordance with the laws of the State of Nebraska. The nomination and election of members of the LARM Board shall be conducted at the annual meeting.

- L. Lynn Rex, LARM Administrator
- Andy Barry, Partner, Cline Williams, representing LARM
- Dave Bos, LARM Executive Director
- 8. Discuss Thursday, December 17, 2020, as a possible date for the next in-person meeting of the LARM Board of Directors and in-person Members' Meeting.
 - Lynn Rex, LARM Administrator
 - <u>Dave Bos</u>, LARM Executive Director
- 9. Motion to Adjourn.

MINUTES

MEETING OF THE BOARD OF DIRECTORS OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT

Wednesday, Sept. 23, 2020, 11:00 am CT Cornhusker Marriott Hotel – Lancaster Ballroom 333 S 13th Street, Lincoln

A Meeting of the League Association of Risk Management (LARM) Board of Directors was held September 23, 2020, at 11:00 am CT/10:00 am MT in the Lancaster Ballroom at the Cornhusker Marriott Hotel at 333 S 13th Street in Lincoln, Nebraska.

On September 17, 2020, 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 were posted on LARM's and the League of Nebraska Municipalities' Facebook pages and their websites – larmpool.org and lonm.org/larm/.

(AGENDA ITEM #1) Call to Order. At 11:00 am CT, LARM Board Chair Doug Hanson, Mayor of Hickman, called the Meeting to order. He stated that in accordance with Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed was available to the public at this meeting for examination. The Open Meetings Act was posted in the meeting room and was accessible to members of the public. Chair Doug Hanson 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.

After the Pledge of Allegiance to the Flag of the United States of America, the roll call was read with the following Board Members present: LeAnn Brown, Clerk/Treasurer, City of Oshkosh; Lanette Doane, Clerk/Treasurer, Village of Ansley; Mayor Scott Getzschman, City of Fremont; Mayor Doug Hanson, City of Hickman; Melissa Harrell, City Administrator/Treasurer, City of Wahoo; Jo Leyland, Administrator/Clerk/Treasurer, City of Imperial; Sandra Schendt, Clerk/Treasurer, City of Nelson; Doug Schultz, Administrator/Clerk/Treasurer, City of Curtis; Mayor Deb VanMatre, City of Gibbon; Teresa Youngquist, Clerk/Treasurer, City of Beaver City; ex-officio (non-voting) Board Member Mayor Dwight Livingston, City of North Platte and League President and exofficio (non-voting) Board Member L. Lynn Rex, League Executive Director and "Administrator" of LARM/LARM Acting Executive Director.

10 Board Members present; 4 absent (Pam Buethe, Board Member, Sarpy County SID #29; Mayor Tony Kaufman, City of Gering; Mayor Josh Moenning, City of Norfolk; and Tom Ourada, City Administrator, City of Crete.) Tom Ourada and Pam Buethe called into the meeting and participated as citizens, but not as Board Members, since they were not able to attend the meeting in-person.

Other participants present included: **Andy Barry**, Partner, Cline Williams; representing LARM; **Sedgwick (LARM's third party administrator)** – Chris Cadwell and John Baum; **LARM Staff** – Dave Bos, Tracy Juranek, Diane Becker, Fred Wiebelhaus; and **League Staff** – Shirley Riley and Brett Benson. Phone (Zoom) participants included: Wendy McKain, Village of Trenton; **Sedgwick** – John Brockschmidt and Mark Weaver; **LARM Staff** – Elizabeth Becker; **LARM Agents** – Nate Fox and Clint Simmons; and **League Staff** – Brenda Henning, Lash Chaffin and Christy Abraham.

(AGENDA ITEM #2) Consider a motion to approve the minutes and ratify all actions taken at the June 24, 2020, "Meeting of the LARM Board of Directors" held by telephone conference call pursuant to the Governor's Executive Orders waiving certain requirements of the Open Meetings Act due to COVID-19. Mayor Scott Getzschman moved, seconded by Jo Leyland to approve the minutes and ratify all actions taken at the June 24, 2020, "Meeting of the LARM Board of Directors". Chair Doug Hanson asked if there was any other discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Harrell, Leyland, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. Absent: Buethe, Kaufman, Moenning and Ourada).

(AGENDA ITEM #3) Consider a motion to accept the letter from the Nebraska Department of Insurance to "not disapprove the submitted Bylaws." Mayor Deb VanMatre moved, seconded by LeAnn Brown to accept the letter from the Nebraska Department of Insurance to "not disapprove the submitted Bylaws." Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Harrell, Leyland, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. Absent: Buethe, Kaufman, Moenning and Ourada. Motion carried: 10 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Kaufman, Moenning and Ourada).

(AGENDA ITEM #4) Consider a motion to authorize LARM Board Chair Doug Hanson to appoint the following LARM Board Members to a "Personnel Committee" to review a draft of an updated LARM "Employee Manual" and make recommendations to the LARM Board of Directors: Lanette Doane, Melissa Harrell, Jo Leyland, Sandra Schendt, Mayor Deb VanMatre and Teresa Youngquist. LeAnn Brown moved, seconded by Mayor Scott Getzschman to approve a motion to authorize LARM Board Chair Doug Hanson to appoint LARM Board Members Doane, Harrell, Leyland, Schendt, VanMatre and Youngquist to a "Personnel Committee" to review a draft of an updated LARM "Employee Manual" and make recommendations to the LARM Board of Directors. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Harrell, Leyland, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. Absent: Buethe, Kaufman, Moenning and Ourada. Motion carried: 10 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Kaufman, Moenning and Ourada).

(AGENDA ITEM #5) Consider a motion to "not disapprove" the appointment by LARM's Administrator (L. Lynn Rex) of: a) Dave Bos, currently LARM's Loss Control Manager, to the position of Executive Director of LARM, effective immediately; and b) Tracy Juranek, currently LARM's Customer Service Specialist, to the position of Assistant Executive Director of LARM/Customer Service Specialist, effective immediately. Lynn Rex reported on the great work by LARM staff and the reasons for promoting Dave Bos and Tracy Juranek at this time. Jo Leyland moved, seconded by Teresa Youngquist to "not disapprove" the appointment by L. Lynn Rex of Dave Bos to the position of Executive Director of LARM, effective immediately, as well as Tracy Juranek to the position of Assistant Executive Director of LARM/Customer Service Specialist, effective immediately. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Harrell, Leyland, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. Absent: Buethe, Kaufman, Moenning and Ourada. Motion carried: 10 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Kaufman, Moenning and Ourada).

