NOTICE

MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)
Wednesday, September 27, 2023, 4:45 p.m. CT/3:45 p.m. MT

PLEASE TAKE NOTICE that on **Wednesday, September 27, 2023, at 4:45 p.m. CT/3:45 p.m. MT**, the League Association of Risk Management (LARM), will hold a LARM Board of Directors meeting at the Cornhusker Marriott 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/86431528938?pwd=c2VvdjdUeUU0RDJhUTl2dVo5T0lCQT09
or via phone at 833-548-0282. The Meeting ID: 864 3152 8938 and the passcode is 644289.

On September 20, 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, September 27, 2023, 4:45 p.m. CT/3:45 p.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/86431528938?pwd=c2VvdjdUeUU0RDJhUTl2dVo5T0lCQT09 or via phone at 833-548-0282. The Meeting ID: 864 3152 8938 and the passcode is 644289.

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

1. Call meeting to order:
a. 4:45 p.m. CT/3:45 p.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 September 20, 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 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 Sargent Clerk/Treasurer Gwenda Horky to fill the vacancy and serve the unexpired term of former Village of Oshkosh Clerk/Treasurer LeAnn Brown.
· Lynn Rex, Administrator, LARM

3. Consider a motion to approve the minutes of the May 15, 2023, meeting of the LARM Board of Directors.
See pages 1-6

4. Consider a motion to accept the quarterly update on LARM investments.
See pages 7-51
· Michael Maloney, Senior Portfolio Manager, US Bank

5. Consider a motion to accept the quarterly update on LARM financials.
See pages 52-72
· Mark Weaver, Vice-President, Finance, Sedgwick

6. Consider a motion to approve the reinsurance update and place the following coverages: a) Primary Property Program, Effective 10-1-23; b) Excess Workers' Compensation, Effective

10-1-23; c) Excess Liability, Effective 10-1-23.

See pages 73-83

· Justin Swarbrick, Senior Vice President, Alliant Insurance Services, Inc.

· Chris Cadwell, Director of Pool Administration, Sedgwick

7. Consider a motion to approve the sponsorship agreement and lease agreement between LARM and the League of Nebraska Municipalities.

See pages 84-101

· Dave Bos, Executive Director, LARM

· Lynn Rex, Administrator, LARM

8. Consider a motion to approve LARM's Proposed Budget for FY 2023-24.

See pages 102-106

· Mark Weaver, Vice-President, Finance, Sedgwick

· Dave Bos, Executive Director, LARM

· Lynn Rex, Administrator, LARM

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

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

· Lynn Rex, Administrator, LARM

· Dave Bos, Executive Director, LARM

11. Consider a motion to adjourn.

MINUTES

MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT
Wednesday, May 24, 2023, 10:30 a.m. CT/9:30 a.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 May 24, 2023, at 10:30 a.m. CT /9:30 a.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 10:30 a.m. CT**, LARM Board 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: **Lanette Doane,** Clerk/Treasurer, Village of Ansley; **Raquel Felzien,** Clerk/Treasurer, City of Franklin; **Mayor Don Groesser,** City of Ralston; **Melissa Harrell,** Administrator/Treasurer, City of Wahoo; **Pat Heath,** Administrator, City of Gering; **Tom Ourada,** Administrator, City of Crete; **Chris Rector,** Administrator, City of Holdrege; **Sandra Schendt,** Clerk/Treasurer, City of Nelson; **Mayor Joey Spellerberg,** City of Fremont; **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 also present.

At the time of roll call: 3 were absent: ***Connie Jo Beck*****,** Clerk/Deputy Treasurer, City of St. Paul; **Pam Buethe** Board Member, Sarpy County SID #29 and **Mayor Josh Moenning,** City of Norfolk.

At the time of roll call 2 spots on the board were vacant.

Other participants included: **Cline Williams Law Firm** –Trent Sidders; **Sedgwick (LARM's third party administrator)** – Chris Cadwell; **LARM** – Dave Bos, Tracy Juranek, Diane Becker, Drew Cook, Ethan Nguyen, Fred Wiebelhaus, Kyla Brockevelt, James Kelley, Steve Hecker, Clint Simmons; **League of Nebraska Municipalities** – Shirley Riley; (Via Zoom): **US Bank**- Michael Maloney and Corey Reavis; **Sedgwick-** Mark Weaver, Rebecca Atkinson; **Alliant Insurance Services-** Justin Swarbrick; **LARM-** Nate Fox.

Chair Lanette Doane indicated that on May 16, 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.

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. 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 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.** Chair Doane asked if there was any discussion; there was none. Mayor Joey Spellerberg moved, seconded by Melissa Harrell 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. Roll call vote. Ayes: Doane, Felzien, Groesser, Heath, Harrell, Ourada, Rector, Schendt, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Beck, Buethe and Moenning. ***Motion carried: 10 ayes, 0 nays, 0 abstention, 3 absent and 2 vacancies.***

(AGENDA ITEM #3) **Consider a motion to approve the minutes of the February 28, 2023, Meeting of the LARM Board of Directors.** Chair Doane asked if there was any discussion; there was none. Melissa Harrell moved, seconded by Sandra Schendt to approve the minutes of the February 28, 2023, Meeting of the LARM Board of Directors. Roll call vote. Aye: Doane, Felzien, Groesser, Harrell, Heath, Ourada, Rector, Schendt, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Beck, Buethe, Moenning and Pribbeno. ***Motion carried: 10 ayes, 0 nays, 0 abstention, 4 absent and 1 vacancy.***

(AGENDA ITEM #4) **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. Mayor Don Groesser moved, seconded by Mayor Deb VanMatre to accept the quarterly update on LARM investments.

Roll call vote. Ayes: Doane, Felzien, Groesser, Harrell, Heath, Ourada, Rector, Schendt, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Beck, Buethe, Moenning and Pribbeno. ***Motion carried: 10 ayes, 0 nays, 0 abstention, 4 absent and 1 vacancy.***

(AGENDA ITEM #5) **Consider a motion to accept the quarterly update on LARM financials.** *(Presented by Mark Weaver, Vice President, Finance, Sedgwick)* Chair Doane asked if there was any discussion. There was none. Mayor Deb VanMatre moved, seconded by Sandra Schendt to accept the quarterly update on LARM financials. Roll call vote. Aye: Doane, Felzien, Groesser, Harrell, Heath, Ourada, Rector, Schendt, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Beck, Buethe, Moenning and Pribbeno. ***Motion carried: 10 ayes, 0 nays, 0 abstention, 4 absent and 1 vacancy.***

(AGENDA ITEM #6) **Consider a motion to accept the reinsurance renewal update and to set rates to achieve the overall funding targets of $9,045,00 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 repost for October 1, 2023-2024.** *(Presented by Justin Swarbrick, Senior Vice-President, Alliant Insurance Services Inc, Chris Cadwell, Director of Pool Administration, Sedgwick and Mark Weaver, Vice President Finance, Sedgwick)* Chair Doane asked if there was any discussion. There was none. Mayor Joey Spellerberg moved, seconded by Melissa Harrell to accept the reinsurance renewal update and to set rates to achieve the overall funding targets of $9,045,00 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 repost for October 1, 2023-2024. Roll call vote. Aye: Doane, Felzien, Groesser, Harrell, Heath, Ourada, Rector, Schendt, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Beck, Buethe, Moenning and Pribbeno. ***Motion carried: 10 ayes, 0 nays, 0 abstention, 4 absent and 1 vacancy.***

(AGENDA ITEM #7) **Consider a motion to authorize Sedgwick, on behalf of LARM, to bind the following reinsurance coverage: 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.** (*Presented by Chris Cadwell, Director of Pool Administration, Sedgwick and Mark Weaver, Vice President, Finance, Sedgwick*) Chair Doane asked if there was any discussion. There was none. Pat Heath moved, seconded by Melissa Harrell to authorize Sedgwick, on behalf of LARM, to bind the following reinsurance coverage: 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. Roll call vote. Aye: Doane, Felzien, Groesser, Harrell, Heath, Ourada, Rector, Schendt, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Beck, Buethe, Moenning and Pribbeno. ***Motion carried: 10 ayes, 0 nays, 0 abstention, 4 absent and 1 vacancy.***

(AGENDA ITEM #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)* Chair Doane asked if there was any discussion. There was none. Mayor Don Groesser moved, seconded by Raquel Felzien 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: Dave Bos, Tracy Juranek, Fred Wiebelhaus, Steve Hecker, Chris Cadwell, Trent Sidders and Shirley Riley. Roll call vote. Aye: Doane, Felzien, Groesser, Harrell, Heath, Ourada, Rector, Schendt, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Beck, Buethe, Moenning and Pribbeno. ***Motion carried: 10 ayes, 0 nays, 0 abstention, 4 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: Dave Bos, Tracy Juranek, Fred Wiebelhaus, Steve Hecker, Chris Cadwell, Trent Sidders and Shirley Riles. As of 11:35 a.m. the Board was in closed session.

At 11:59 a.m. Chair Lanette Doane stated that we were now in open session and that no actions were taken during the closed session.

(AGENDA ITEM #9) **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 #10) **Consider a motion to adjourn.** At 12:01 p.m. Tom Ourada moved, seconded by Sandra Schendt to adjourn. Roll call vote. Aye: Doane, Felzien, Groesser, Harrell, Heath, Ourada, Rector, Schendt, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Beck, Buethe, Moenning and Pribbeno. ***Motion carried: 10 ayes, 0 nays, 0 abstention, 4 absent and 1 vacancy.***

Approved on:

ATTEST:

____

Kyla Brockevelt
Executive Administrative Assistant
League Association of Risk Management

____

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

NOTICE

MEETING OF THE BOARD OF DIRECTORS OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)

Wednesday, May 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/83950728412?pwd=Q3Fscitpd3VIcnVTaEMwRTFUS2hRdz09 or via phone at 833-548-0276. The Meeting ID is 839 5072 8412 and the passcode is 445528.

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 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.

League Association of Risk Management

September 27, 2023

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Your Team

Michael T. Maloney
Senior Institutional Client Portfolio Manager
PFM Asset Management LLC
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Corey Reavis
Vice President
Relationship Manager
U.S. Bank Institutional Trust & Custody
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Table of Contents

Portfolio Review

Selected Period Performance

Selected Period Performance

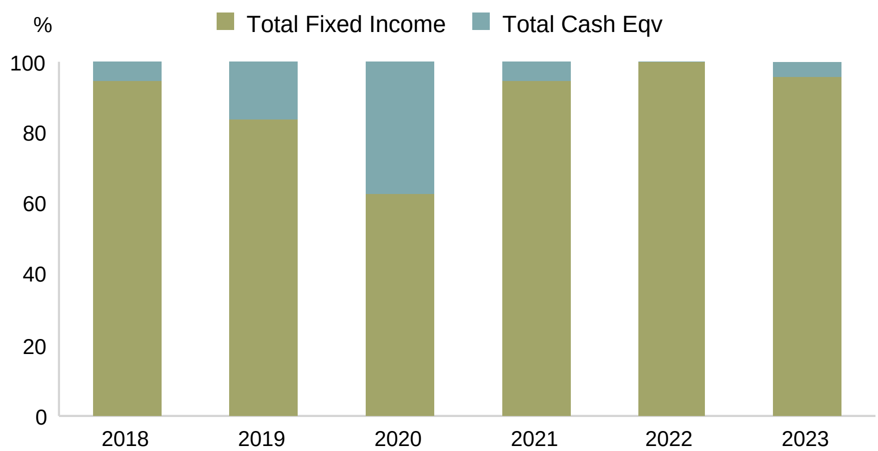
	Market Value	1 Month	3 Months	Year to Date (8 Months)	1 Year	3 Years	5 Years	Inception to Date 11/01/2014
Total Portfolio Gross of Fees	13,283,096	.34	.74	2.36	1.35	-1.55	.00	.29
Total Portfolio Net of Fees	13,283,096	.33	.70	2.26	1.21	-1.69	-.14	.15
Total Fixed Income	12,749,106	.32	.57	2.16	1.36	-1.84	-.05	.30
Taxable Investment Grade	12,513,112	.32	.56	2.16	1.37	-1.85	-.05	.30
BBARC 1-5 Year US Treasury Index		.26	-.23	1.51	.74	-1.75	.91	.82
Other Fixed Income	235,994	.36	1.10	1.99	.94	-1.67		
Total Cash Equivalents	533,990	.44	1.32	3.20	3.95	1.33	1.27	.83
FTSE 1 Month Treasury Bill Index		.46	1.34	3.24	4.35	1.59	1.62	1.16
FTSE 6 Month Treasury Bill Index		.46	1.34	3.32	4.35	1.62	1.75	1.28
Pending Cash	0	.00	.00	.00	.00	.00	.00	.00

History of Asset Growth Graphs

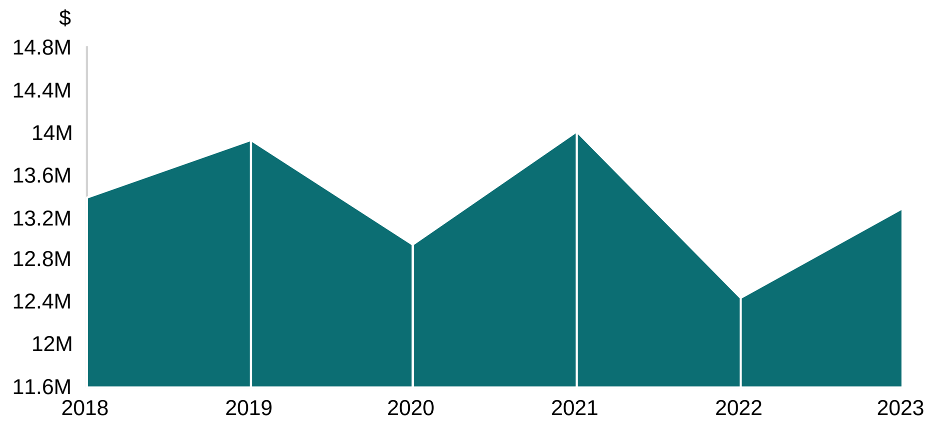
Annual Portfolio Values

	Consolidated	Oct 2017-Sep 2018	Oct 2018-Sep 2019	Oct 2019-Sep 2020	Oct 2020-Sep 2021	Oct 2021-Sep 2022	Oct 2022-Aug 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	-38,306,394	-6,405,776	-4,574,303	-4,921,961	-6,822,895	-7,833,096	-7,748,365
Income Earned	1,189,597	230,600	304,987	209,553	87,451	88,038	268,969
Gain/Loss	-973,499	-118,051	212,158	35,109	-110,350	-1,314,179	321,814
Ending Portfolio Value	**13,283,096**	**13,380,140**	**13,922,983**	**12,945,684**	**13,999,890**	**12,440,653**	**13,283,096**
Total Return	**.13**	**.79**	**3.14**	**1.52**	**-.12**	**-7.28**	**3.10**
Principal	-1.12	-.62	1.22	-.03	-.73	-7.73	1.54
Income	1.27	1.41	1.92	1.55	.61	.45	1.56

Allocation Over Time



Ending Market Values Over Time



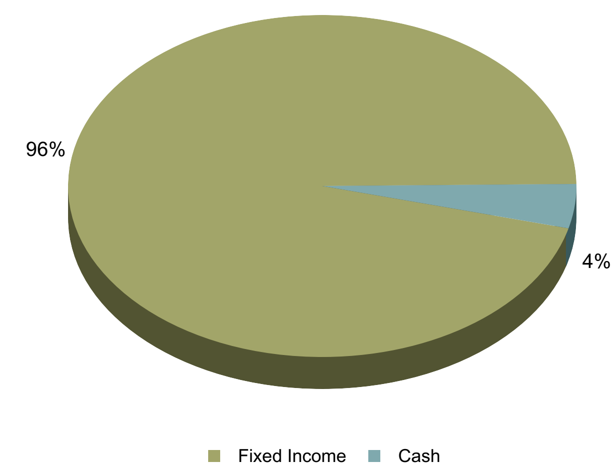
Account: XXXXXXXX9800 | *Holdings Method: Direct* | *Report Date: 08/31/2023*