(AGENDA ITEM #6) Consider a motion to approve the LARM Administrator's recommendation to increase the salaries of Dave Bos and Tracy Juranek. Following Lynn Rex's presentation on the proposed salary increases, Lanette Doane moved, seconded by Sandra Schendt to approve the LARM Administrator's recommendation to increase the salaries of Dave Bos and Tracy Juranek. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Harrell, Leyland, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. Absent: Buethe, Kaufman, Moenning and Ourada. *Motion carried:* 10 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Kaufman, Moenning and Ourada).

(AGENDA ITEM #7) Consider a motion to approve the LARM Administrator's recommendation to authorize Dave Bos and Tracy Juranek to hire a "Customer Service Specialist" to provide additional assistance to the Customer Service Department. Dave Bos and Lynn Rex reported on the need for this additional assistance due to LARM's growing membership. Jo Leyland moved, seconded by Mayor Scott Getzschman to approve the LARM Administrator's recommendation to authorize Dave Bos and Tracy Juranek to hire a "Customer Service Specialist" to provide additional assistance to the Customer Service Department. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Harrell, Leyland, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. Absent: Buethe, Kaufman, Moenning and Ourada. Motion carried: 10 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Kaufman, Moenning and Ourada).

(AGENDA ITEM #8) Consider a motion to approve the reinsurance update and place the following coverages: a) Excess Workers' Compensation, Effective 10-1-20; b) Excess Liability, Effective 10-1-20; and c) Optional Deadly Weapon Response Program, Effective 10-1-20. Following the presentation by John Brockschmidt and Chris Cadwell of Sedgwick, Doug Schultz moved, seconded by Melissa Harrell to approve the

reinsurance update as presented at the meeting as outlined on pages 30-33 of the packet and place the following coverages: a) Excess Workers' Compensation, Effective 10-1-20; b) Excess Liability, Effective 10-1-20; and c) Optional Deadly Weapon Response Program, Effective 10-1-20. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Harrell, Leyland, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. Absent: Buethe, Kaufman, Moenning and Ourada. *Motion carried: 10 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Kaufman, Moenning and Ourada).*

(AGENDA ITEM #9) Consider a motion to approve LARM's Proposed Budget for FY 2020-21. Following a presentation by Dave Bos, ARM, LARM Executive Director, and Mark Weaver, CPA, Director of Finance, Sedgwick, Deb VanMatre moved, seconded by Mayor Scott Getzschman to approve LARM's Proposed Budget for FY 2020-21. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Harrell, Leyland, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. Absent: Buethe, Kaufman, Moenning and Ourada).

Chair Doug Hanson announced there would be a break in the meeting which reconvened at 12:37p.m.

(AGENDA ITEM #10) Consider a motion to go into closed session to protect the public interest to receive an update on LARM's claims and pending litigation. Lanette Doane moved, seconded by LeAnn Brown to go into closed session to protect the public interest and provide the Board a claims and litigation update; and also include the following individuals: Andy Barry, Trent Sidders (Cline Williams), Dave Bos, Tracy Juranek, Fred Wiebelhaus, L. Lynn Rex, Shirley Riley, Chris Cadwell and John Baum. Chair Doug Hanson asked if there was any discussion; there was none.

Chair Doug Hanson repeated the motion to go into closed session to protect the public interest and provide the Board a claims and litigation update; and also include the following individuals: Andy Barry, Trent Sidders (Cline Williams), Dave Bos, Tracy Juranek, Fred Wiebelhaus, L. Lynn Rex, Shirley Riley, Chris Cadwell and John Baum. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Harrell, Leyland, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. Absent: Buethe, Kaufman, Moenning and Ourada. *Motion carried: 10 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Kaufman, Moenning and Ourada).*

Chair Doug Hanson repeated the motion again to go into closed session to protect the public interest and provide the Board a claims and litigation update; and also include the following individuals: Andy Barry, Trent Sidders (Cline Williams), Dave Bos, Tracy Juranek, Fred Wiebelhaus, L. Lynn Rex, Shirley Riley, Chris Cadwell and John Baum. Chair Doug Hanson announced that as of 1:05 p.m. the Board was in closed session.

At 1:49 p.m., Chair Doug Hanson restated that the reason the Board went into closed session was to protect the public interest and provide the Board a claims and litigation update. Chair Doug Hanson stated that the Board was back in open session. No action was necessary.

(AGENDA ITEM #11) **Discuss possible dates for the next meeting of the LARM Board of Directors.** Lynn Rex, LARM Administrator, indicated that to comply with the Open Meetings Act, an in-person LARM Board Meeting would be necessary before December 31, 2020. Lynn Rex reminded the Board that LARM's Virtual Annual Members' Meeting and Election is scheduled for 9:30 a.m. CT on October 22, 2020, in conjunction with the League Virtual Annual Conference. No action was necessary.

(AGENDA ITEM #12) **Motion to adjourn.** At 1:58 pm, Lanette Doane moved, seconded by LeAnn Brown to adjourn. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Harrell, Leyland, Schendt, Schultz, VanMatre and Youngquist. Nays: None. Abstentions: None. Absent: Buethe, Kaufman, Moenning and Ourada. *Motion carried: 10 ayes, 0 nays, 0 abstentions and 4 absent (Buethe, Kaufman, Moenning and Ourada).*

Approved on:		
ATTEST:		
Elizabeth Becker Customer Service League Association	7000 <u>*</u> 0000000	

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

Wednesday, Sept. 23, 2020, 11 am CT Cornhusker Marriott Hotel – Lancaster Ballroom 333 S 13th Street, Lincoln

PLEASE TAKE NOTICE that on Wednesday, Sept. 23, 2020, at 11 am CT/10 am MT, the League Association of Risk Management (LARM) will hold a Meeting of the LARM Board of Directors at the Cornhusker Marriott Hotel – Lancaster Ballroom at 333 S 13th Street, Lincoln, Nebraska. An agenda of subjects known at this time is included with this notice, but 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. On Sept. 17, 2020, 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 are available for public inspection at 1335 L Street, in Lincoln, Nebraska, and also are posted on LARM's and the League of Nebraska Municipalities' Facebook pages and their websites – larmpool.org and lonm.org/larm/.



Subject:

FW: Memo from LARM Board Chair, Executive Director and Administrator



LARM BOARD

Chair:

Doug Hanson Mayor, Hickman

Vice Chair: Lanette Doane

Clerk/Treasurer, Ansley

LeAnn Brown

Clerk/Treasurer, Oshkosh

Pamela Buethe

Board Member, Sarpy County SID #29

Scott Getzschman

Mayor, Fremont

Melissa Harrell

Administrator/Treasurer, Wahoo

Tony Kaufman

Mayor, Gering

Jo Levland

Administrator/Clerk/Treasurer, Imperial

Josh Moenning

Mayor, Norfolk

Tom Ourada

City Administrator, Crete

Sandra Schendt

Administrator/Clerk/Treasurer, Curtis

Douglas Schultz

Administrator/Clerk/Treasurer, Curtis

Deb VanMatre

Mayor, Gibbon

League Association of Risk Management (LARM)

Providing coverage and risk management services to cities, villages and other governmental agencies

Memo

TO: LARM Members

FROM: LARM Board Chair Doug Hanson,

Mayor of Hickman

Dave Bos, LARM Executive Director L. Lynn Rex, LARM Administrator

DATE: September 30, 2020

RE: Communicable Disease and Sexual Misconduct Coverages; Effective Date: October 1, 2020

Thank you for your membership in LARM. This letter is to inform you that on September 23, 2020, at a meeting of the LARM Board of Directors, a motion passed unanimously to approve the "Excess Liability Reinsurance" placement, binding coverage with the National League of Cities Mutual Insurance Company (NLC Mutual), effective October 1, 2020.

The "Excess Liability Reinsurance" placement with NLC Mutual will help protect LARM from the impact of losses by affording LARM Members: 1) restricted coverage for virus, contagions or communicable disease, and 2) a broader scope of coverage by providing limited sexual misconduct coverage.

1) Effective October 1, 2020, LARM's Liability Coverage Document will include an amendment to the existing contract defining and limiting the scope of communicable disease coverage; as the reinsurer, NLC Mutual shall be liable for a \$1,000,000 pool aggregate for damages and defense associated with communicable disease. Click here for the memo to LARM members dated June 26, 2020, which outlines the potential change in coverage. Thanks to NLC Mutual for providing this limited coverage since so many political subdivisions and public agencies now have no such coverage for FY 20-21 due to COVID-19.

As a result of the NLC Mutual coverage, LARM will provide an endorsement to all Members providing a limit of \$50,000 aggregate per member with a \$15,000 deductible.

2) Effective October 1, 2020, LARM's Liability Coverage Document with NLC Mutual also will include an amendment to the existing contract by providing

Teresa Youngquist Clerk/Treasurer. Beaver City

Ex-Officio Members:
Dwight Livingston,
President, League of
Nebraska Municipalities;
Mayor, North Platte

L. Lynn Rex, LARM Administrator/ Executive Director, League of Nebraska Municipalities coverage for claims alleging sexual misconduct; **such coverage previously was excluded under LARM's liability coverage form.** As the reinsurer, NLC Mutual shall be liable per occurrence in the amount of \$1,000,000, subject to a limit of liability to NLC Mutual of \$2,000,000 per member annual aggregate.

LARM purchases reinsurance to protect the pool from the impact of large losses. Through LARM's partnership with NLC Mutual, LARM is able to provide coverage with a reduced limit for communicable disease and expand coverage by including sexual misconduct coverage.

Click here for the Communicable Disease Endorsement

<u>Please contact LARM customer service or your servicing agent</u> if you have any questions or are interested in discussing these changes to your Liability Coverage Document.

Thanks again for your membership in LARM!

LARMpool.org

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1335 L Street Suite 200 Lincoln, NE | 68508 US

This email was sent to diane.becker@larmpool.org. To continue receiving our emails, add us to your address book.

LARM BOARD

Chair:

Doug Hanson

Mayor, Hickman

Vice Chair:

Lanette Doane

Clerk/Treasurer, Ansley

LeAnn Brown

Clerk/Treasurer, Oshkosh

Pamela Buethe

Board Member, Sarpy County SID #29

Scott Getzschman

Mayor, Fremont

Melissa Harrell

Administrator/Treasurer, Wahoo

Tony Kaufman

Mayor, Gering

Jo Leyland

Administrator/Clerk/Treasurer, Imperial

Josh Moenning

Mayor, Norfolk

Tom Ourada

City Administrator, Crete

Sandra Schendt

Clerk/Treasurer, Nelson

Douglas Schultz

Administrator/Clerk/Treasurer, Curtis

Deb VanMatre

Mayor, Gibbon

Teresa Youngquist

Clerk/Treasurer, Beaver City

Ex-Officio Members:

Dwight Livingston, President, League of Nebraska

Municipalities;

Mayor, North Platte

L. Lynn Rex, Executive Director, League of Nebraska Municipalities; LARM Administrator LARM – Providing coverage and risk management services to cities, villages and other governmental agencies.



MEMO

TO: LARM Members

FROM: LARM Board Chair Doug Hanson, Hickman Mayor

DATE: June 26, 2020

RE: Notification of Communicable Disease (i.e., COVID-19) Coverage

With an Effective Date of Oct. 1, 2020

Thank you for your membership in LARM. Many companies and pools in the public and private sectors are excluding coverage entirely for communicable disease since the insurance industry expects this pandemic to be the single largest underwriting loss in U.S. history, potentially over \$100 billion. However, LARM is committed to providing the broadest coverage possible to its membership and is working to obtain reinsurance that avoids narrowing current coverage.

Fortunately, LARM's longstanding partner, the National League of Cities Mutual Insurance Company (NLC Mutual), has offered LARM up to \$1 million per occurrence/aggregate coverage for communicable disease (for all losses for all members) for FY 2020-21 with an effective date of Oct. 1, 2020. With NLC Mutual's support, LARM will be able to continue to provide at least some coverage for communicable disease. In light of this unprecedented pandemic, this is GREAT NEWS for LARM members!

Currently, LARM does not have an exclusion in its liability coverage for communicable disease. LARM will not have a definitive position on whether the reinsurance market will continue to support LARM's current full policy limit of \$5 million for this exposure until at least August 2020. Coverage determinations regarding bodily injury claims relating to communicable disease will be made by courts based on the facts of each claim, LARM's liability coverage document and Nebraska state law in the context of the injuries claimed. Effective Oct. 1, 2020, the LARM Board of Directors may: 1) add a definition of "communicable disease"; and 2) potentially add a per occurrence and annual aggregate sublimit for communicable disease coverage to its liability coverage document.