Portfolio Summary

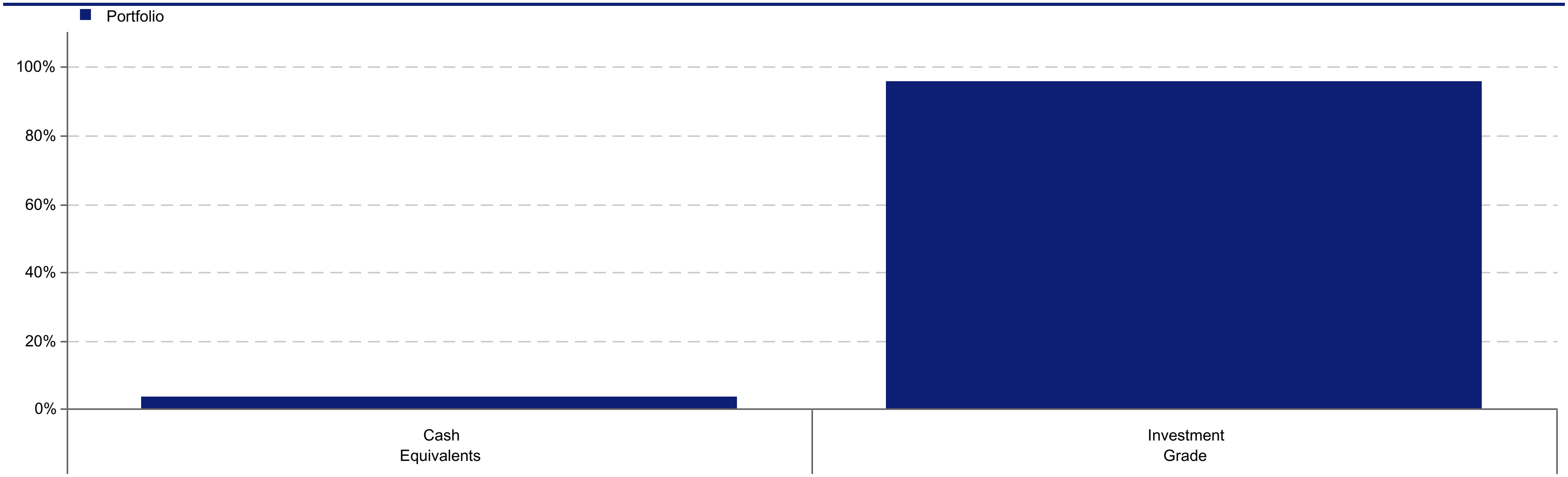
Inv. Objective	All Fixed/Non Taxable
Total Portfolio Value	$13,261,450
Net Realized Cap Gains YTD	$7,047
Annual Income Projected	$101,170
Current Yield	.76%
Number of Securities	20
Portfolio Mgr.	Pfmam Sub Adv Michael Maloney

Portfolio Asset Allocation

Fixed Income	$12,730,112	95.99%
Cash	$531,338	4.01%
Invested Total	**$13,261,450**	**100.00%**



Portfolio Model Allocation

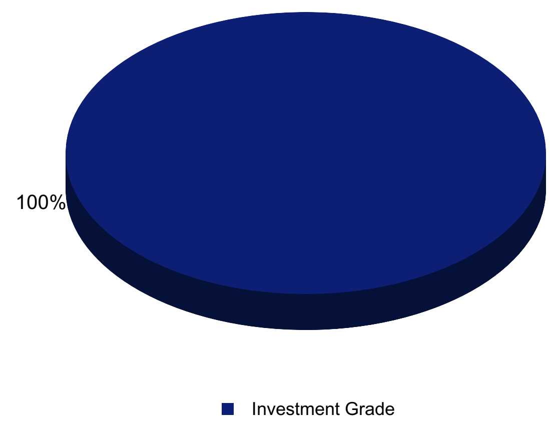


Fixed Income Summary

Inv. Objective	All Fixed/Non Taxable
Total Fixed Income Value	$12,730,112
Current Yield	.58%
Annual Income Projected	$73,270
Number of Securities	19
Portfolio Mgr.	Pfmam Sub Adv Michael Maloney

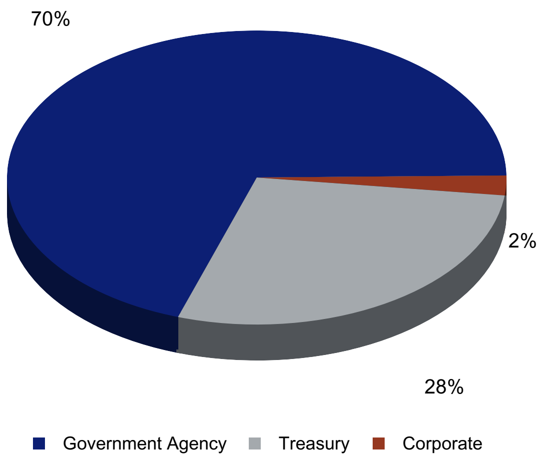
Fixed Income Asset Allocation

Investment Grade	$12,730,112	100.00%

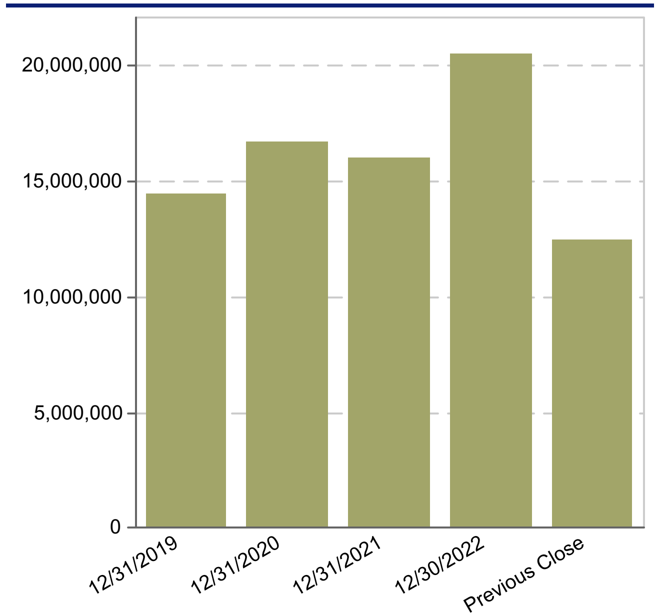


Fixed Income Sector Exposures

Government Agency	$8,949,147	70.00%
Treasury	$3,545,285	28.00%
Corporate	$235,680	2.00%



Fixed Income Market Value

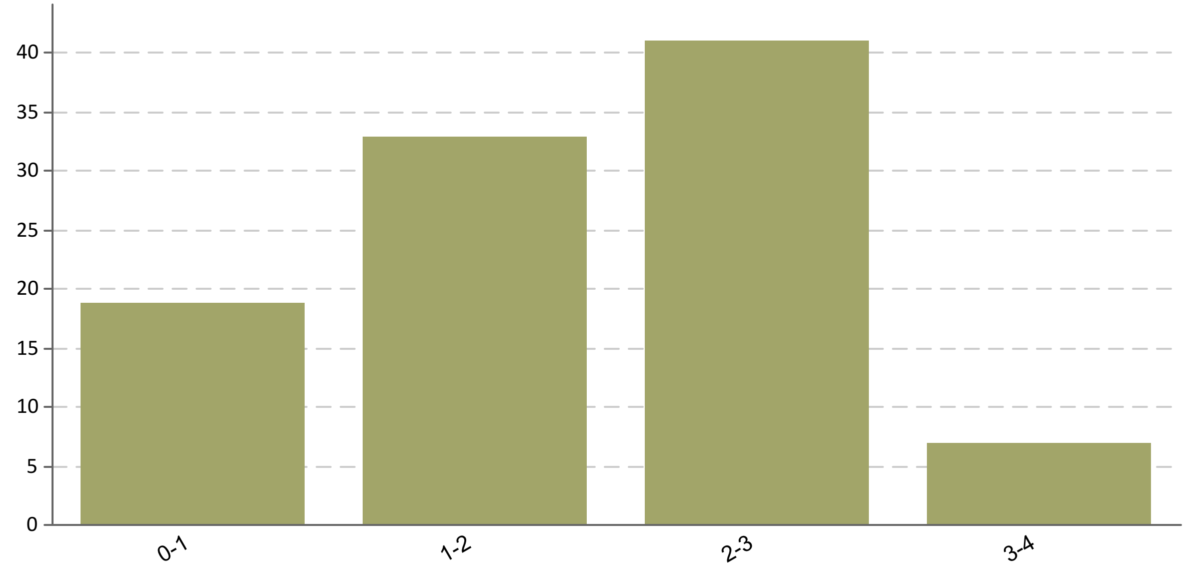


Holdings Date: 8/31/2023

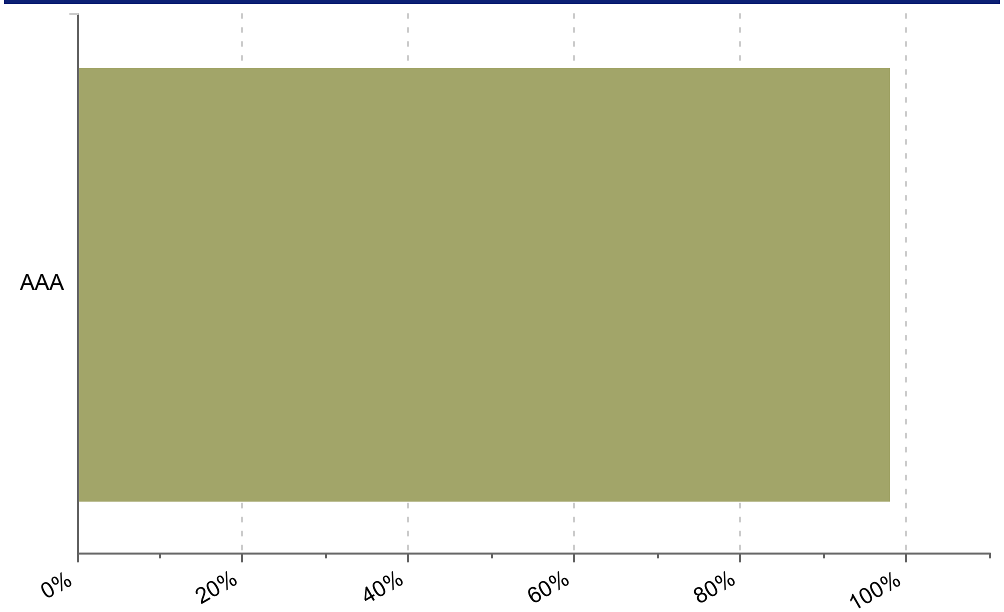
Bond Characteristics

	Portfolio	% Avail
Avg. Coupon (%)	.53	100
Current Yield	.58	100
Yield to Maturity (%)	5.11	100
Yield to Worst (%)	5.11	100
Effective Maturity	1.73	100
Effective Duration	1.68	100
Avg. Quality	AAA	95
# of Securities	19	100

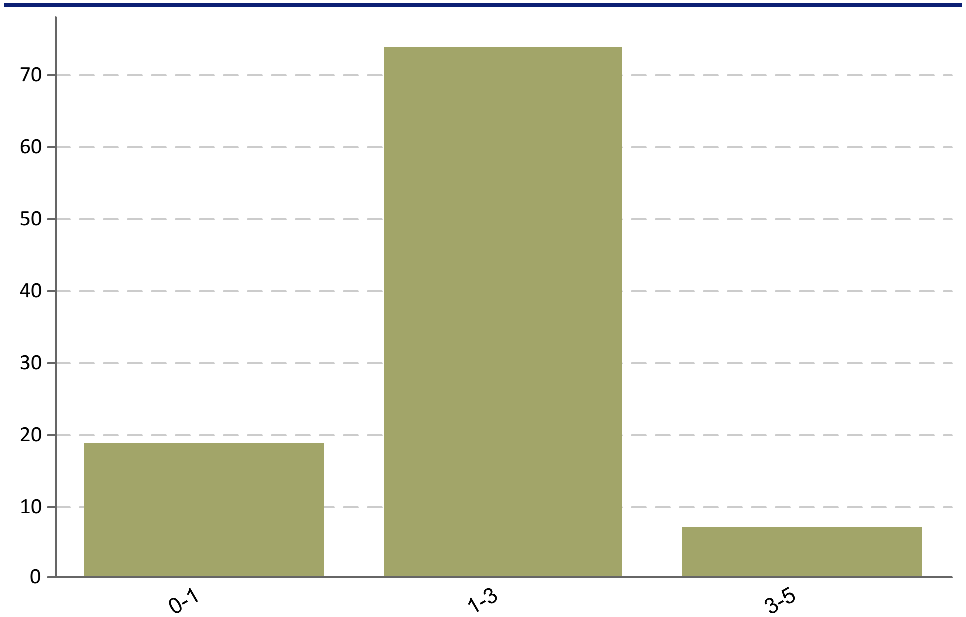
Bond Effective Maturity



Bond Quality Distribution



Bond Duration Distribution



Holdings Date: 8/31/2023

	Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
Total		**100.0**			**13,261,450**	**14,235,502**	**-974,051**	**0.76**	**101,170**
Cash		**4.01**			**531,338**	**531,338**	**.00**	**5.25**	**27,900**
Cash Equivalents		**4.01**			**531,338**	**531,338**	**.00**	**5.25**	**27,900**
FIRST AM GOVT OB FD CL X	31846V336	4.01	1.00	531,338	531,338	531,338	.00	5.25	27,900
Fixed Income		**95.99**			**12,730,112**	**13,704,164**	**-974,051**	**0.58**	**73,270**
Investment Grade		**95.99**			**12,730,112**	**13,704,164**	**-974,051**	**0.58**	**73,270**
Corporate		**1.78**			**235,680**	**249,500**	**-13,820**	**0.37**	**875**
BMW BK NORTH C D 0.350% 10/23/24	05580AXH2	1.78	94.27	250,000	235,680	249,500	-13,820	0.37	875
Government Agency		**67.48**			**8,949,147**	**9,717,437**	**-768,290**	**0.54**	**48,645**
F F C B DEB 0.220% 9/08/23	3133EL6J8	1.69	99.90	225,000	224,777	224,773	5	0.22	495
F H L M C M T N 0.375% 7/29/24	3134GW4X1	5.40	95.49	750,000	716,213	749,775	-33,563	0.39	2,813
F H L M C M T N 0.420% 9/17/24	3134GWSW7	5.37	94.93	750,000	711,975	750,000	-38,025	0.44	3,150
F H L B DEB 0.375% 2/25/25	3130ALB52	7.00	92.89	1,000,000	928,860	1,000,000	-71,140	0.40	3,750
F F C B DEB 0.550% 8/26/25	3130AJZA0	5.17	91.44	750,000	685,815	749,850	-64,035	0.60	4,125
F N M A 0.600% 8/29/25	3136G4X24	5.18	91.51	750,000	686,318	752,138	-65,821	0.66	4,500
F H L M C M T N 0.375% 9/23/25	3137EAEX3	5.16	91.24	750,000	684,330	746,224	-61,894	0.41	2,813
F N M A M T N 0.580% 10/28/25	3135GA2A8	5.14	90.94	750,000	682,035	749,850	-67,815	0.64	4,350
F N M A 0.500% 11/07/25	3135G06G3	6.87	91.11	1,000,000	911,080	996,440	-85,360	0.55	5,000
F H L B DEB 0.570% 11/25/25	3130AKGD2	5.13	90.77	750,000	680,753	748,500	-67,748	0.63	4,275
F H L M C M T N 0.600% 11/25/25	3134GXCH5	6.85	90.83	1,000,000	908,290	1,000,000	-91,710	0.66	6,000
F N M A 0.650% 12/10/25	3135G06J7	5.13	90.62	750,000	679,658	749,888	-70,230	0.72	4,875
F H L B DEB 0.500% 2/10/26	3130AKW51	3.39	89.81	500,000	449,045	500,000	-50,955	0.56	2,500
Treasury		**26.73**			**3,545,285**	**3,737,227**	**-191,942**	**0.67**	**23,750**
U S TREASURY NT 0.125% 12/15/23	91282CBA8	7.43	98.52	1,000,000	985,230	991,445	-6,215	0.13	1,250
U S TREASURY NT 0.375% 4/15/24	91282CBV2	3.65	96.91	500,000	484,550	500,801	-16,251	0.39	1,875
U S TREASURY NT 0.750% 11/15/24	91282CDH1	7.15	94.79	1,000,000	947,930	998,086	-50,156	0.79	7,500
U S TREASURY NT 0.750% 4/30/26	91282CBW0	1.70	90.44	250,000	226,095	249,434	-23,339	0.83	1,875
U S TREASURY NT 1.125% 10/31/26	91282CDG3	6.80	90.15	1,000,000	901,480	997,461	-95,981	1.25	11,250