LARM purchases reinsurance to protect the pool from the impact of large losses. As noted above, LARM is trying to obtain additional reinsurance support beyond that offered by NLC Mutual so a reduced limit in its liability coverage for communicable disease is not necessary. The terms and conditions of LARM's 2020 reinsurance structure will not be in place until Oct. 1.

Please contact LARM or your servicing agent if you have any questions. Thanks again for your commitment to LARM.

Website: www.larmpool.org Phone: 402-742-2600 FAX: 402-476-4089

COMMUNICABLE DISEASE ENDORSEMENT

This endorsement modifies the LARM Liability Coverage Document.

For any *Claim*, *Suit*, loss, cost or expense alleging or involving *Communicable Disease*, the *Coverage Document* is modified as follows, only with respect to this Communicable Disease Endorsement:

The following General Definition is added only for this Communicable Disease Endorsement:

SECTION I – GENERAL DEFINITIONS

Communicable Disease means any physical distress, mental anguish, illness or disease that is caused by or induced by any pathogen, virus, bacteria, parasite, mold, fungus, or other microorganism.

The following General Exclusion is added:

SECTION IV - GENERAL EXCLUSIONS

Except as stated in this Communicable Disease Endorsement, the coverage provided in the **Coverage Document** does not apply to or provide coverage for:

- **41. COMMUNICABLE DISEASE** meaning any liability, loss, damage, injury, cost or expense of any kind whatsoever caused by, arising out of, directly related to, or resulting from:
 - a. Any Communicable Disease; or
 - **b.** Any pathogen, virus, bacteria, parasite, mold, fungus or other microorganism that actually or allegedly induces or is capable of inducing symptoms, physical distress, mental anguish, illness or disease; or
 - c. Any action or inaction of any *Member*, or Party acting or failing to act on behalf of any *Member*, in responding to any action or order of a governmental representative, authority or agency undertaken to control, prevent, suppress, mitigate, test for, monitor, treat or remediate the actual, suspected, or anticipated presence, existence or transmission of any pathogen, virus, parasite, mold, fungus, bacteria or other microorganism that actually or allegedly induces or is capable of inducing symptoms, physical distress, mental anguish, illness or disease.
 - **d.** any loss, cost or expense arising out of any:
 - (1) Request, demand or order that a **Member** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the causes or effects of **Communicable Disease**; or
 - (2) Claim or Suit by or on behalf of a governmental authority for Damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of Communicable Disease.

The following **Coverage Agreement** is added only for this Communicable Disease Endorsement:

SECTION V - LIABILITY COVERAGE AGREEMENTS

1. GENERAL LIABILITY

f. Communicable Disease

(1) Coverage

We will pay those amounts that a *Member* becomes legally obligated to pay as *Damages* because of *Bodily Injury*, *Property Damage*, *Personal Injury*, or *Advertising Injury* arising from, caused by, contributed to or resulting from any pathogen, virus, parasite, mold, fungus or other microorganism, and caused by an *Occurrence*. The *Occurrence* must take place on or after October 1, 2020 and prior to the end of the *Agreement Period*.

(2) Exclusions

Except as stated within this Communicable Disease Endorsement, no Additional Exclusions apply to this **Communicable Disease** Coverage.

(3) Limits of Liability

(a) Your Sublimit

For any *Claim* or *Suit* alleging or involving the *Communicable Disease*Coverage in this Communicable Disease Endorsement, the most *We* will pay for the sum of all *Damages*, expenses and costs because of *Bodily Injury*, *Property Damage*, *Personal Injury* or *Advertising Injury* for this *Coverage Agreement*, on behalf of *You* and *Your Member*, will be:

\$50,000 per the applicable *Pool Year*, in the aggregate.

(b) Pool Aggregate Limit

For any *Claim* or *Suit* alleging or involving the *Communicable Disease*Coverage in this Communicable Disease Endorsement, the most *We* will pay for the sum of all *Damages*, expenses and costs because of *Bodily Injury*, *Property Damage*, *Personal Injury* or *Advertising Injury* for this *Coverage Agreement*, on behalf of *You* and all other members of the *Pool*, will be:

\$1,300,000 per the applicable *Pool Year*, in the aggregate.

Upon exhaustion of this **Pool Aggregate Limit**, this **Communicable Disease** Coverage will be rescinded, without regard to whether **You** or **Your Member** have exhausted the \$50,000 limit described in Section V(1)(f)(3)(a) of this **Coverage Agreement**.

(4) Deductible

Our obligation to pay **Damages**, expenses and costs applies only to the amount of the sum of all **Damages**, expenses and costs that is in excess of the following deductible amount:

\$15,000 per the applicable *Pool Year*.

The terms of this *Coverage Document*, including those with respect to *Our* right and duty to defend any *Suits* against a *Member* and their **DUTIES IN THE EVENT OF A CLAIM OR SUIT in SECTION II – CONDITIONS** apply irrespective of the application of the deductible amount. *We* may pay any part or all of the deductible amount to effect settlement of any *Claim* or *Suit* and, upon notification of the action taken, *You* shall reimburse *Us* within 30 days or less for such part of the deductible as paid by *Us*.

All other terms and conditions remain unchanged.

Independent Accountant's Compilation Report
Financial Statements - Statutory Basis

June 30, 2020 and 2019

and

September 30, 2019

QUARTERLY STATEMENT FOR THE PERIOD ENDED JUNE 30, 2020 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:

Doug Hanson

Vice-Chair:

Jim Hawks

Secretary:

L. Lynn Rex

Directors or Trustees:

LeAnn Brown

Pamela Buethe

Lanette Doane

Scott Getzschman

Melissa Harrell

Nathan Johnson

Jo Leyland

Josh Moenning

Tom Ourada

Sandra Schendt

Douglas Schultz

Deb VanMatre

Teresa Youngquist

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Independent Accountant's Compilation Report

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

June 30, 2020 and 2019 Financial Statements

Management is responsible for the accompanying financial statements of League Association of Risk Management, which comprise the balance sheets - statutory basis as of June 30, 2020 and 2019 and the related statutory statements of revenues and expenses, changes in surplus, and cash flows for the quarters then ended, and the related notes to the financial statements in accordance with accounting practices prescribed or permitted by 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. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these June 30, 2020 and 2019 financial statements.

As described in Note 1 to the financial statements, League Association of Risk Management prepared these financial statements using accounting practices prescribed or permitted by the Insurance Department of the State of Nebraska, which practices differ from accounting principles generally accepted in the United States of America. Management has not determined the effect of this departure from accounting principles generally accepted in the United States of America on the financial statements.