Investment Policy

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

Market Review

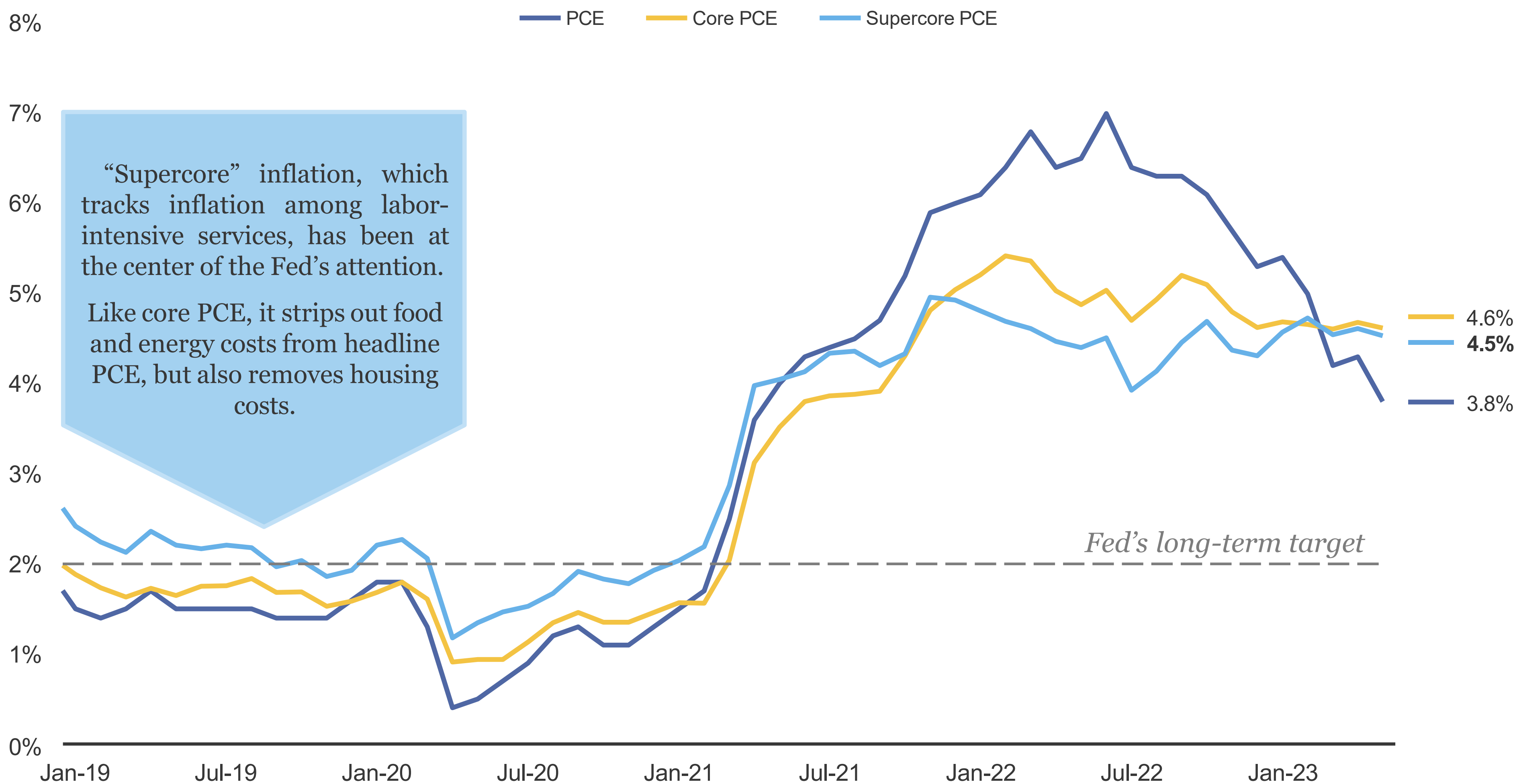
Provided by Sub-Advisor - PFM Asset Management LLC

Market Update

Inflation Measures Remain Above Fed's Target

The Fed's Key Inflation Rate

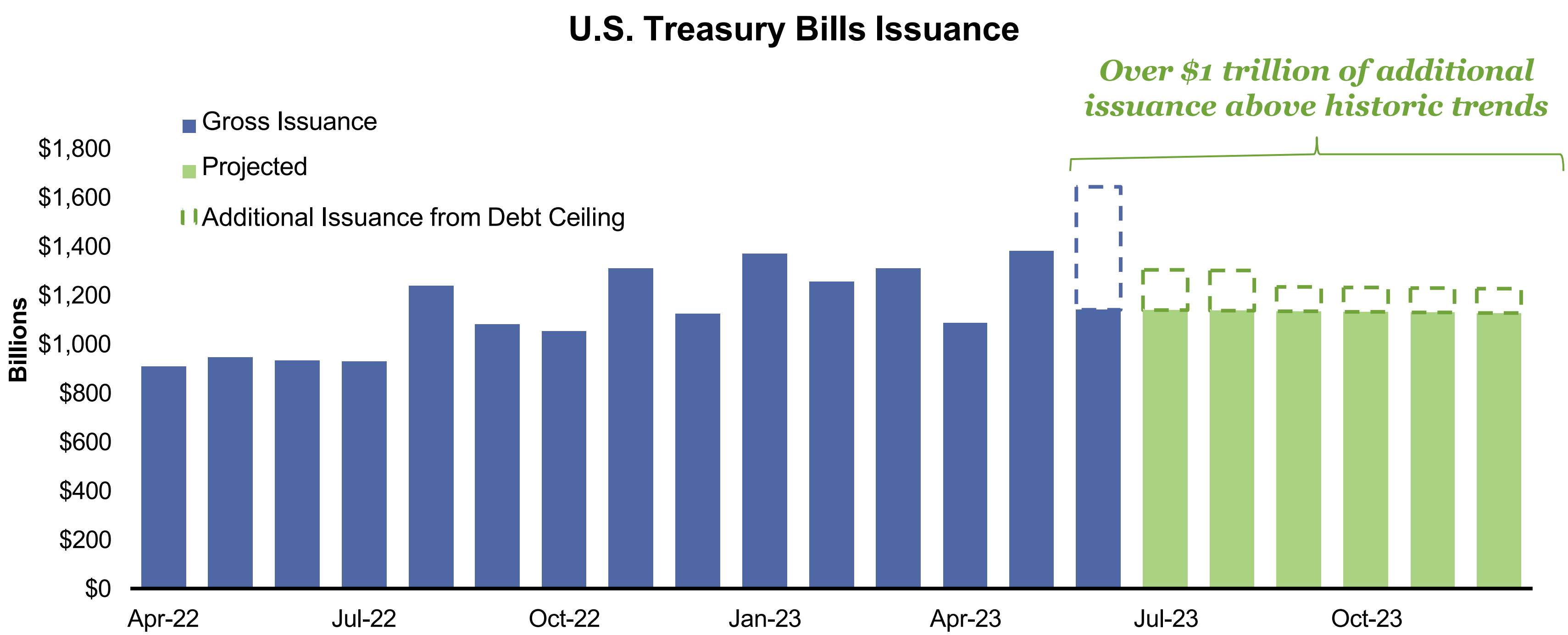
Personal Consumption Expenditure Price Index, Year-over-year



Source: Federal Reserve, Bloomberg, Bureau of Economic Analysis as of May 2023.

Treasury Issuance Expected to Surge Following Debt Ceiling Deal

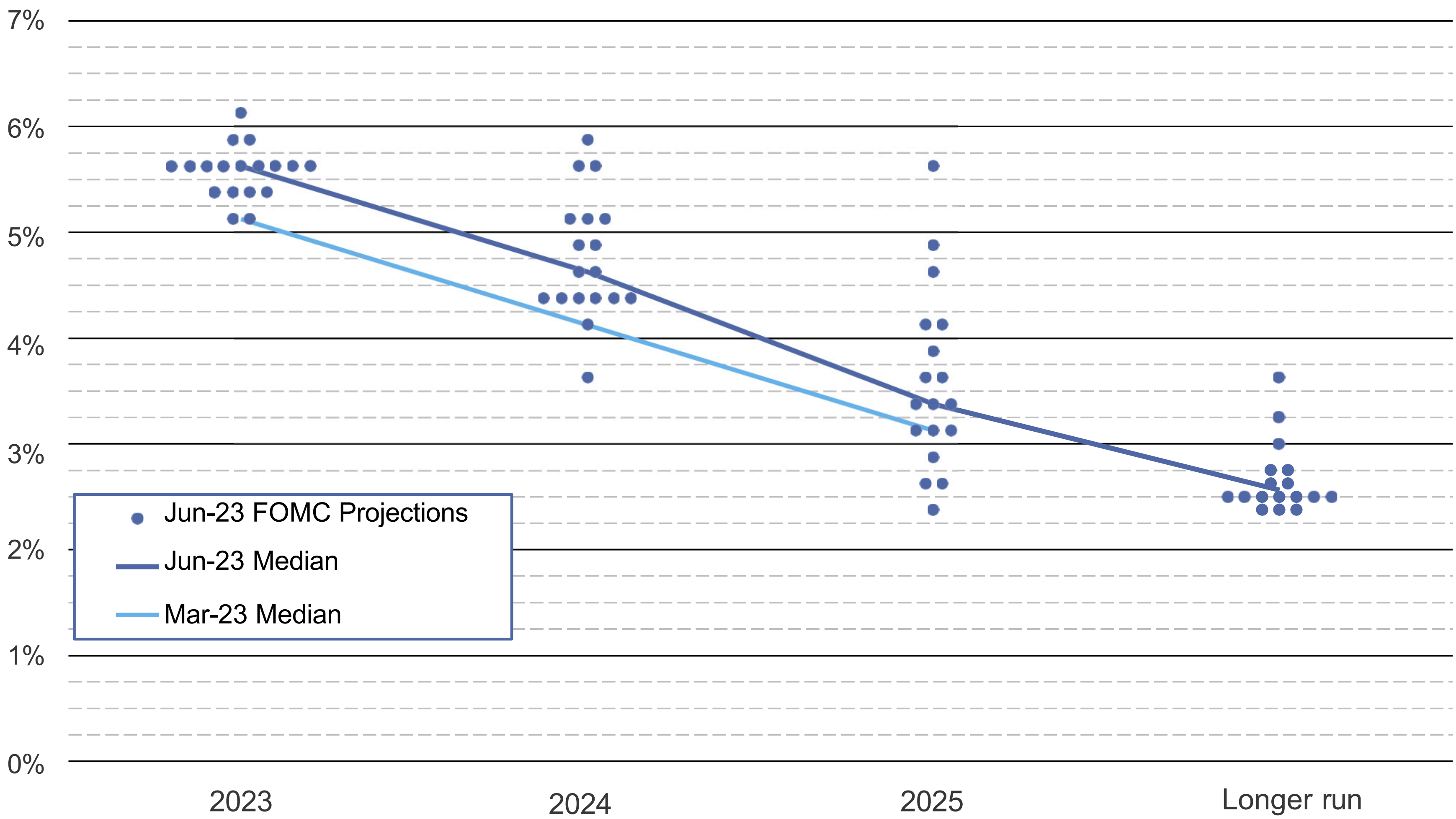
The Reason	The Impact
The U.S. Treasury needs to refill its depleted general fund while also covering higher outflows and lower tax receipts	The net new issuance is expected to pull liquidity out of other markets and place upward pressure on short-term Treasury yields and on other sectors



Source: Bloomberg, SIFMA, U.S. Treasury, Bank of America Global Strategy for U.S. Treasury issuance projections as of June 2023.

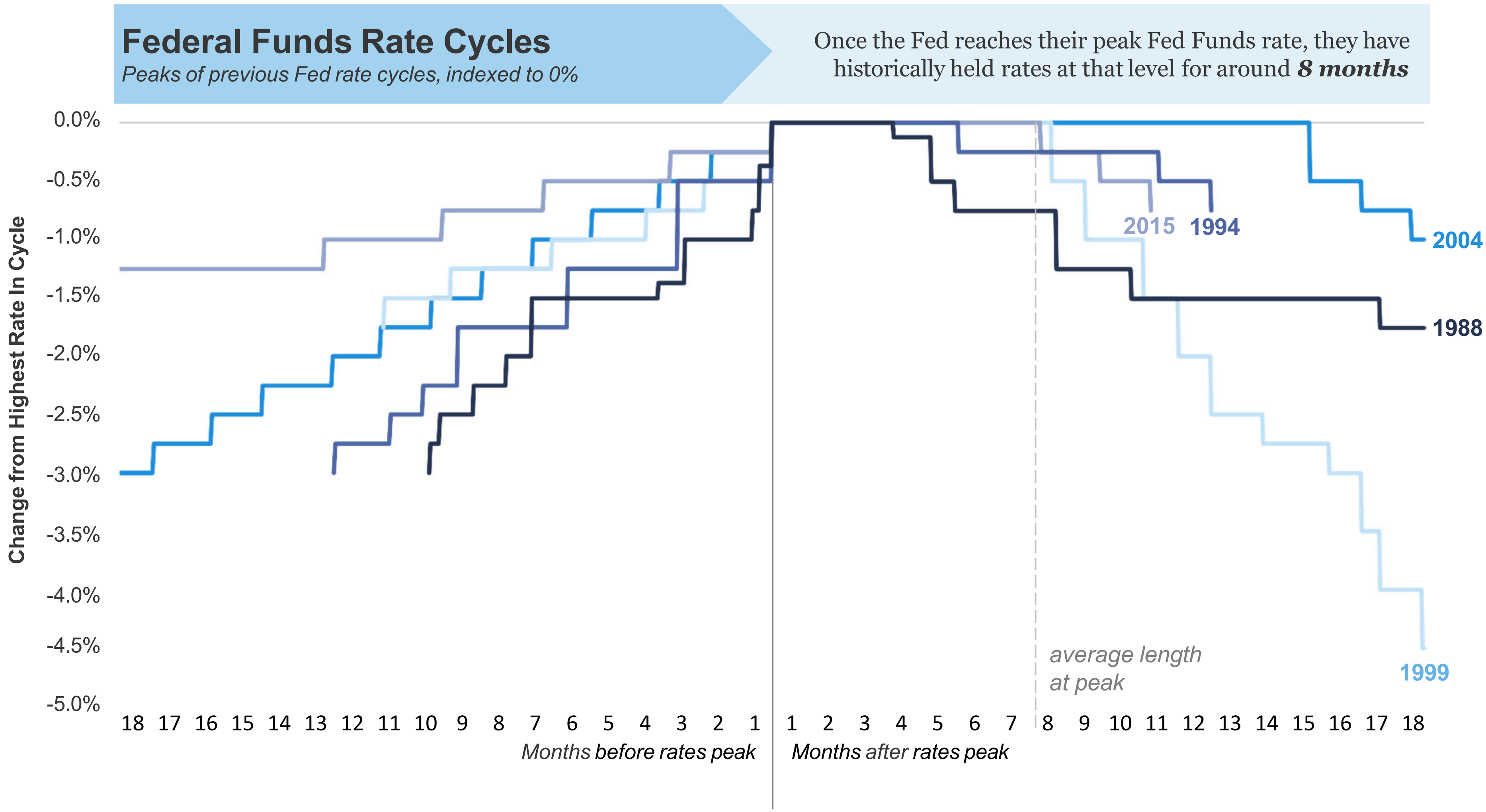
Fed's "Dot Plot" Shows We Are Nearing Sufficiently Restrictive Territory

Fed Participants' Assessments of 'Appropriate' Monetary Policy



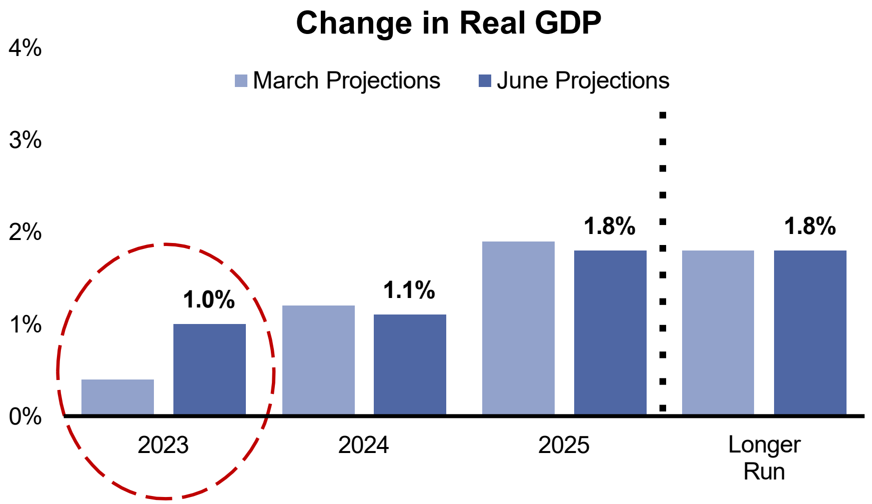
Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

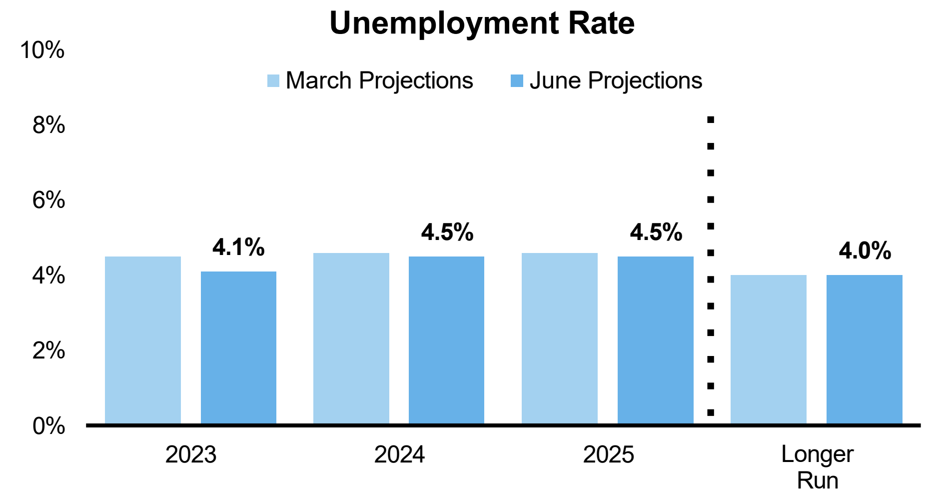
How Long Have Rates Stayed at the Peak?

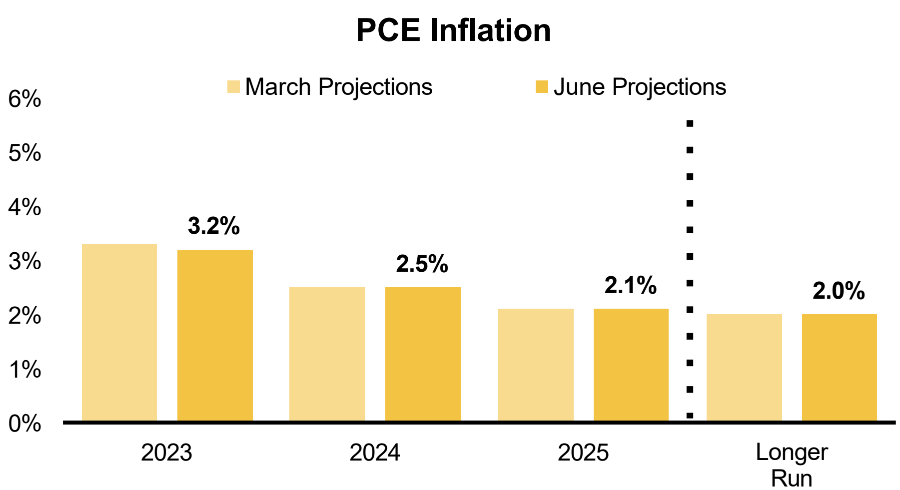


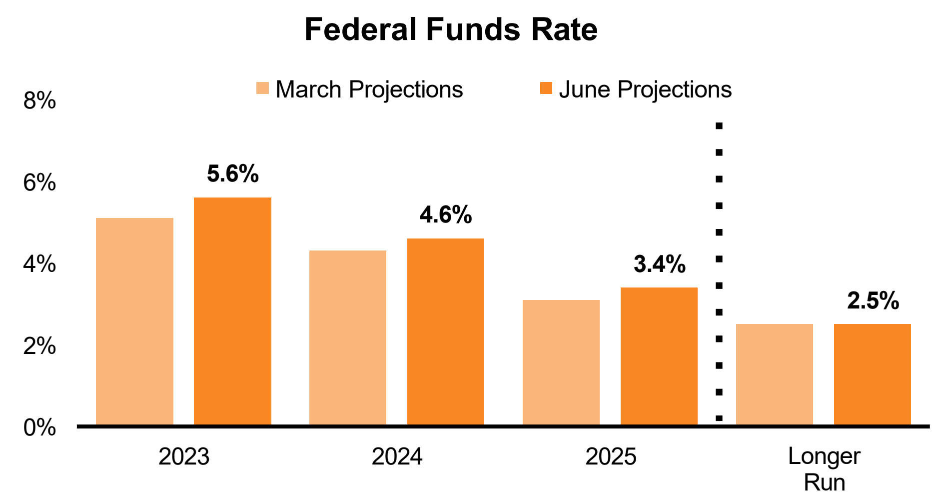
Source: Federal Reserve, Bloomberg.

Fed's Updated June Projections Reflect Stronger Economic Expectations for 2023



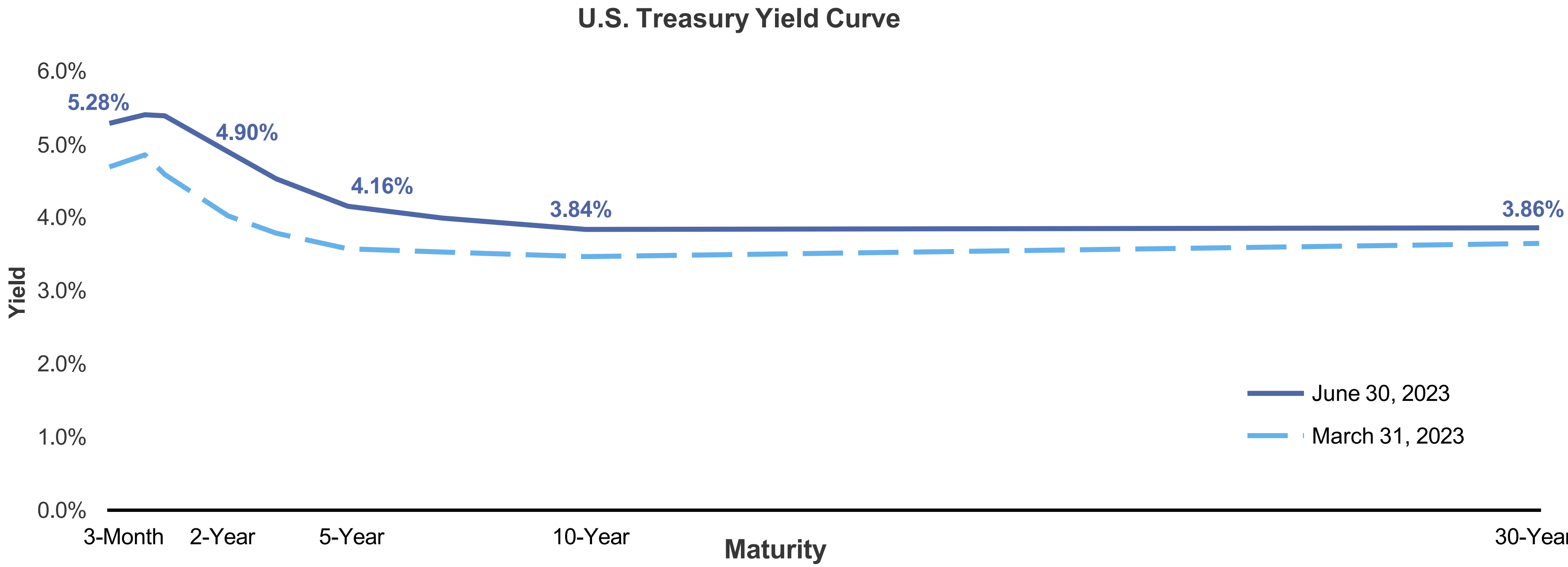


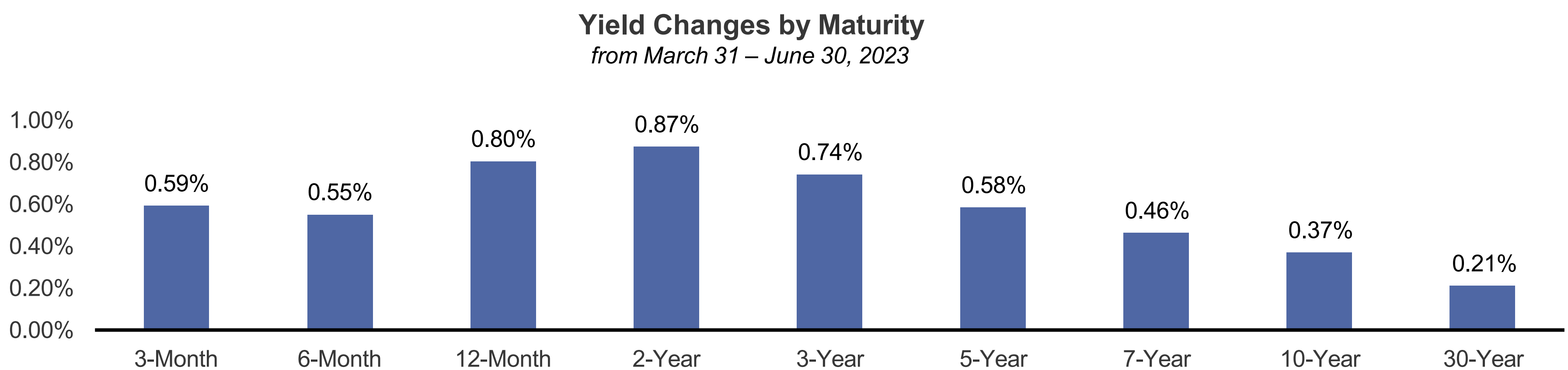




Source: Federal Reserve, latest economic projections as of June 2023.

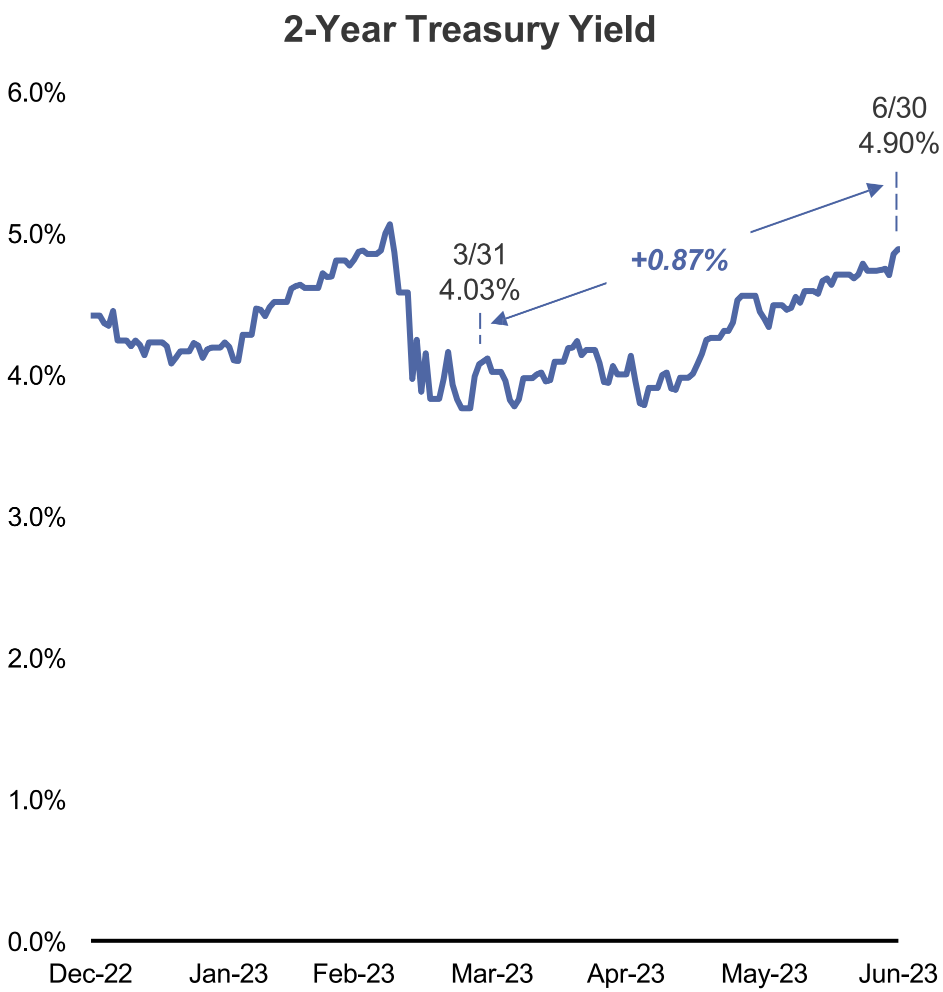
Interest Rates Rise as "Higher-for-Longer" Mantra Sets In

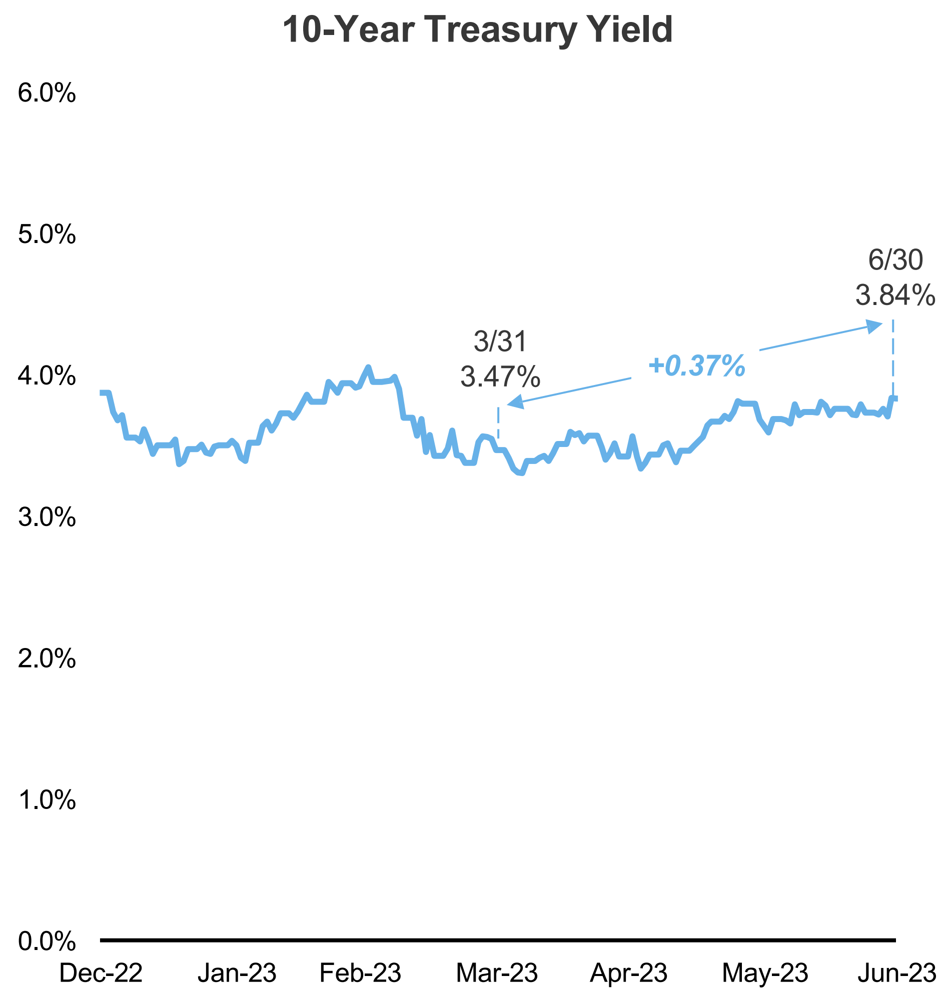




Source: Bloomberg, as of 06/30/2023.

Treasury **Yields** Move Upward on Expectation for Future Rate Increases

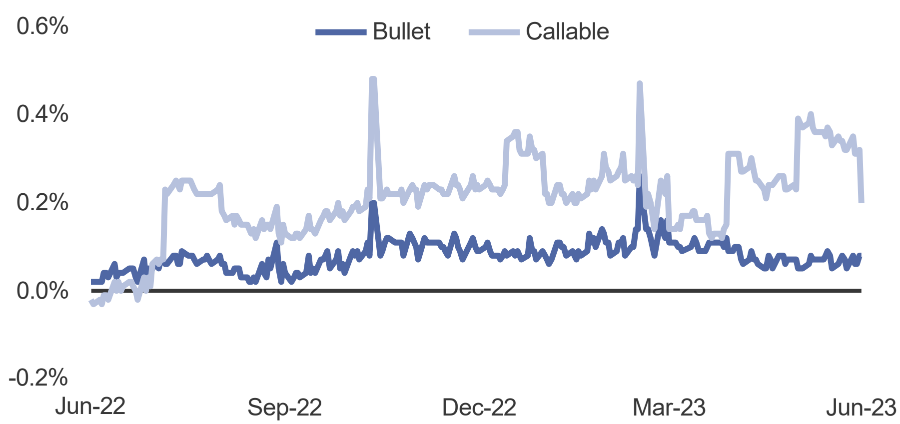




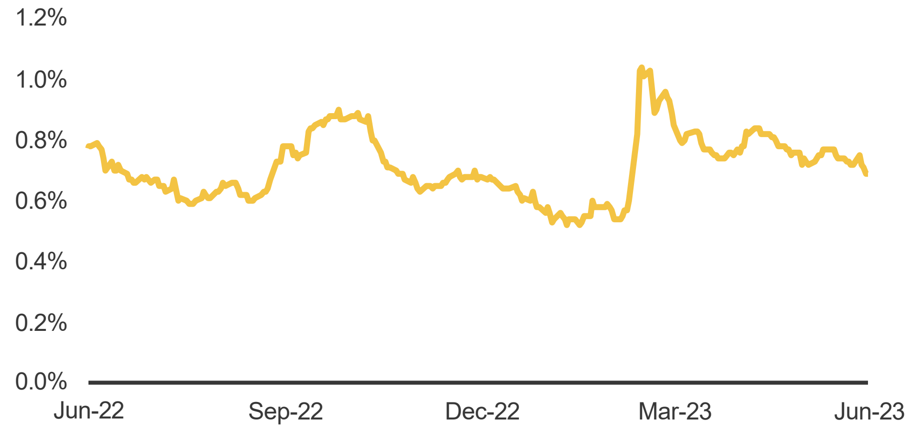
Source: Bloomberg, as of 06/30/2023.