September 30, 2019 Financial Statements

The accompanying September 30, 2019 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 27, 2019, but we have not performed any auditing procedures since that date.

Lincoln, Nebraska August 14, 2020 Thomas, Kune and Black, LLP

Balance Sheets - Statutory Basis

June 30, 2020 and 2019 and September 30, 2019

<u>Assets</u>

	_	June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)	September 30, 2019 (Audited)
Cash:				
Cash on deposit	\$	1,207,690	2,963,801	1,904,907
Short-term investments	·	9,247,315	2,590,713	1,850,421
Total cash	_	10,455,005	5,554,514	3,755,328
Long-term investments		4,749,578	11,297,939	10,598,391
Accounts receivable		7,964	18,038	62,439
Premiums receivable		40,487	26,443	8,173,816
Interest receivable		28,565	62,338	60,325
Reinsurance recoverable on paid losses	_	2,173,592	808,502	848,229
Total assets	\$	17,455,191	17,767,774	22 409 529
	Ψ=	17,400,191	17,707,774	23,498,528
<u>Li</u>	abilities a	and Surplus		
Loss reserves	\$	3,733,918	3,425,562	3,895,014
Loss adjustment expenses	•	1,873,118	1,512,939	1,864,393
Unearned premium		1,971,923	1,870,545	7,618,931
Taxes payable		67,525	66,413	88,050
Other liabilities		72,667	141,032	137,581
Funds held under reinsurance treaties	_	25,000	25,000	25,000
Total liabilities		7,744,151	7,041,491	13,628,969
Surplus		9,711,040	10,726,283	9,869,559
Total liabilities and surplus	\$_	17,455,191	17,767,774	23,498,528

Statements of Income - Statutory Basis For the periods ended June 30, 2020 and 2019 and for the year ended September 30, 2019

			Year	
	_	Nine Mon	ths Ended	Ended
		June 30,	June 30,	September 30,
		2020	2019	2019
		(Unaudited)	(Unaudited)	(Audited)
Revenues:				
Premiums earned, direct	\$	6,659,074	6,240,719	8,328,448
Premiums earned, transferred by excess		(1,762,278)	(1,583,534)	(2,169,795)
Net premiums	_	4,896,796	4,657,185	6,158,653
Investment income		222,134	221,693	291,004
Miscellaneous income		(861)	3,123	4,051
	_			.,001
Total revenues		5,118,069	4,882,001	6,453,708
	_			
Expenses:				
Losses incurred, direct		6,147,704	3,213,904	5,826,494
Losses incurred, transferred by excess		(4,046,629)	(1,250,753)	(2,634,394)
Net losses	_	2,101,075	1,963,151	3,192,100
Loss expenses incurred		1,017,775	713,105	1,322,951
Other underwriting expenses incurred	_	2,157,738	2,440,400	3,030,036
Total expenses		5,276,588	E 116 656	7.545.007
Total expeliees	-	5,210,500	5,116,656	7,545,087
Net income/(loss) - statutory basis	\$	(158,519)	(234,655)	(1,091,379)
•	=			(1,111,111)

Statements of Changes in Surplus - Statutory Basis For the periods ended June 30, 2020 and 2019 and for the year ended September 30, 2019

		Nine Mont	hs Ended	Year Ended
	_	June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)	September 30, 2019 (Audited)
Surplus, beginning of period	\$	9,869,559	10,960,938	10,960,938
Net income/(loss)- statutory basis		(158,519)	(234,655)	(1,091,379)
Unrealized capital gain		-	-	287,415
Change in non-admitted assets		-	-	(287,415)
Dividends			-	_
Surplus, end of period	\$_	9,711,040	10,726,283	9,869,559

Statements of Cash Flows - Statutory Basis
For the periods ended June 30, 2020 and 2019
and for the year ended September 30, 2019

		Nine Mont	Year Ended	
	_	June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)	September 30, 2019 (Audited)
Premiums collected, net of excess insurance Loss and loss adjustment expenses paid Underwriting expenses paid	\$ _	7,397,103 (4,596,584) (2,243,177)	6,505,111 (1,471,574) (2,415,418)	5,603,719 (2,529,190) (2,986,868)
Cash from underwriting		557,342	2,618,119	87,661
Investment income		253,894	218,693	577,432
Net cash from operations		811,236	2,836,812	665,093
Transfers in: Other sources		5,888,441	1,534,553	2,201,225
Transfers out: Other applications		· •	-	(294,139)
Net change in cash and short-term investments		6,699,677	4,371,365	2,572,179
Cash and short-term investments, beginning of period		3,755,328	1,183,149	1,183,149
Cash and short-term investments, end of period	\$	10,455,005	5,554,514	3,755,328

Notes to Financial Statements

June 30, 2020 and 2019 (Unaudited) and September 30, 2019 (Audited)

(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.

Notes to Financial Statements (Continued)

June 30, 2020 and 2019 (Unaudited) and September 30, 2019 (Audited)

(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 did not declare any dividends for the years ended September 30, 2019 and 2018. The total member surplus reflected on NLC's financials for LARM were \$2,025,061 (June 30, 2020), \$1,737,646 (June 30, 2019) and \$2,025,061 (September 30, 2019).

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.

Notes to Financial Statements (Continued)

June 30, 2020 and 2019 (Unaudited) and September 30, 2019 (Audited)

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

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

				Cost	
			Insured or		
			Direct U.S.		
			<u>Government</u>	<u>Uninsured</u>	<u>Total</u>
At					•
	Cash on deposit	\$	250,000	1,109,963	1,359,963
	Short-term investments		9,247,315	-	9,247,315
	Long-term investments		4,744,383	5,195	4,749,578
		\$	14,241,698	1,115,158	15,356,856
At	June 30, 2019				
	Cash on deposit	\$	250,000	2,816,254	3,066,254
	Short-term investments		2,590,713		2,590,713
	Long-term investments		11,297,939	_	11,297,939
		\$_	14,138,652	2,816,254	16,954,906
		-			
At	September 30, 2019				
	Cash on deposit	\$	250,000	1,956,568	2,206,568
	Short-term investments		1,850,421	•	1,850,421
	Long-term investments	_	10,597,228	1,163	10,598,391
		\$_	12,697,649	1,957,731	14,655,380
		_			

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.

Notes to Financial Statements (Continued)

June 30, 2020 and 2019 (Unaudited) and September 30, 2019 (Audited)

(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.