Sector Yield Spreads

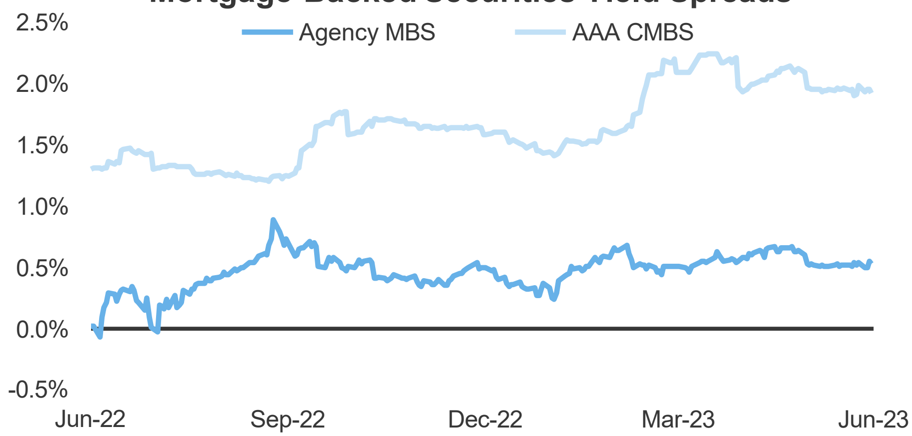
Federal Agency Yield Spreads



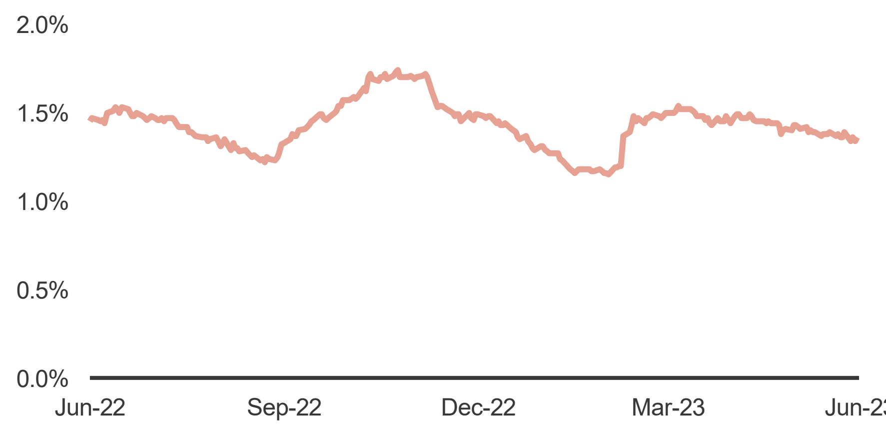
Corporate Notes A-AAA Yield Spreads



Mortgage-Backed Securities Yield Spreads



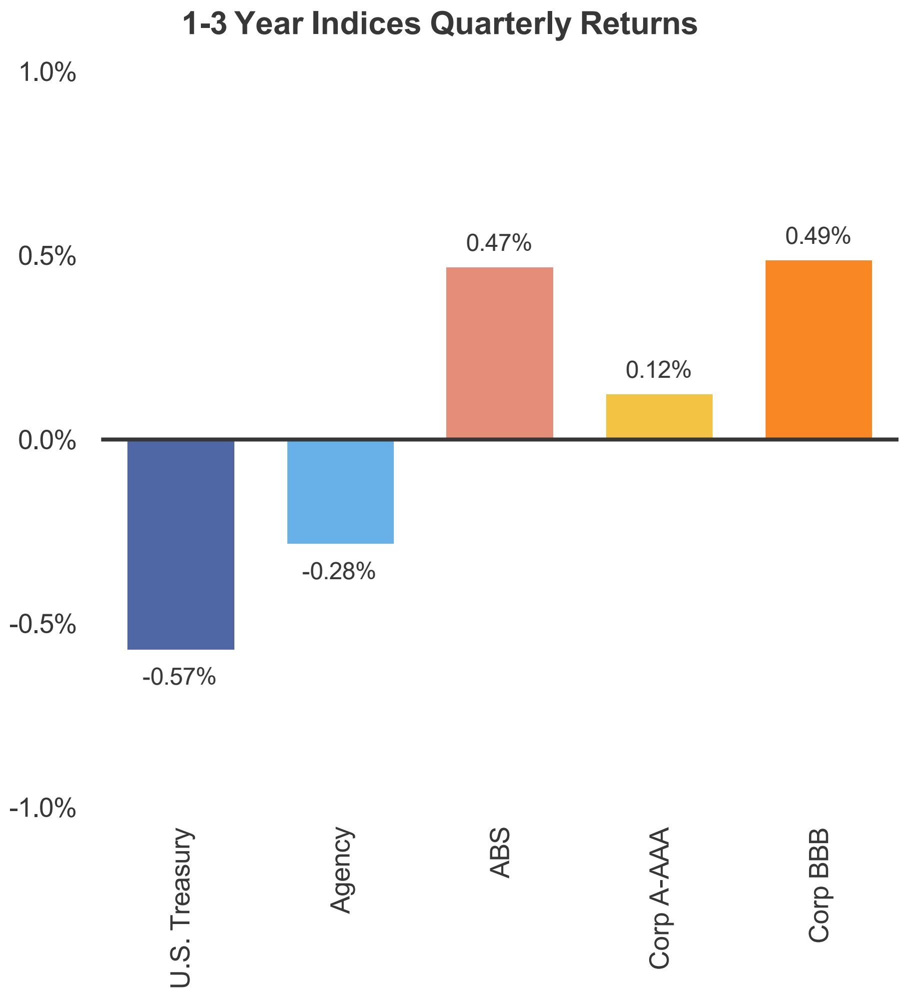
Asset-Backed Securities AAA Yield Spreads

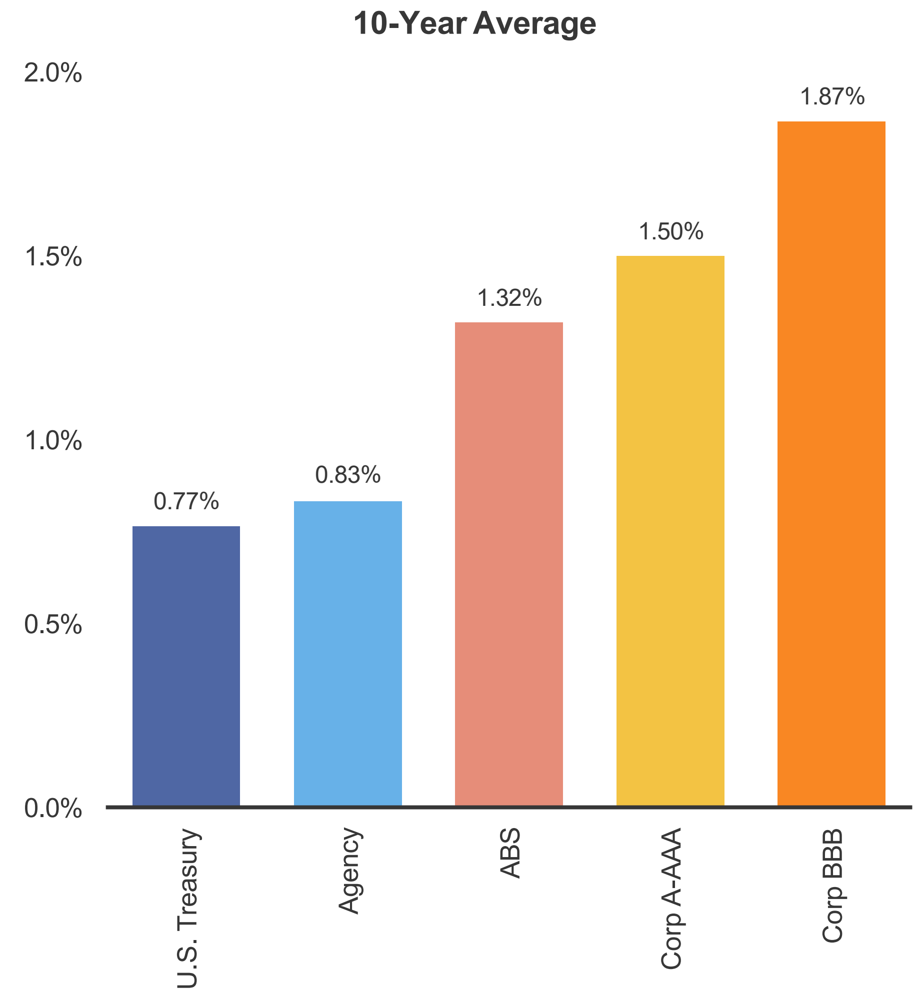


Source: ICE BofAML 1-3 year Indices via Bloomberg, MarketAxess and PFMAM as of 06/30/2023. Spreads on ABS and MBS are option-adjusted spreads of 0-3 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries.
CMBS is Commercial Mortgage-Backed Securities.

Fixed-Income Markets in Q2 2023

1-3 Year Indices





Source: ICE BofAML Indices. ABS indices are 0-3 year, based on weighted average life. As of 6/30/2023.

Fixed-Income Sector Commentary – 2Q 2023

- **U.S. Treasuries:** After plummeting at the end of Q1 due to volatility in the banking sector, short and medium-term yields steadily climbed throughout the quarter, with the 2-year rising over 100 basis points.
- **Federal agency** yield spreads tightened during the quarter. Agency discount notes were favored over U.S. Treasury bills during the debt ceiling impasse; however, during Q1 value waned and callable spreads moved to the tighter end of their historical range.
- **Supranational** issuance was heavier than usual in the first couple months of the year which allowed spreads to widen and sporadic buying opportunities to arise. As supply dried up, spreads narrowed and traded in a tight range for the balance of the quarter.
- **Investment-Grade Corporate** spreads continued to retrace from their Q1 wides but remained above longer-term averages. Following the “risk-on” theme in the latter part of Q2, the IG curve flattened, resulting in longer durations and lower quality (BBB) performing best. Although the spread between financials and industrials remained well above typical levels, financials outperformed in Q2 as retracement from the exceptionally wide spreads in Q1 was significant.
- **Asset-Backed Security** spreads also retraced from mid-March wides, but not nearly to the extent as in corporates. Auto ABS issuance increased during Q2, which was a function of pent-up consumer demand.
- **Mortgage-Backed Securities** whipsawed in Q2 as a steep tightening of spreads through the second half of the quarter more than offset the steady and consistent widening through April. As a result, the sector generated attractive excess returns for the quarter. Strong returns were driven largely by the risk-on sentiment through much of the quarter and a modest decline in supply due to a drop in existing home sales and refinancings.
- **Taxable Municipals** issuance remained heavily oversubscribed due to a lack of new issuance. The secondary market had sporadic but limited opportunities that offered an attractive pickup versus industrial corporates.
- **Short-term credit** (commercial paper and CDs) yields increased during Q2 as the market repriced to actual Fed rate increases and reduced expectations for Fed rate cuts in late 2023. Spreads in short credit remained elevated and attractive for most of Q2 and added notable incremental income to shorter-term portfolios and liability-matching strategies inside of 12-month maturities.

Important Disclosures

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It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

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- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

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 a team member.

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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.

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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.

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.

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.

Net of Fees: Represents all assets included in the calculation of the portfolio -- after the deduction of trust and asset management fees. Please refer to the client fee schedule for additional information.

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.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Independent Accountant's Compilation Report

Financial Statements - Statutory Basis

June 30, 2023 and 2022

and

September 30, 2022

QUARTERLY STATEMENT
FOR THE PERIOD ENDED JUNE 30, 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 June 30, 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
August 29, 2023

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Balance Sheets - Statutory Basis

June 30, 2023 and 2022 and September 30, 2022

Assets

	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	September 30, 2022 (Audited)
Cash:			
Cash on deposit	$ 2,913,569	1,027,227	1,151,445
Short-term investments	987,056	997,632	-
Total cash	3,900,625	2,024,859	1,151,445
Long-term investments	14,795,810	15,484,100	13,711,558
Accounts receivable	-	10,540	14,547
Premiums receivable	101,533	-	10,683,529
Interest receivable	23,756	14,329	21,503
Reinsurance recoverable on paid losses	851,982	1,244,621	1,887,369
Total assets	$ 19,673,706	18,778,449	27,469,951

Liabilities and Surplus

	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	September 30, 2022 (Audited)
Loss reserves	$ 5,463,207	4,029,106	4,621,930
Loss adjustment expenses	2,383,721	2,980,682	2,249,940
Unearned premium	3,004,319	2,584,155	11,662,104
Taxes payable	91,201	82,346	106,591
Other liabilities	352,273	163,171	373,730
Funds held under reinsurance treaties	25,000	25,000	25,000
Total liabilities	11,319,721	9,864,460	19,039,295
Surplus	8,353,985	8,913,989	8,430,656
Total liabilities and surplus	$ 19,673,706	18,778,449	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 June 30, 2023 and 2022

and the year ended September 30, 2022

	Nine Months Ended June 30, 2023 (Unaudited)	Nine Months Ended June 30, 2022 (Unaudited)	Year Ended September 30, 2022 (Audited)
Revenues:			
Premiums earned, direct	$ 10,219,783	8,675,285	11,552,439
Premiums earned, transferred by excess	(3,458,745)	(2,728,667)	(3,923,186)
Net premiums	6,761,038	5,946,618	7,629,253
Investment income	235,546	46,196	1,142
Miscellaneous income	113,884	111,925	112,913
Total revenues	7,110,468	6,104,739	7,743,308
Expenses:			
Losses incurred, direct	3,670,381	3,045,253	7,134,579
Losses incurred, transferred by excess	148,212	(560,467)	(2,771,433)
Net losses	3,818,593	2,484,786	4,363,146
Loss expenses incurred	681,193	1,054,717	686,598
Other underwriting expenses incurred	2,687,353	2,521,172	3,132,833
Total expenses	7,187,139	6,060,675	8,182,577
Net income/(loss) - statutory basis	$ (76,671)	44,064	(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 June 30, 2023 and 2022

and the year ended September 30, 2022

		Nine Months Ended		Year Ended
		June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	September 30, 2022 (Audited)
Surplus, beginning of period	$	8,430,656	8,869,925	8,869,925
Net income/(loss) - statutory basis		(76,671)	44,064	(439,269)
Unrealized capital gain		-	-	410,693
Change in non-admitted assets		-	-	(410,693)
Dividends		-	-	-
Surplus, end of period	$	8,353,985	8,913,989	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 June 30, 2023 and 2022

and the year ended September 30, 2022

		Nine Months Ended		Year Ended
		June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	September 30, 2022 (Audited)
Premiums collected, net of excess insurance	$	8,699,674	8,920,758	8,993,812
Loss and loss adjustment expenses paid		(2,489,341)	(4,239,587)	(6,530,494)
Underwriting expenses paid		(2,724,200)	(2,516,551)	(2,893,408)
Cash from underwriting		3,486,133	2,164,620	(430,090)
Investment income		233,293	47,352	405,817
Miscellaneous income		113,884	111,925	112,913
Net cash from operations		3,833,310	2,323,897	88,640
Transfers in:				
Other sources		122	64	-
Transfers out:				
Other applications		(1,084,252)	(2,241,800)	(879,893)
Net change in cash and short-term investments		2,749,180	82,161	(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	$	3,900,625	2,024,859	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 (June 30, 2023), $109,273 (June 30, 2022), and $109,273 (September 30, 2022). The total member surplus reflected on NLC's financials for LARM were $3,075,396 (June 30, 2023), $2,664,703 (June 30, 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 June 30, 2023				
Cash on deposit	$	250,000	2,855,623	3,105,623
Short-term investments		987,056	-	987,056
Long-term investments		14,795,810	-	14,795,810
	$	16,032,866	2,855,623	18,888,489
At June 30, 2022				
Cash on deposit	$	250,000	983,153	1,233,153
Short-term investments		997,632	-	997,632
Long-term investments		15,484,100	-	15,484,100
	$	16,731,732	983,153	17,714,885
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.

	June 30, 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	$ 994,580	-	4,595,255	229,232	5,589,835	229,232
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	-	-	8,892,241	829,245	8,892,241	829,245
Industrial and miscellaneous unaffiliated	-	-	-	-	-	-
Total bonds	994,580	-	13,487,496	1,058,477	14,482,076	1,058,477
Total temporarily impaired securities	$ 994,580	-	13,487,496	1,058,477	14,482,076	1,058,477

The amortized cost and estimated statutory fair value of bonds at June 30, 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	$ 987,056	994,580
Due after one year through five years	11,546,753	10,781,613
Due after five years through ten years	2,999,219	2,705,883
Due after ten years	-	-
	$ 15,533,028	14,482,076

See independent accountant's compilation report.

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

	June 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	$ 988,050	9,582	3,535,975	204,258	4,524,025	213,840
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	-	-	10,734,840	759,315	10,734,840	759,315
Industrial and miscellaneous unaffiliated	-	-	-	-	-	-
Total bonds	988,050	9,582	14,270,815	963,573	15,258,865	973,155
Total temporarily impaired securities	$ 988,050	9,582	14,270,815	963,573	15,258,865	973,155

The amortized cost and estimated statutory fair value of bonds at June 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	$ 997,632	988,050
Due after one year through five years	12,235,491	11,502,130
Due after five years through ten years	2,998,897	2,768,685
Due after ten years	-	-
	$ 16,232,020	15,258,865

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	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
Bonds:						
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 June 30, 2023 and 2022 and September 30, 2022 are temporary and are presented on the following page.

See independent accountant's compilation report.

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

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

June 30, 2023	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Obligations of U.S. Government sponsored enterprises	$ 15,533,028	7,525	1,058,477	14,482,076
Total	$ 15,533,028	7,525	1,058,477	14,482,076

June 30, 2022	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Obligations of U.S. Government sponsored enterprises	$ 16,232,020	-	973,155	15,258,865
Total	$ 16,232,020	-	973,155	15,258,865

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 June 30, 2023 and 2022 and September 30, 2022 are as follows:

	June 30, 2023				
Financial assets:	Statement Value	Estimated Fair Value	Level 1	Level 2	Level 3
Bonds	$ 15,533,028	14,482,076	-	14,482,076	-
Cash on deposit (including certificates of deposit)	3,163,407	3,147,345	2,914,695	232,650	-
Investment income due and accrued	23,756	23,756	23,756	-	-
Total	$ 18,720,191	17,653,177	2,938,451	14,714,726	-

See independent accountant's compilation report.