	June 30, 2020					
	Less Than	Less Than 12 Months		n 12 Months	Total	
Bonds:	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
U.S. Governments Special revenue and special assessment obligations and all non- guaranteed obligations of agencies and authorities of governments and their political subdivisions	5 5,997,850 1,508,678	51 -	809,325 3,513,462	242	6,807,175 5,022,140	51 242
Industrial and miscellaneous unaffiliated	-	-	-	-	•	-
Total bonds	7,506,528	51	4,322,787	242	11,829,315	293
Total temporarily impaired securities	7,506,528	51	4,322,787	242	11,829,315	293

The amortized cost and estimated statutory fair value of bonds at June 30, 2020, 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 Due after five years through ten years	\$ 7,497,315 4,249,578 -	7,506,528 4,322,787 -
Due after ten years	\$ 11,746,893	11,829,315

Notes to Financial Statements (Continued)

June 30, 2020 and 2019 (Unaudited) and September 30, 2019 (Audited)

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

·		June 30, 2019				
	Less Tha	n 12 Months	Greater Tha	n 12 Months	Total	
Bonds:	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
U.S. Governments Special revenue and special assessment obligations and all non- guaranteed obligations of agencies and authorities of governments and their political subdivisions	\$ · 3,594,989 -	-	1,070,964 7,493,640	48 18,968	4,665,953 7,493,640	48 18,968
Industrial and miscellaneous unaffiliated	-	-	_	-	-	-
Total bonds	3,594,989		8,564,604	19,016	12,159,593	19,016
Total temporarily impaired securities	\$ _3,594,989	-	8,564,604	19,016	12,159,593	19,016

The amortized cost and estimated statutory fair value of bonds at June 30, 2019, 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 Due after five years through ten years Due after ten years	\$ 3,590,518 6,298,135 2,250,000	3,594,989 6,319,074 2,245,530
	\$ 12,138,653	12,159,593

Notes to Financial Statements (Continued)

June 30, 2020 and 2019 (Unaudited) and September 30, 2019 (Audited)

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

		September 30, 2019					
	Less Than	Less Than 12 Months		n 12 Months	Total		
Bonds:	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	
Special revenue and special assessment obligations and all nonguaranteed obligations of agencies and authorities of governments and their	\$ 1,098,977 751,890	-	1,778,777 7,095,460	15,330	2,877,754 7,847,350	15,330	
political subdivisions Industrial and miscellaneous unaffiliated	S -	-	-	-	_		
Total bonds	1,850,867		8,874,237	15,330	10,725,104	15,330	
Total temporarily impaired securities	\$1,850,867	-	8,874,237	15,330	10,725,104	15,330	

The amortized cost and estimated statutory fair value of bonds at September 30, 2019, 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 Due after five years through ten years Due after ten years	\$ 1,850,421 7,348,391 1,500,000 - 10,698,812	1,850,867 7,378,452 1,495,785 - 10,725,104

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 June 30, 2020 and 2019 and September 30, 2019 are temporary and are presented on the following page.

Notes to Financial Statements (Continued)

June 30, 2020 and 2019 (Unaudited) and September 30, 2019 (Audited)

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

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

June 30, 2020	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Obligations of U.S. Government sponsored enterprises	\$_11,746,893	82,715	293	11,829,315
Total	\$_11,746,893	82,715	293	11,829,315
June 30, 2019	Amortized	Gross Unrealized	Gross Unrealized	Estimated Fair
Obligations of U.S. Government sponsored enterprises	Cost \$ 12,138,653	Gains 39,956	Losses 19,016	Value 12,159,593
Total	\$ 12,138,653	39,956	19,016	12,159,593
September 30, 2019	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Obligations of U.S. Government sponsored enterprises	\$ 10,698,812	41,622	15,330	10,725,104
Total	\$_10,698,812	41,622	15,330	10,725,104

The statement value and estimated fair value of financial instruments at June 30, 2020 and 2019 and September 30, 2019 are as follows:

				June 30, 2020		
Financial assets:		Statement Value	Estimated Fair Value	Level 1	Level 2	Level 3
Bonds Cash on deposit (including certific	\$ cates	11,746,893	11,829,315		11,829,315	-
of deposit) Investment income		3,457,690	3,462,883	1,712,730	1,750,153	-
due and accrued	i	28,565	28,565	28,565		_
Total	\$	15,233,148	15,320,763	1,741,295	13,579,468	-

Notes to Financial Statements (Continued)

June 30, 2020 and 2019 (Unaudited) and September 30, 2019 (Audited)

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

		June 30, 2019						
		Statement	Estimated					
Financial assets:		Value	Fair Value	Level 1	Level 2	Level 3		
Bonds Common stock Cash on deposit	\$	12,138,652 -	12,159,593	· •	12,159,593	-		
(including certific of deposit) Investment income		4,713,801	4,708,751	2,963,801	1,744,950	-		
due and accrued		62,338	62,338	62,338	-	-		
Total	\$	16,914,791	16,930,682	3,026,139	13,904,543	_		
				ptember 30, 20	19			
Financial assets:		Statement Value	Se Estimated Fair Value	ptember 30, 20 Level 1	19 Level 2	Level 3		
Bonds Cash on deposit	\$	Value 10,698,812	Estimated			Level 3		
Bonds	ates	Value 10,698,812	Estimated Fair Value		Level 2	Level 3 -		
Bonds Cash on deposit (including certification of deposit)	ates	Value 10,698,812	Estimated Fair Value	Level 1	Level 2 10,725,104	Level 3		

(4) Related party transactions:

LARM contracted with the League of Nebraska Municipalities for office space and miscellaneous administrative services through the period ended December 31, 2017.

	Nine months ended				Year ended
	June 30 2020),	June 30 2019),	September 30, 2019
The following is a summary of the transactions with the League: Management and administrative services paid to the League of Nebraska Municipalities	\$	-		_	

The total amount of payables to the League of Nebraska Municipalities was \$12,914 (June 30, 2020), \$0 (June 30, 2019), and \$10,353 (September 30, 2019).

(5) 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.

Notes to Financial Statements (Continued)

June 30, 2020 and 2019 (Unaudited) and September 30, 2019 (Audited)

(5) Reinsurance recoverables: (Continued)

Contributions:		June 30, 2020	June 30, 2019	September 30, 2019
Direct Ceded Net contributions earned	\$ \$	6,659,074 (1,762,278) 4,896,796	6,240,719 (1,583,534) 4,657,185	8,328,448 (2,169,795) 6,158,653
Losses:				
Direct Ceded Net losses incurred	\$ \$	6,147,704 (4,046,629) 2,101,075	3,213,904 (1,250,753) 1,963,151	5,826,494 (2,634,394) 3,192,100

The Pool has recorded reinsurance recoverables on paid losses from reinsurance companies of \$2,173,592 (June 30, 2020), \$808,502 (June 30, 2019), and \$848,229 (September 30, 2019).