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

		June 30, 2022				
Financial assets:		Statement Value	Estimated Fair Value	Level 1	Level 2	Level 3
Bonds	$	16,232,020	15,258,865	-	15,258,865	-
Cash on deposit (including certificates of deposit)		1,276,939	1,260,434	1,026,939	233,495	-
Investment income due and accrued		14,329	14,329	14,329	-	-
Total	$	17,523,288	16,533,628	1,041,268	15,492,360	-

		September 30, 2022				
Financial assets:		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 $103,423 (June 30, 2023), $71,334 (June 30, 2022), and $91,649 (September 30, 2022). The total amount of payables to the League of Nebraska Municipalities was $550 (June 30, 2023), $560 (June 30, 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.

		June 30, 2023	June 30, 2022	September 30, 2022
Contributions:				
Direct	$	10,219,783	8,675,285	11,552,439
Ceded		(3,458,745)	(2,728,667)	(3,923,186)
Net contributions earned	$	6,761,038	5,946,618	7,629,253
Losses:				
Direct	$	3,670,381	3,045,253	7,134,579
Ceded		148,212	(560,467)	(2,771,433)
Net losses incurred	$	3,818,593	2,484,786	4,363,146

The Pool has recorded reinsurance recoverables on paid losses from reinsurance companies of $851,982 (June 30, 2023), $1,244,621 (June 30, 2022), and $1,887,369 (September 30, 2022).

The Pool has recorded reinsurance recoverables on unpaid loss and loss adjustment expenses payable of $4,639,189 (June 30, 2023), $4,022,062 (June 30, 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 June 30, 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 June 30, 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:

		June 30, 2023	June 30, 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 June 30, 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 August 29, 2023. There were no subsequent events that require disclosure and/or adjustments.

SUPPLEMENTAL INFORMATION

TKB Certified Public Accountants

Thomas, Kunc & Black, LLP

Independent Accountant's Compilation Report
on Supplemental Information

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

The June 30, 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
August 29, 2023

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Reconciliation of Unpaid Claim Liabilities

For the periods ended June 30, 2023 and 2022

and the year ended September 30, 2022

	Nine Months Ended		Year Ended
	June 30, 2023 (Unaudited)	June 30, 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	4,680,000	3,517,500	6,137,435
Increase/(decrease) in provision in insured events of prior policy years	(180,214)	22,003	(1,087,691)
Total incurred claims and claims adjustment expenses	4,499,786	3,539,503	5,049,744
Payments:			
Claims and claims adjustment expenses attributable to insured events of the current policy year	1,940,063	1,284,790	2,555,720
Claims and claims adjustment expenses attributable to insured events of prior policy years	1,584,665	2,491,140	2,868,369
Total payments	3,524,728	3,775,930	5,424,089
Total unpaid claims and claims adjustment expenses at end of period	$ 7,846,928	7,009,788	6,871,870

See independent accountant's compilation report on supplemental information.

2023 REINSURANCE RENEWAL OVERVIEW

LARM Board of Directors Meeting, Lincoln NE

September 27, 2023

AGENDA

OUR PURPOSE IS TO UPDATE THE LARM BOARD ON REINSURANCE NEGOTIATIONS AND OUTCOMES THAT WILL FACILITATE BOARD ACTION FOR BINDING REINSURANCE PROGRAM RENEWALS EFFECTIVE OCTOBER 1, 2023

» Market Overview

» Primary Property Renewal

» Excess Workers Compensation Renewal

» Excess Liability Renewal

MARKET – OVERVIEW

General Reinsurance Market Conditions – 2023

1. Inflation = massive factor in the increasing cost of claims
   - economic, social, wage, and medical
   - proactive pre-loss by loss prevention techniques more important than ever
2. Backlogged court system concern = potential nuclear verdicts are awaiting trial
3. Underwriters will Continue to Refine Coverage = clarify the intent and/or exclude
   - popular coverage restrictions expected to continue in 2023 include:
     - ✓ per- & poly-fluoroalkyl substances (**PFAS**), or aka "forever chemicals"
     - ✓ assault and battery
     - ✓ abuse and molestation

MARKET – OVERVIEW

Property

1. Market is not improving since May
2. Likely limited new capacity entering the market due to attractive alternative investments
3. Reinsurance costs likely to continue to increase
4. Pressure on property values will persist
5. Convective storm is a concerning CAT peril to industry
6. Underwriters will continue to see record submissions and be able to “cherry pick” favorable risks

MARKET – OVERVIEW

Workers' Compensation	Liability

Workers' Compensation

Market Remains Stable

- significant amount of reserve redundancies, and
- competition for premium dollars

Challenges on rate adequacy

- rising medical costs, wage growth, an aging workforce
- the transition back to an in-person work environment and job shifting

Liability

Hardening in the market

- liability rates have now increased 23 consecutive quarters*, but at a slower pace due to competition & increased capacity
- increasing frequency of severe claims on litigated liability cases
  - ✓ social inflation and third-party litigation financing
- capacity restrictions in difficult jurisdictions

*Council of Insurance Agents & Brokers (CIAB) through the second quarter of 2023

$3M PRIMARY PROPERTY*– 2 YEAR HISTORICAL

Program Details	2022-2023	2023-2024
Program Coverage	Follow LARM Form	Follow LARM Form
Limits of Liability		
-All Risk Limit:	$2,900,000	$2,900,000
-CAT Perils (EQ, Flood W&H) Limits:	$2,550,000	$2,550,000
Pool Retention		
-All Risk:	$100,000	$100,000
-CAT Perils (EQ, Flood W&H):	$450,000	$450,000
Exposure/Rate		
Total Insured Values (TIV):	$2,064,002,368	$2,269,600,130
YOY +/-	NA	10.0%
Rate Per $100 TIV:	.0533	.0693
YOY +/-	NA	30.0%
Annual Premium	$1,100,000	$1,572,458
YOY +/-	NA	43.0%

** National League of Cities (NLC) Mutual Insurance Company*

EXCESS LIABILITY* – FIVE YEAR HISTORICAL

Program Details	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Program Options	Expiring	Expiring	Expiring	Expiring	**Expiring**
Retention / Limits					
-Retention:	$300,000	$300,000	$300,000	$300,000	**$300,000**
-Per Member:	$4,700,000	$4,700,000	$4,700,000	$4,700,000	**$4,700,000**
-Per Occurrence Maximum:	$15,000,000	$15,000,000	$15,000,000	$15,000,000	**$15,000,000**
Exposure/Rate					
-Net Operating Expense (NOE):	$438,181,163	$539,225,181	$544,643,342	$595,160,582	**$618,689,451**
YOY +/-	1%	23%	8.8%	9.28%	**4.0%**
-Rate Per $1000 Est. NOE:	1.0716	1.0873	1.1308	1.2438	**1.3370**
YOY +/-	2%	1.5%	4%	10.00%	**7.50%**
GL Accident Year Net Losses	$1,152,401	$1,307,741	$1,073,870	$350,627**	**NA**
Annual Premium	$468,560	$586,300	$615,882	$740,308	**$827,188**
YOY +/-	2.71%	25.13%	5.05%	20.20%	**11.7%**

** National League of Cities (NLC) Mutual Insurance Company*
*** Through Q2*

EXCESS WORK COMP – FIVE YEAR HISTORICAL

Program Details	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Excess Carrier	MEC *	MEC	MEC	MEC	MEC
Workers' Compensation - Specific Limit: - Retention each accident, each employee for disease:	Statutory $750,000	Statutory $750,000	Statutory $750,000	Statutory $750,000	Statutory $750,000
Employers Liability - Limit: - Retention:	$2,000,000 $750,000	$2,000,000 $750,000	$2,000,000 $750,000	$2,000,000 $750,000	$2,000,000 $750,000
Aggregate Limit	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000
Exposure/Rate Estimated Payroll: YOY +/- Rate Per $100 Est. Payroll: YOY +/-	$78,333,071 + 2.4% .4853 1.5%	$86,490,825 + 10.4% .4856 0.1%	$90,221,863 + 4.3% .4856 0.0%	$119,254,865 + 32.18% .4929 1.5%	127,233,293 + 6.7% .4929 0.0%
Annual Premium YOY +/-	$380,150 - 3.9.%	$419,999 10.5.%	$496,319 4.3%	$587,807 18.4%	$627,133 + 6.7%

** MEC = Midwest Employers Casualty*

RENEWAL - OVERVIEW

Changes in Terms and Conditions

NLC Liability Renewal

- PFAS Chemical Exclusion Added – Effective 10.01.2023
  - ✓ NLC policy will not insure any loss, claim or injury based upon, directly or indirectly arising out of, or resulting from polypolyfluoroalkyl and perfluoroalkyl substances (PFAS)
  - ✓ 2023-2024 LARM Liability Coverage Document amended to mirror NLC wording

2023-2024 RENEWAL - ANNUAL PREMIUMS*

$3M Primary Property	Excess Liability Annual Premium	Excess Workers' Compensation
$1,572,458	$827,188	$627,133

** Annual premiums are approximate based on current indications*

MOTION

THE LARM BOARD MAY ACT ON THE PRIMARY PROPERTY, EXCESS LIABILITY, AND EXCESS WORKERS' COMPENSATION REINSURANCE RENEWAL PROGRAMS AS PRESENTED

Approve the annual reinsurance update and place the following coverages:

» Primary Property - Effective 10.01.2023

» Excess Liability - Effective 10.01.2023

» Excess Workers' Compensation - Effective 10.01.2023

SPONSORSHIP AGREEMENT

This Sponsorship Agreement ("Agreement") is made by and between the League of Nebraska Municipalities and the League Association of Risk Management, both organized and existing under Nebraska law, effective February 28, 2023.

RECITALS

WHEREAS, the League of Nebraska Municipalities (the "League") is a Nebraska nonprofit corporation whose members are cities and villages, whose mission is to effectively represent the interests of member municipalities to preserve local control and empower municipal officials to shape the destiny of their municipality and improve the quality of life of their citizens.

WHEREAS, the League Association of Risk Management ("LARM") is an interlocal agency of the State of Nebraska which operates a risk management pool for the purpose of providing risk management services to its members under the Nebraska Intergovernmental Risk Management Act.

WHEREAS, the League was instrumental in the formation of LARM in 1989 under the Interlocal Cooperation Act and LARM's receipt of a certificate of authority as a risk management pool under the Interlocal Risk Management Act in 1995 and led the effort to do so in order to provide the League's member municipalities with an alternative to private insurance, in recognition of the fact that there have been times when private insurance was either not available or affordable for municipalities.

WHEREAS, the League and LARM were parties to that certain Administrative Services Agreement dated as of June 21, 2000, as amended in 2005 (the "Prior Agreement").

WHEREAS, the majority of LARM members are also members of the League and any municipality, sanitary and improvement district, public power agency, or any other public agency which does not belong to the League must be approved for membership in LARM by the League pursuant to section 8.9.4 of LARM's Interlocal Agreement.

WHEREAS, the Interlocal Agreement and Bylaws that govern LARM provides that the League's Executive Director shall be an ex officio member of the LARM Board of Directors and shall serve as LARM's Administrator.

WHEREAS, the League's Executive Director, as Administrator of LARM, has certain powers and duties set forth in regulations promulgated by the Nebraska Department of Insurance and additional powers and responsibilities set forth in the Interlocal Agreement and Bylaws.

WHEREAS, the League allows LARM to use the trade name "League" and goodwill associated with that trade name as part of LARM's name, operations, and promotional activities.

WHEREAS, the League supports the operations of LARM and promotes LARM to members of the League and the public in general.

WHEREAS, the League and LARM have reached an agreement for the League to continue to sponsor and promote LARM, and for LARM to compensate the League for this sponsorship and promotion.

NOW THEREFORE, in accordance with the foregoing recitals, and for good and valuable consideration set forth below, it is agreed between the League and LARM:

1. Sponsorship. During the Term (as defined below) of this Agreement, the League shall sponsor, support, and promote LARM to League members and the public in general in the following ways:

a. Name. The League shall allow LARM to continue to use the name "League" to denote LARM's association with the League as part of the name "League Association of Risk Management." The parties agree to enter into a separate, written license agreement pursuant to which the League licenses the name "League," and variants of that name, to LARM, without additional charge, in the context of risk management and insurance services to municipalities and other governmental entities.

b. Promotion. The League shall promote LARM to League members and members of the public, including through (a) communications to League members; (b) material and links on the League's website; (c) direct communications with League members in support of LARM to support the efforts of LARM's sales staff; (d) free copy space and articles in the League's magazine; (e) free exhibition space and attendance at the League's Annual Conference, the League's Midwinter Conference, and other conferences and meetings sponsored by the League; (f) promotion of LARM and support of LARM's interests in lobbying conducted by the League.

c. Other Support. The League Executive Director shall perform all support functions required under LARM's Interlocal Agreement and Bylaws, including, but not limited to, (a) attending LARM Board of Directors Meetings; (b) assisting in the preparation for LARM Board of Directors meetings; (c) advising the LARM Board of Directors on policy and operational matters; (d) participating in Committees of the LARM Board of Directors; (e) supervising of LARM's Executive Director; and (f) advising and collaborating with the LARM Executive Director and LARM staff on the day-to-day operations of LARM.

2. Payment. In return for the sponsorship and other support provided in paragraph 1, above, LARM shall pay the League two percent (2%) of the gross member contributions actually received by LARM. Such payment shall be due and payable by November 15 in each fiscal year (October 1 – September 30) with respect to membership contributions received by LARM by October 31 of that year. If member contributions are received after October 31, in any given year, the 2% fee attributable to each such contribution shall be remitted to the League within 30 days of receipt by LARM.

3. Term. The term of this Agreement shall be for a period of five (5) years commencing as of October 1, 2023, and terminating on September 30, 2028 (the "Term"). The Term shall automatically renew for successive one (1) year additional terms until party provides the other with written notice of termination. Such notice of termination shall be provided at least one hundred twenty (120) days prior to the end of the then current Term.

4. Prior Agreement. For the avoidance of any doubt, the parties agree that the Prior Agreement has been terminated and is of no further force and effect. The parties knowingly waive and fully release each other as to any and all claims, liabilities, or demands that either party may have under the Prior Agreement.

5. Liability Insurance. LARM agrees to purchase and maintain errors and omissions liability insurance to cover the LARM Board of Directors and LARM staff. Such coverage shall be consistent with prior LARM practice and shall be subject to periodic review at regular intervals as is typical in the industry to confirm that such coverage is adequate for LARM's operations.

6. Compliance with Law. At all times, with respect to the business of LARM, the League and LARM shall conduct themselves in accordance with the requirements of Nebraska law.

7. Indemnification. Each party shall indemnify and hold the other party harmless from and against any and all claims and liability for loss, theft, injury, or damage to property or persons arising from any activity conducted by a party hereunder or arising from any negligence or willful misconduct of the party.

8. Default. In the event either party fails to comply with any of the material terms of this Agreement for a period of thirty (30) days after receiving written notice from the non-defaulting party specifying the nature of the default, then the non-defaulting party may declare an event of default. Provided, however, if the nature of the default is not possible to cure with reasonable diligence within such thirty (30) day period, it shall be a default only if the defaulting party fails to commence a cure within such period and fails to proceed with reasonable diligence to cure the same.

9. Remedies. If any event of default set forth in this Agreement shall occur and the defaulting party fails to cure the same within the express time period herein provided, then, in that event, the other party, in addition to any other rights of that party under this Agreement, may at its option and with ten (10) days prior written notice or demand, exercise any rights and remedies available at law or in equity, including, without limitation, specific performance of this Agreement. No remedy herein is intended to be exclusive of any other remedy provided herein or provided by law or in equity, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission of any party in exercising any remedies or power accruing upon any event of default shall impair any remedies or power or shall be construed to be a waiver of any event of default or any acquiescence therein.

10. Recitals. The recitals set forth above are hereby incorporated into and are explicitly made a part of this Agreement as if set forth in full herein.

11. Notice. Notice, demand, or other communication mandated to be given by this Agreement by either party to the other shall be sufficiently given or delivered if it is sent by registered or certified mail, postage prepaid, return receipt requested or delivered personally. For such purposes, addresses for notice purposes are:

League: League of Nebraska Municipalities
1335 L Street, Suite 100
Attn: Executive Director
Lincoln, NE 68508

LARM: League Association of Risk Management
1335 L Street, Suite 200
Attn: Executive Director
Lincoln, NE 68508

If the address of the League or LARM changes after execution of this Agreement, notice shall be provided at the then current principal business address of each respective party. Such notice, demand, or other communication shall be considered delivered as of the date of delivery if provided personally, or it shall be considered delivered as of the date that is three (3) days after such notice, demand, or other communication is provided by registered or certified mail in accordance with the requirements set forth above.

12. Governing Law. This Agreement shall be governed by and construed in accordance with Nebraska law.

13. Further Assurances. Each undersigned party will, whenever it shall be reasonably requested to do so by the other, promptly execute, acknowledge, and deliver, or cause to be executed, acknowledged, or delivered, any and all such further confirmations, instruments, or further assurances and consents as may be necessary or proper, in order to effectuate the covenants and agreements herein provided. Each of the undersigned parties shall cooperate in good faith with the other and shall do any and all other acts and execute, acknowledge and deliver any and all documents so requested in order to satisfy the conditions set forth herein and carry out the intent and purposes of this Agreement.

14. Interpretations. Any uncertainty or ambiguity existing herein shall not be interpreted against either party because such party prepared any portion of this Agreement but shall be interpreted according to the application of rules of interpretation of contracts generally.

15. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and it is expressly agreed that any prior oral or written agreements with respect to the subject matter hereof between the parties hereto are superseded by this Agreement and are no longer of any effect whatsoever. This Agreement cannot be modified or altered unless reduced to writing and consented to by all the undersigned parties of this Agreement.

16. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

17. Assignment. This Agreement shall apply to and bind the parties hereto and their respective successors and permitted assigns. It is also agreed that neither party shall assign all or part of its rights or obligations hereunder or otherwise transfer this Agreement without the prior written consent of the other. Such consent may be withheld in the sole discretion of the parties. For the purposes of this Agreement, a merger, consolidation, sale, or other change in control of the party shall be considered an assignment or other transfer and shall require the consent of the parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written, fully intending the same to be binding upon them and their permitted successors and assigns.

"League"
League of Nebraska Municipalities

____

By: ____________________________________

Its: ____________________________________

"LARM"
League Association of Risk Management

____

By: ____________________________________

Its: ____________________________________

4889-0932-0819, v. 1

LEASE AGREEMENT

THIS LEASE AGREEMENT, is made this **____** day of **_________________, 2023** and is entered into between the League of Nebraska Municipalities, a Nebraska non-profit corporation ("Landlord") and the League Association of Risk Management, a risk management pool formed under the Intergovernmental Risk Management Act and the Interlocal Cooperation Act of the State of Nebraska ("Tenant").

RECITALS

A. The Tenant is a risk management pool that was formed pursuant to the Nebraska Intergovernmental Risk Management Act and the Nebraska Interlocal Cooperation Act.

B. The Tenant provides coverage and risk management services to cities, villages, and other governmental agencies in Nebraska.

C. The Landlord is a Nebraska non-profit corporation that represents the interests of member municipalities in Nebraska.

D. The Landlord and Tenant both represent the interests of Nebraska municipalities and recognize the benefits of their close cooperation in providing services to their constituent members.

E. The Landlord owns the real estate and the improvements thereon located at 1335 L Street, Lincoln, Nebraska 68508 and legally described as Lot 3, Block 97, Lincoln Original, Lancaster County, Nebraska (the "Property" or the "Building").

F. The Tenant has leased space in the Property from Landlord and the parties desire to continue the lease of the space in the Property pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereto agree as follows:

1. LEASE: The Landlord conveys to the Tenant the area outlined on Exhibit "A" known as the second floor of the Property, consisting of approximately 4,426 square feet with 4,151 square feet of office space and 275 square feet of storage space, (the "Premises"), upon the following terms and conditions.

2. TERM: Except as otherwise set forth herein, the term of this Lease shall be five (5) years and shall commence effective as of October 1, 2022, and expire on September 30, 2027, unless extended or sooner terminated as herein provided. The parties acknowledge and agree that the Landlord has begun planning for the construction of a new headquarters facility that will likely require the demolition of the Building and the construction of the new headquarters facility on the Property and adjacent real estate owned by the Landlord. The Tenant has been included in the planning discussions related to the new headquarters facility and the parties have had initial discussions about the potential lease of space in the new headquarters facility by Tenant. If the Landlord decides to move forward with the construction of the new headquarters facility before the scheduled termination date for this Lease Agreement, the parties acknowledge and agree that this Lease Agreement shall be terminable by Landlord. In order to terminate the Lease Agreement, Landlord shall provide Tenant with written notice of the termination of the Lease and the schedule for the parties to vacate the Building prior to demolition of the same. Landlord agrees that Tenant shall continue to be included in planning activities for the new headquarters facility and notice of termination shall be provided at least ninety (90) days prior to the scheduled date the Building must be vacated. The parties further acknowledge and agree that they fully intend to enter into a lease for space to be occupied by the Tenant in the new headquarters facility. The parties intend that such lease will be on commercially reasonable terms. The parties further agree to reasonably cooperate with each other and coordinate efforts to find temporary space for their respective operations during the construction period that will be required for the new headquarters facility.

3. RENT: The Tenant shall pay to the Landlord as rent, at 1335 L Street, Suite A, Lincoln, NE 68508 or at such address as the Landlord may from time to time designate in writing, the annual sum of $60,812.46 in monthly installments of $5,067.71 for the entire term. Such payment shall be made on or before the first day of each month throughout the term of this Agreement. The rent is based upon the rate of $13.46 per square foot for the office space and $4.00 per square foot for the storage space. The foregoing rent also includes $40 per month for each of the eight (8) parking spaces as referenced below.

Tenant shall pay to the Landlord a late charge equal to 5% of the monthly rent for any installment which is not paid on or before the 5th day of the month.

4. DEPOSIT: The Tenant has, on the date of execution of this Agreement, deposited with the Landlord the sum of $5,067.71. That deposit shall be retained by the Landlord as security for the performance by the Tenant of this Agreement.

In the event of a default by the Tenant, the Landlord may, at the election of the Landlord, apply the deposit in complete or partial satisfaction of such default, without prejudice to any other rights of the Landlord. In the event of such application, without the termination of this Agreement, the Landlord shall give written notice to the Tenant, and Tenant shall pay to the Landlord a sum equal to the amount so applied on or before the tenth day of the month following receipt of the notice.

If the Tenant shall perform all of the terms and conditions of this Agreement, the Landlord shall, upon termination of this Agreement, return the deposit to the Tenant without interest.

5. UTILITY CHARGES: The Tenant shall not be required to pay Landlord as additional rent any amount per month for gas, electric, and water charges attributable to the leased Premises. No interruption of utility services by reason of causes beyond the reasonable control of the Landlord shall be an eviction or a disturbance of the Tenant's use and occupancy of the Premises, nor render the Landlord liable for damages. Tenant shall be liable for all other utility services serving the leased Premises.

6. USE: The Tenant shall use the Premises for office use only. The Tenant will not, without written consent of the Landlord, use the Premises for any other purpose.

7. SERVICES: The Landlord shall provide and pay for the following services:

a. Heating and air conditioning maintenance and replacement.

b. Garbage and refuse collection.

c. Snow removal from parking areas and sidewalks, and lawn care.

d. Utilities – water, gas, and electric.

No interruption of any services resulting from causes beyond the reasonable control of Landlord shall be deemed to be an eviction or disturbance of the Tenant's use or possession of the Premises, nor shall render the Landlord responsible for damages, nor release the Tenant from any provision contained in the Agreement

8. COMMON AREAS: The use and occupancy by the Tenant of the Premises shall include the use, in common with others, of hallways, restrooms, parking areas, sidewalks and other common areas as may be designated by the Landlord from time to time.

9. COMMON AREA MAINTENANCE: All the common areas shall be under the exclusive control and management of the Landlord.

The Landlord shall maintain the common areas, but no interruption of the use or maintenance of the common areas by reason of repairs, improvements, alterations or causes beyond the reasonable control of the Landlord, shall be an eviction or a disturbance of the Tenant's use and occupancy of the Premises, nor render the Landlord liable for any damages.

10. COMMON AREA MAINTENANCE COSTS: Common Area Maintenance Costs are included with the Rent set forth in section 3 above. NO additional payment shall be required by the Tenant for the Common Area Maintenance Costs.

11. TAXES: The Landlord shall pay all real estate taxes and special assessments levied against the Building in which the Premises are located.

12. IMPROVEMENTS BY LANDLORD: The Landlord reserves the right to make improvements, alterations, or additions to the Building, at any time, but such improvements, alterations or additions shall not materially change the general appearance, location or area of the Premises.

13. IMPROVEMENTS BY TENANT: The Tenant shall not make any improvements or alterations to the Premises without first submitting plans and specifications for such improvements or alterations to the Landlord and securing the Landlord's advance written consent. The Tenant shall pay all costs of such improvements and alterations, shall provide evidence of such payment to the Landlord upon request, and shall hold the Landlord harmless from any costs, liens, or damages.

The Tenant shall not install any sign or other advertisement or fixture on any part of the exterior of the Building without securing the Landlord's advance written consent. The Tenant shall, at the Tenant's expense, maintain any such exterior sign or other advertisement or fixture.

14. LANDLORD'S MAINTENANCE: The Landlord shall, at the Landlord's expense, maintain the structural and exterior portions of the Building, except signs or other advertisements or fixtures installed by the Tenant. Landlord to maintain utilities to point of outlet only.

15. TENANT'S MAINTENANCE: The Tenant shall, at the Tenant's expense, maintain the interior portions of the Premises, including interior and exterior doors and glass, and all fixtures and equipment appurtenant to the Premises.

16. WASTE: The Tenant shall not commit or permit any waste on the Premises, nor any public or private nuisance on the Premises, nor any use of the Premises which is contrary to any law, governmental regulation or insurance policy affecting or covering the Premises or which may be dangerous to persons or property.

The Landlord may enter and inspect the Premises at any reasonable time, by giving Tenant at least 24 hours' prior notice. Landlord may enter the Premises without prior notice when it is reasonably evident that an emergency exists.

17. RULES: The Tenant shall comply with all reasonable rules established, from time to time, by the Landlord for the use of the Premises and the common areas, including the following:

a. The Tenant shall not place or permit any obstruction in common areas nor use such areas other than for travel and parking.

b. The Tenant and the employees and agents of the Tenant shall park personal and business vehicles only in the portion of the common areas designated for such parking by the Landlord.

c. The Tenant shall not use any device on the Premises which may be heard outside of the Premises without securing the advance written consent of the Landlord.

Written notice of any amendments or additions to the rules shall be given by the Landlord to the Tenant.

18. COMPLIANCE WITH LAWS: Tenant will not use or occupy, or permit any portion of the Premises to be used or occupied, (a) in violation of any law, ordinance, order, rule, regulation, certificate of occupancy, or other governmental requirement, or (b) for any disreputable business or purpose, or (c) in any manner or for any business or purpose that creates risks of fire or other hazards, or that would in any way violate, suspend, void, or increase the rate of fire or liability or any other insurance of any kind at any time carried by Landlord upon all or any part of the Building in which the Premises are located or its contents.

At its sole cost and expense, Tenant will comply with all laws, ordinances, orders, rules, regulations, and other governmental requirements relating to the use, condition, or occupancy of the Premises, and all rules, orders, regulations, and requirements of the board of fire underwriters or insurance service office, or any other similar body, having jurisdiction over the Building in which the Premises are located.

19. LANDLORD'S RIGHTS: The Landlord shall have the following rights, exercisable without notice and without liability to the Tenant for damage or injury to persons, property or business, and without effecting any eviction or disturbance of the Tenant's use and possession of the Premises or giving rise to any claim for setoff or abatement of rent:

a. To change the name or street address of the Building.

b. To install and maintain signs on the exterior and interior of the Building.

c. To have pass keys to the Premises.

d. To grant anyone the exclusive right to conduct any business or render any service in any other area under control of the Landlord, provided that such exclusive right shall not operate to deny the Tenant the use of the Premises.

e. To approve or disapprove the weight, size, and location of safes, or other heavy equipment in or about the Premises and to require all such heavy equipment to be moved in and out of the Premises only at such times and in such manner as the Landlord shall direct and in all events at the risk and responsibility of the Tenant.

f. To enter and inspect the Premises at any time or times and make, at the expense of the Landlord, repairs in or to the Premises or any part thereof, or the land, parking areas, streets or alleys adjacent to the Premises.

20. LIABILITY INSURANCE: The Tenant shall secure and maintain during the term of this Lease a Commercial General Liability insurance policy with limits of at least $500,000 each occurrence and $1,000,000 general aggregate, protecting the interest of the Tenant and naming as an additional named insured, the Landlord. Such insurance shall be provided by a company or companies acceptable to the Landlord. Evidence of such coverage by the Tenant shall be submitted to the Landlord prior to occupancy, and annually thereafter throughout the term of this Lease.

The Tenant waives and releases any claim against the Landlord for injuries or damage to persons or property sustained by the Tenant or any other person, arising from any existing or future condition, from the operation or malfunction of any machinery, equipment or fixtures, or from any accident or other occurrence on or about the Premises or common areas, or arising from any act or omission of the Landlord or any other Tenant, unless such injuries or damage shall be caused by the negligence or willful act of the Landlord.

All property of the Tenant which may be on or about the Premises shall be the risk and responsibility of the Tenant. The Tenant waives and releases all claims against the Landlord, the officers, directors, agents and employees of the Landlord and all other Tenants for damage to property of the Tenant or in the custody of the Tenant on or about the property which damage is covered by valid and collectable insurance. The Landlord waives and releases any claim against the Tenant for damage to the Premises or the Building which damage is of a type covered by valid and collectable insurance. All rights of subrogation of the Landlord's and Tenant's respective fire and extended coverage carriers shall be subject to this Agreement.

21. CASUALTY LOSS: In the event the Premises or Building are damaged by fire or other insured casualty, Landlord will give Tenant notice of the time which will be needed to repair such damage, as determined by Landlord in its sole discretion, and if the election (if any) which Landlord has made according to this Paragraph 21. Such notice will be given before the thirtieth (30th) day (the notice date) after the fire or other insured casualty.

a. If the Premises or Building are damaged by fire or other insured casualty to an extent which may be repaired within sixty (60) days after the commencement of repair, as determined by Landlord, Landlord will begin to repair the damage within sixty (60) days after the notice date and will diligently pursue the completion of such repair. In that event this Lease will continue in full force and effect except that monthly rent will be abated on a pro rata basis from the date of the fire or other insured casualty until the date of the completion of such repairs based on the portion of the Premises the use of which Tenant is deprived during the repair period.

b. If the Premises or Building are damaged by fire or other insured casualty to an extent which may not be repaired within sixty (60) days after the commencement of repair but may be repaired within one hundred twenty (120) days after the commencement of repair, as determined by Landlord, then, at Landlord's option, Landlord will diligently pursue to repair such damage within one hundred twenty (120) days after the notice date. If Landlord elects to repair such damage monthly rent will be abated on a pro rata basis from the date of the fire or other casualty until the date of the completion of such repairs based on the portion of the Premises the use of which Tenant is deprived during the repair period. If Landlord does not elect to repair such damage, this Lease will terminate on the notice date.

c. If the Premises or Building are damaged by fire or other insured casualty to an extent which may not be repaired within one hundred twenty (120) days after the commencement of repair, as determined by Landlord, then (i) Landlord may cancel this Lease as of the date of such damage by written notice given to Tenant on or before the notice date, or (ii) Tenant may cancel this Lease as of the date of such damage by written notice given to Landlord within ten (10) days after Landlord's delivery of a notice that the repairs cannot be made within such one hundred twenty day (120) period. If neither Landlord nor Tenant so elects to cancel this Lease, Landlord will repair the Premises or Building and monthly rent will be abated on a pro rata basis from the date of the fire or other insured casualty until the date of the completion of such repairs based on the portion of the Premises the use of which Tenant is deprived during the repair period.

d. If Landlord shall elect to reconstruct or repair the Premises or Building, due allowance shall be made for reasonable delays caused by the adjustment of insurance claims, labor controversies or causes beyond the reasonable control of Landlord, and such delays shall not be cause to terminate this Lease.

e. If the proceeds of insurance are insufficient to pay for the repair of any damage to the Premises or the Building, Landlord will have the option to repair such damage or cancel this Lease as of the date of such casualty by written notice to Tenant on or before the notice date. If such damage by fire or other casualty is the result of the willful conduct or negligence or failure to act of Tenant, its agents, contractors, employees or invitees, there will be no abatement of monthly rent as otherwise provided for in this Paragraph 21.

22. CASUALTY INSURANCE: The Landlord shall pay all insurance premiums for fire and other casualty insurance on the Building.

23. CONDEMNATION: If all or a substantial portion of the Premises or the common areas shall be taken or condemned for any public use or purpose, so as to render the Premises unsuitable for occupancy, this Agreement shall terminate on the date when possession shall be required for such use or purpose, and the rent shall be prorated to the date of such termination, without apportionment of the award for such taking or condemnation, which shall belong exclusively to the Landlord.

24. SUBORDINATION: Upon the written request of the Landlord, the Tenant shall execute, acknowledge and deliver any and all instruments necessary or required to subordinate this Lease Agreement and the Tenant's right hereunder to the lien of any mortgage or other encumbrance upon said real estate in which the Premises are a part, or any portion thereof. The Tenant hereby irrevocably appoints the Landlord as the attorney-in-fact of the Tenant, with full power and authority to execute, acknowledge and deliver any such instruments in the name of the Tenant, in the event that the Tenant shall fail to comply with the written request of the Landlord within fifteen (15) days from and after the date of such request.

25. ASSIGNMENT: The Tenant shall not assign this Agreement, nor allow any transfer of or lien upon the Tenant's interest in this Agreement by operation of law, or sublet any portion of the Premises, nor permit the use of any portion of the Premises by anyone other than the Tenant and the employees, agents and business invitees of the Tenant, without first securing the advance written consent of the Landlord.