The Pool has recorded reinsurance recoverables on unpaid loss and loss adjustment expenses payable of \$6,094,217 (June 30, 2020), \$2,767,428 (June 30, 2019), and \$4,022,610 (September 30, 2019).

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 June 30, 2020 and 2019 and September 30, 2019, 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.

(6) 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 coverage was as follows:

\$ 300,000	per occurrence	General Liability, Auto Liability, Police, Errors and Omissions
\$ 300,000	per occurrence	Public Official's Liability
\$ 150,000	per loss	Property, Auto Physical Damage
\$ 300,000	per occurrence	Wind and Hail Damage
\$ 750,000	per location and loss	Workers' Compensation
\$ 100,000	per occurrence	Boiler and Machinery
\$ 20,000	per occurrence	Cyber
\$ 10,000	per occurrence	Terrorism

Prior to July 1, 2019 the Property, Auto Physical Damage per-claim retention limit was \$100,000 and Wind and Hail Damage per-claim retention limit was \$200,000.

(7) 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 June 30, 2020 and 2019 and September 30, 2019.

Notes to Financial Statements (Continued)

June 30, 2020 and 2019 (Unaudited) and September 30, 2019 (Audited)

(8) 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:

	_	June 30, 2020	June 30, 2019	September 30, 2019
Non-admitted assets:				
Accounts receivable over				
90 days past due Agents balances receivable over	\$	-	-	-
90 days past due		-	-	_
Investment in NLC		2,025,061	1,737,646	2,025,061
	\$_	2,025,061	1,737,646	2,025,061

(9) 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.

(10) Financial statement presentation:

Amounts for June 30, 2019 and September 30, 2019 have been restated in some instances to conform with current statement presentation.

(11) Subsequent events:

The Pool evaluated subsequent events through August 14, 2020. In March 2020, the United States declared a national emergency related to the rapidly spreading coronavirus (COVID-19) outbreak. The Association invests in various securities as part of its ongoing operations and is exposed to economic and financial market risks. Events that result from the COVID-19 pandemic could have a material impact on the valuation of the Association's investments. Additionally, financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the members of the Association. COVID-19 could have a material adverse effect on the financial position of the Association, and the ultimate impact of the COVID-19 outbreak cannot be reasonably estimated at this time.

SUPPLEMENTAL INFORMATION



Independent Accountant's Compilation Report on Supplemental Information

To the Board of Directors

League Association of Risk Management

Lincoln, Nebraska

The June 30, 2020 and 2019 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. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

The September 30, 2019 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 27, 2019.

Lincoln, Nebraska August 14, 2020 Thomas, Kune and Black, LLP

Reconciliation of Unpaid Claim Liabilities
For the periods ended June 30, 2020 and 2019
and for the year ended September 30, 2019

				Year
	-	Nine Mon	Ended	
		June 30,	June 30,	September 30,
		2020	2019	2019
Unnoid plains and alains a direct	_	(Unaudited)	(Unaudited)	(Audited)
Unpaid claims and claims adjustment expenses at beginning of period	\$_	5,759,407	4,082,901	4,082,901
Incurred claims and claims adjustment expenses:				
Provision for insured events of current policy year Increase/(decrease) in provision in insured events		2,190,000	2,077,500	4,265,659
of prior policy years	_	928,850	598,756	249,392
Total incurred claims and				
claims adjustment expenses	_	3,118,850	2,676,256	4,515,051
Payments:				
Claims and claims adjustment expenses attributable				
to insured events of the current policy year Claims and claims adjustment expenses attributable		468,576	511,249	1,110,321
to insured events of prior policy years	_	2,802,645	1,309,407	1,728,224
Total payments	_	3,271,221	1,820,656	2,838,545
Total unpaid claims and claims adjustment expenses				
at end of period	\$_	5,607,036	4,938,501	5,759,407

League of Nebraska Municipalities

2020 VIRTUAL ANNUAL CONFERENCE

There is no limit to what our municipalities can do if we don't mind who gets the credit





Webinar Series
October 2020

Dwight Livingston League President Mayor, North Platte



2020 VIRTUAL ANNUAL CONFERENCE

LEAGUE OF NEBRASKA MUNICIPALITIES

Webinar Series (All times below are CT)



Tentative Conference Program (Subject to Change)

Preconference Webinar

Wednesday, Oct 7, 2020

9:30-11:45 am LB 424 (2020): Review of LB 424 governing regional land banks; this session also will discuss the League's

templates of a handbook, procedures and interlocal agreement to implement the bill.

Tony Kaufman, Mayor, Gering Alexander Baillie, Mayor, Loup City

Michelle Coolidge, Project Manager, Twin Cities Development Association Marty Barnhart, Former Executive Director, Omaha Municipal Land Bank

Christy Abraham, Legal Counsel, LNM

Webinars

Thursday, Oct 8, 2020

10:30-11:30 am Recent Nebraska Supreme Court Decision Regarding Landlord Responsibility for Tenant Utility

Bills (The LNM Nominating Committee Report will be read at the beginning of this first conference

session, as required by the League Bylaws.) **Lash Chaffin**, Utilities Section Director, LNM

2:30-3:30 pm Making Excellence the Norm, Not the Deviation

This session is sponsored by the League Association of Risk Management (LARM).

Gordon Graham, Co-Founder, Lexipol – a company designed to standardize law enforcement, fire and

custody policies across America

Tuesday, Oct. 13, 2020

10:30-11:30 am Rural Broadband Issues Update

Kyle Arganbright, Mayor, Valentine

Loel Brooks, Co-Founder, Universal Broadband Consulting **David Young**, Co-Founder, Universal Broadband Consulting

Andy Pollock, Partner, Rembolt Ludtke Law Firm

2:30-3:30 pm LB 1107 (2020) – Overview of the "ImagiNE Nebraska Act": Be informed about this new tax incentive

program that replaces the Nebraska Advantage Act, which sunsets Dec. 31, 2020. **Jennifer Creager**, Senior Director – Public Policy, Omaha Chamber of Commerce

Wednesday, Oct. 14, 2020

10:30-11:30 am Leadership for Today's Problems: Learn about this 24/7 Human Factors Approach.

This session is sponsored by the League Association of Risk Management (LARM).

Don Wilson, Chief Client Officer, SafeStart Division of Electrolab Ltd.

2:30-3:30 pm COVID-19: Update on Reimbursements for COVID-19 Related Expenses From CARES Act Funds

Bryan Tuma, Assistant Director, NEMA

Daryl L. Bohac, Major General, Nebraska's Adjutant General, Nebraska National Guard

Sarah Lawrence, Manager, Deloitte & Touche, LLP

2020 VIRTUAL ANNUAL CONFERENCE

LEAGUE OF NEBRASKA MUNICIPALITIES

Webinar Series (All times below are CT)



Thursday, Oct. 15, 2020

10:30-11:30 am Understanding Municipal Finance and Fiduciary Duties

Craig Kubicek, CPA, CFE, Assistant Deputy, Nebraska Auditor of Public Accounts' Office

2:30-3:30 pm Effective Media Relations

Mike Flood, Attorney; Former Speaker of the Nebrsaka Legislature; Founder, Flood Communications and

News Channel Nebraska, Nebraska's Largest Statewide TV News Network

Tuesday, Oct. 20, 2020

10:30-11:30 am LB 1021 (2020): Understanding Tax Increment Financing (TIF) Versus Micro-TIF

Jennifer Taylor, Senior Attorney, Omaha Legal Department

2:30-3:30 pm Best Practices for Police Departments

Scott Gray, Deputy Chief of Police, Omaha Police Department **Dan Hudson**, Police Chief, North Platte Police Department

Wednesday, Oct. 21, 2020

10:30-11:30 am 2020 Legislative Session Update

L. Lynn Rex, Executive Director, LNM

Thursday, Oct. 22, 2020

9:30 am LARM Members' Meeting and Election

There is NO CHARGE for any official from a LARM member to participate in the Annual Members'

Meeting; each LARM member is entitled to only one vote.

2:30 pm League Annual Business Meeting/Election of Officers and Directors to the League Executive Board

There is NO CHARGE for any city/village official from a member municipality to participate in the Annual Business Meeting; each member municipality is entitled to only one vote. **Please make plans now to participate and vote for the municipal officials nominated as Officers and Directors of the League**

Executive Board.

2020 VIRTUAL ANNUAL CONFERENCE

LEAGUE OF NEBRASKA MUNICIPALITIES





Delegate Registration

Municipality:		
Name:		
First League Conference? Yes No		
Check #	enclosed for \$(Advanced payment encourage	ged)
Billing address:		
Phone:		
Email:	(Required for you to receive link to har	ndbook(s).)
Preconference Webinar: (Includes electronic handbook) Per municipal official	\$95	
Webinars : (Includes electronic handbook) Per municipal official	\$395	
Conference Total: \$		

Mail registration and payment to: League of Nebraska Municipalities, 1335 L Street, Lincoln, NE 68508, or fax 402-476-7052

Online registration and payment will be available starting Sept. 9

League Association of Risk Management

2019-2020 LARM BOARD

(Date Elected or Appointed/Term Ends)

Doug Hanson – Chair City of Hickman

Mayor PO Box 127; 115 Locust Street Hickman, NE 68372-0127 djhanson01@windstream.net (March 21, 2018/Dec. 31, 2020)

Lanette Doane – Vice Chair Village of Ansley

Clerk/Treasurer PO Box 307; 217 Nile Street Ansley, NE 68814-0307 villageofansley@nctc.net (March 21, 2018/Dec. 31, 2020)

LeAnn Brown City of Oshkosh

Clerk/Treasurer PO Box 166; 305 West 1st Street Oshkosh, NE 69154-0166 ocityhall@gmail.com (Sept. 18, 2019/Dec. 31, 2022)

Pamela Buethe

Sarpy County SID #29

Board Member 204 N McKenna Avenue Gretna, NE 68028 buethe@cox.net (Sept. 19, 2018/Dec. 31, 2021)

Scott Getzschman City of Fremont

Mayor 400 East Military Fremont, NE 68025-5141 Scott.Getzschman@fremontne.gov (Sept. 18, 2019/Dec. 31, 2022)

Melissa Harrell

City of Wahoo

Administrator/Treasurer 605 N Broadway Wahoo, NE 68066-1697 harrell@wahoo.ne.us (March 21, 2018/Dec. 31, 2020)

Tony Kaufman

City of Gering

Mayor
PO Box 687
Gering, NE 69341
tkaufman@pvbank.com
(Feb. 25, 2020/Dec. 31, 2022)

Jo Leyland City of Imperial

Administrator/Clerk/Treasurer PO Box 637; 740 Court Street Imperial, NE 69033-0637 jol@imperial-ne.com (March 21, 2018/Dec. 31, 2020)

Josh Moenning City of Norfolk

Mayor 309 N 5th Street Norfolk, NE 68701-4092 jmoenning@norfolkne.gov (Sept. 18, 2019/Dec. 31, 2022)

Tom Ourada

City of Crete

City Administrator PO Box 86; 243 E 13th Street Crete, NE 68333-0086 tom.ourada@crete.ne.gov (Sept. 19, 2018/Dec. 31, 2021)

Sandra Schendt

City of Nelson

Clerk/Treasurer PO Box 327; 580 S Main Street Nelson, NE 68961-0327 <u>cityofnelson@gmail.com</u> (Sept. 19, 2018/Dec. 31, 2021)

Douglas Schultz

City of Curtis

Administrator/Clerk/Treasurer PO Box 6; 201 Garlick Avenue Curtis, NE 69025-0006 <u>curtis@curtis-ne.com</u> (Sept. 19, 2018/Dec. 31, 2021)

Deb VanMatre

City of Gibbon

Mayor PO Box 130; 715 Front Street Gibbon, NE 68840-0130 gibboncityhall-mayor@nctc.net (Sept. 19, 2018/Dec. 31, 2021)

Teresa Youngquist City of Beaver City

Clerk/Treasurer PO Box 185; 301 10th Street Beaver City, NE 68926-0185 <u>beavercityco@hotmail.com</u> (Sept. 18, 2019/Dec. 31, 2022)

EX-OFFICIO MEMBERS

Dwight Livingston League of Nebraska Municipalities - President

Mayor
211 West 3rd Street
North Platte, NE 69101
LivingstonDL@ci.north-platte.ne.us

L. Lynn Rex League of Nebraska

League of Nebrasi Municipalities

Executive Director 1335 L Street Lincoln, NE 68508 lynnr@lonm.org