26. DEFAULT: Each of the following acts and omissions shall constitute a default by the Tenant and a breach of this Agreement.

a. Voluntary or involuntary bankruptcy, assignment for benefit of creditors, reorganization or rearrangement under the Bankruptcy Act, receivership, dissolution or the commencement of any action or proceeding for dissolution or liquidation of the Tenant whether instituted by or against the Tenant or any other similar action or proceeding.

b. The failure of the Tenant to pay the rent for a period of five (5) days after written notice by Landlord that the rent shall have become due.

c. The failure of the Tenant to comply with any other provision of this Agreement for a period of thirty (30) days after written notice of such failure.

27. REMEDIES: Upon default by the Tenant, the Landlord may re-enter and recover possession of the Premises as if the Premises were forcibly detained, and the Tenant waives any demand for possession of the Premises and any exemptions granted to the Tenant by law.

If the Landlord elects to re-enter and recover possession of the Premises, the Landlord may, at the election of the Landlord, either terminate this Agreement or relet the Premises on such terms and conditions as the Landlord may deem advisable. Upon reletting the Premises, rent received by the Landlord shall be applied in the following order:

a. To the costs of such reletting, including brokerage fees and attorneys' fees for such reentry and recovery of possession of the Premises.

b. To any sums due, other than rent, from the Tenant to the Landlord.

c. To rent due and unpaid.

d. To future rent to become due.

If the rent received by the Landlord shall be insufficient to satisfy the current obligations of the Tenant to the Landlord, the deficiency shall be paid by the Tenant on or before the tenth (10th) day of the month following receipt of the billing.

Notwithstanding any election by the Landlord, the Landlord may, at any time subsequent to the default of the Tenant, terminate this Agreement by giving written notice of such termination to the Tenant.

28. TERMINATION: Upon the termination of this Agreement, the Tenant shall:

a. Deliver possession of the Premises to the Landlord in as good condition as at the commencement of the term, ordinary wear excepted.

b. Leave undisturbed on the Premises all improvements and non-trade fixtures.

c. Remove from the Premises all trade fixtures and other personal property of the Tenant. The Tenant shall, at the Tenant's expense, repair any damage arising from the removal of such trade fixtures or personal property.

d. Tenant will have no right to remain in possession of all or any part of the Premises after the expiration of the term. If Tenant remains in possession of all or any part of the Premises after the expiration of the Term, with the express or implied consent of Landlord: (a) such tenancy will be deemed to be a periodic tenancy from month-to-month only; (b) such tenancy will not constitute a renewal or extension of this Lease for any further term; and (c) such tenancy may be terminated by Landlord upon the earlier of (i) thirty (30) days prior written notice or (ii) the earliest date permitted by law. In such event, monthly rent will be increased to an amount equal to one hundred fifty percent (150%) of the monthly rent payable during the last month of the Term, and any other sums due under this Lease will be payable in the amounts and at the times specified in this Lease. Such month-to-month tenancy will be subject to every other term, condition, and covenant contained in this Lease.

29. MISCELLANEOUS: No waiver by the Landlord of a default by the Tenant shall be implied, and no express waiver shall be extended beyond the default and period specified.

The Tenant has leased the Property after an inspection thereof and after being in possession of the property pursuant to an oral lease, and except as herein expressly set forth, without any representations on the part of the Landlord.

Wherever the consent or approval of the Landlord is required by the provisions of this Agreement, such consent or approval shall not be unreasonably withheld.

No term or condition of this Agreement shall be construed to have been waived by the Landlord, unless the Tenant shall have secured such waiver from Landlord in writing.

The invalidity or unenforceability of any term or condition of this Agreement shall not prejudice the enforceability of any other term or condition.

The word Tenant shall be construed as plural in all cases where more than one person shall have executed this Agreement as Tenant, and the obligations of each of such persons shall be joint and several.

This Agreement shall not be amended or modified, except by written instrument executed by both the Landlord and Tenant.

This Agreement shall be binding upon the heirs, successors, and assignees of the parties.

The submission of this Agreement for examination is not a reservation of or option for the Premises, and this Agreement becomes effective only upon execution and delivery by both the Landlord and Tenant.

The following exhibits are attached to this Lease and are made part of this Lease:

Exhibit A - The Premises

LANDLORD
League of Nebraska Municipalities

By ____

Name:____

Title:____

TENANT
League Association of Risk Management

By ____

Name:____

Title:____

STATE OF NEBRASKA)
) SS:
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _______day of ______________, 2023 by ___________________________, on behalf of the League of Nebraska Municipalities.

____
Notary public
(SEAL)

My Commission Expires:____________________

STATE OF NEBRASKA)
) SS:
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _______day of ____________, 2023 by ___________________________, on behalf of the League Association of Risk Management.

____
Notary public
(SEAL)

My Commission Expires:____________________

EXHIBIT "A"

THE PREMISES
The Second floor of the Building located at
1335 L Street
Lincoln, Nebraska 68508

Approximately 4,426 Square Feet
Containing 4,151 Square Feet of Office Space
Containing 275 Square Feet of Storage Space

Legally described as Lot 3, Block 97, Lincoln, Original Plat,
Lancaster County, Nebraska

[Include Diagram]

4879-2324-5368, v. 3

LEAGUE ASSOCIATION of RISK MANAGEMENT

2023-24 BUDGET REPORT

Mark Weaver
Vice President, Finance
Sedgwick

LEAGUE ASSOCIATION OF RISK MANAGEMENT
2023-24 Proposed Budget
9/18/2023

REVENUE DETAIL

Code	Description	2021-2022 Actual Revenue	2022-2023 Projected Revenue	2022-2023 Approved Budget	2023-2024 Proposed Budget	Current vs Prior Budget: Dollar Incr/(Decr)	Current vs Prior Budget: Percent Incr/(Decr)
	Income						
1	Gross Earned Contribution	11,552,439	13,583,000	13,510,000	16,288,000	2,778,000	20.6%
2	Ceded Premiums	(3,923,186)	(4,752,700)	(4,843,000)	(6,021,000)	(1,178,000)	24.3%
3	Net Earned Contribution	7,629,253	8,830,300	8,667,000	10,267,000	1,600,000	18.5%
4	Investment Income (net of fees)	1,142	260,000	75,000	360,000	285,000	380.0%
5	Other Income	112,913	112,400	105,000	80,000	(25,000)	(23.8%)
	Total Revenue	7,743,308	9,202,700	8,847,000	10,707,000	1,860,000	21.0%

EXPENDITURE DETAIL

Code	Description	2021-2022 Actual Expenditures	2022-2023 Projected Expenditures	2022-2023 Approved Budget	2023-2024 Proposed Budget	Current vs Prior Budget: Dollar Incr/(Decr)	Current vs Prior Budget: Percent Incr/(Decr)
	Claim Losses and Loss Expenses						
6	Losses and Expenses	7,134,579	5,302,000	6,341,000	8,056,000	1,715,000	27.0%
7	Loss Adjustment Expense	686,598	985,000	793,000	1,008,000	215,000	27.1%
8	Ceded Losses	(2,771,433)	(426,000)	(2,114,000)	(2,686,000)	(572,000)	27.1%
9	**Net Losses**	5,049,744	5,861,000	5,020,000	6,378,000	1,358,000	27.1%
	Underwriting Expenses						
10	Actuarial Services	33,000	33,000	33,000	33,000	-	-
11	Legal Services	30,502	65,000	100,000	100,000	-	-
12	Salary & Wages	709,922	740,000	919,000	853,000	(66,000)	(7.2%)
13	Employee Benefits	305,916	353,000	425,000	295,000	(130,000)	(30.6%)
14	Payroll Taxes	54,388	57,000	74,000	68,000	(6,000)	(8.1%)
15	Retirement Plan	62,530	76,000	83,000	77,000	(6,000)	(7.2%)
16	Mobile Phone	11,522	11,000	15,000	11,000	(4,000)	(26.7%)
17	Car & Field	63,394	30,000	53,000	53,000	-	-
18	Computer	43,665	67,000	67,000	74,000	7,000	10.4%
19	Telecommunication / Network	8,082	9,000	18,000	10,000	(8,000)	(44.4%)
20	Postage	2,181	3,000	3,000	3,000	-	-
21	Office Supplies	16,748	15,000	15,000	15,000	-	-
22	Dues & Publications	14,602	20,000	15,000	15,000	-	-
23	Miscellaneous	97	1,000	1,000	1,000	-	-
24	Conferences & Travel	34,883	27,000	50,000	50,000	-	-
25	Accounting & Financial Audit	37,597	47,000	47,000	47,000	-	-
26	Rent/Leases & Building Costs	38,930	68,000	68,000	68,000	-	-
27	Third Party Administration	781,548	757,000	753,000	753,000	-	-
28	LNM Administrative Fee	-	-	-	326,000	326,000	-
29	Advertising / Marketing / Printing	22,017	23,000	23,000	23,000	-	-
30	Appraisal Services	40,564	48,000	56,000	57,000	1,000	1.8%
31	Loss Control Services	32,675	59,000	59,000	55,000	(4,000)	(6.8%)
32	Safety Grant Program	32,966	37,000	70,000	60,000	(10,000)	(14.3%)
33	Agent Commissions	570,324	730,000	617,000	747,000	130,000	21.1%
34	Risk Control Consulting Services	500	16,000	-	24,000	24,000	-
35	Department of Insurance Audit	-	-	-	25,000	25,000	-
36	Bank Fees	2,858	5,000	3,000	5,000	2,000	66.7%
37	Insurance	74,831	72,000	72,000	72,000	-	-
38	Taxes & Licenses	106,591	121,000	121,000	139,000	18,000	14.9%
39	**Total Underwriting Expenses**	3,132,833	3,490,000	3,760,000	4,059,000	299,000	8.0%
	Total Expenditures	8,182,577	9,351,000	8,780,000	10,437,000	1,657,000	18.9%
40	**Net Income**	(439,269)	(148,300)	67,000	270,000	203,000	303.0%
		-					

LEAGUE ASSOCIATION OF RISK MANAGEMENT
2023-24 Proposed Budget

SURPLUS DETAIL

Code	Description	2021-2022 Actual Surplus	2022-2023 Projected Surplus	2022-2023 Approved Budget	2023-2024 Proposed Budget
	Surplus				
41	Beginning Surplus	8,869,925	8,430,656	8,430,656	8,282,356
42	Earned Surplus	(439,269)	(148,300)	67,000	270,000
43	**Ending Surplus**	8,430,656	8,282,356	8,497,656	8,552,356
44	Dividend Program	-	-	-	-
45	**Total Surplus**	8,430,656	8,282,356	8,497,656	8,552,356

League Association of Risk Management
Budget Category Descriptions

Line #	Category	Description
1	**Gross Earned Contribution**	Estimated amount of contribution to be collected from members. Amount is derived from current year contributions with increases of 7.5% for casualty (4.5% rate, 3% exposure) , 29.5% property (14.5% rate, 15% TIV), and 5% for workers comp (0% rate, 5% exposure). Also includes $350K in new business.
2	**Ceded Premiums**	Estimated premiums to be paid to reinsurers. Rate increases from the prior year: Casualty 7.5%, property 30%, and workers comp is flat. Figure includes $126K cyber, $21K pollution, $19K deadly weapon response, $26K mechanical breakdown, $55K D&O policy, and $35K broker fee on liabilty policy.
3	**Net Earned Contribution**	Gross earned contributions less ceded premiums.
4	**Investment Income**	TPA estimated earnings from funds invested during the fiscal year, net of investment management fees.
5	**Other Income**	Net income recognized for policies outsourced to reinsurers, less the reinsurer's premium. Flood, crime and liquor liability policies, for example. Also includes a projected dividend receipt of $75K from NLC Mutual.
6	**Claim Losses and Loss Expenses**	Total of losses reserved on individual case files. Loss reserves are based on the best estimate of ultimate claim cost. Losses include awards and judgments paid to the plaintiff.
7	**Loss Adjustment Expense**	Expense associated with losses on Line #6, which includes cost of medical records, expert witness fees, independent medical exams, independent adjuster fees, Sedgwick claim handling fees, and court costs. Includes $86K workers comp claim handling fees contracted to Sedgwick.
8	**Ceded Losses**	Loss in excess of self-insured retentions with reinsurers and excess carriers. This amount is expected to be reimbursed to LARM by reinsurers and excess carriers.
9	**Net Losses**	Losses and expenses, plus loss adjustment expenses, less ceded losses. (The sum of lines 6 through 8.) Actuary estimates of the actual amount of claims to be paid by LARM are obtained from By the Numbers Actuarial Consultanting and reviewed by Sedgwick.
10	**Actuarial Services**	Fees paid to By the Numbers Actuarial Consulting, Inc. for actuarial services provided under contract. Services include the annual actuarial reserves opinion required by the Department of Insurance, assistance with development of the annual independent audit, quarterly reports to the Department of Insurance, rate analysis report, and other projects as assigned.
11	**Legal Services**	General counsel fees incurred that are not related to a claim. Examples may be advice on management, due process, review of coverage policies, DOI inquiries, employment and tax issues. Prior years have also included lobbying fees.
12	**Salary & Wages**	Salary and wages for eight staff members and 1/2 of IT manager. Includes a 5% salary increase for all staff. Sedgwick is now handling the workers comp claims for an annual fee of $84,872. (The cost for this is included in Line 7 above, Claim Loss Adjustment Expense.)
13	**Employee Benefits**	Employee benefits for 8 1/2 staff members (1/2 is the IT manager shared with LONM) including health, HSA funding, dental, life and disability, as well as staff continuing education hours.
14	**Payroll Taxes**	Payroll taxes for staff, estimated to be 8% of salary & wages.
15	**Retirement Plan**	Retirement plan for staff, estimated at 10% of salary & wages once staff members are vested.
16	**Mobile Phone**	Cell phone equipment and usage charges for staff.
17	**Car & Field**	All vehicles and their related fuel and maintenance expenses. No vehicle purchases are scheduled for the new year.
18	**Computer**	Software/hardware costs, technology service contract, hardware lease, website, etc.
19	**Telecommunication / Network**	Cost of Internet, cable, land line phones and related equipment.
20	**Postage**	Postage on all meeting packets, promotional calendars, letters, bills, loss control information, etc.
21	**Office Supplies**	Office supplies for the LARM office including general office supplies, small equipment, board packet materials, copies, and professional photos for website.
22	**Dues & Publications**	Membership dues, newspaper renewals, magazine subscriptions, etc.
23	**Misc.**	Cost of special awards, claim ex gratis payments, and any other office expenses that do not fall into another category.
24	**Conferences & Travel**	Conference and workshops for staff, NLC, AGRIP and PRIMA, including travel, accommodations, meals, etc. Also includes LARM meetings, Board of Directors travel expenses, and staff training.
25	**Accounting & Audit**	Accounting and auditing of filings required by the Department of Insurance, fees related to the independent audit of LARM's financial statements, and any required reports related to that audit. Also includes payroll service fees.
26	**Rent/Leases & Building Costs**	Rent for office space, utilities, copier lease, and office maintenance costs.
27	**Third Party Administration**	Fees paid to Sedgwick for monthly TPA services. Included is a 5% incentive payment on new business.
28	**LNM Administrative Fee**	Sponsorship fees paid to the League of Nebraska Municipalities. 2% of total contribution is budgeted.
29	**Advertising/Marketing/Printing**	Direct advertising costs and enhanced marketing of LARM services to municipalities. Includes ads in trade magazines, design and printing costs for brochures and the LARM calendar, and promotional merchandise.

League Association of Risk Management
Budget Category Descriptions

Line #	Category	Description
30	**Appraisal Services**	Cost of property appraisals and related expenses.
31	**Loss Control Services**	Fees related to the police professional training conducted by LLRMI and NIRMA/PATC, Online University, Nebraska Safety Council annual fee, loss control safety marketing materials, membership publications, and claims software.
32	**Grant Programs**	Includes the $500 per member "Lean on LARM" Safety Grant program and the $700 per member Body Armor Grant. Prior years have also included the COVID-19 relief assistance program.
33	**Agent Commissions**	Commission paid on agent-produced business.
34	**Brokerage Services/Consulting**	Consulting fees paid to brokers and consultants. (Broker fees paid to *reinsurers* are not included here, but are included in line 7 above.)
35	**Department of Insurance Exam**	Department of Insurance Audit. The audit typically occurs every three years, but can occur whenever the Department of Insurance determines. The last audit was for the three years ended 9/30/18 and concluded in the Spring of 2021. We anticipate the next audit to occur in fiscal year 2023/24.
36	**Bank Fees**	Fees for checking account services including the general operating account and the claim account. Services include Positive Pay fraud prevention.
37	**Insurance**	Premium paid for public officials liability insurance for the LARM Board of Directors and Officers, insurance for LARM vehicles, workers' compensation, general liability, inland marine, commercial umbrella, ERISA bond, employee dishonesty, and cyber policies.
38	**Taxes & Licenses**	Estimate of premium tax and fees paid to the Nebraska Department of Insurance in compliance with the Intergovernmental Risk Management Act. Current rate is 1% of net contribution (after deduction for ceded premiums) plus 1% of gross workers' comp contributions.
39	**Total Underwriting Expenses**	Total underwriting and miscellaneous expenses. Sum of lines 10 through 38.
40	**Net Income**	Total revenue minus total expenditures.
41	**Beginning Surplus**	Surplus shown on the financial statement at the beginning of the fiscal year.
42	**Earned Surplus**	Net income reported on financial statement.
43	**Ending Surplus**	Beginning surplus plus earned surplus.
44	**Dividend Program**	Potential member distribution program.
45	**Total Surplus**	Ending surplus minus dividend program.