

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

**Via Telephone Conference Call**

**Call-In Numbers: 1-571-317-3129 or (toll free) 1-877-568-4106**

**Access Code: 580-000-365**

**Wednesday, June 24, 2020, 10 am CT/9 am MT**

PLEASE TAKE NOTICE that on **Wednesday, June 24, 2020, at 10 am CT/9 am MT**, the League Association of Risk Management (LARM) will hold a Meeting by Telephone Conference Call of the LARM Board of Directors. An agenda of subjects known at this time is included with this notice, but the agenda shall be kept continually current and readily available for public inspection at the principal office of LARM during normal business hours at 1335 L Street, Lincoln, Nebraska. On June 18, 2020, notice of this Meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this Meeting with the agenda and other materials are available for public inspection at 1335 L Street, in Lincoln, Nebraska, and also are posted on the League of Nebraska Municipalities' Facebook page and its website relating to LARM – <https://www.lonm.org/larm/>.

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

**League of Nebraska  
Municipalities**  
1335 L Street  
Lincoln, NE 68508

**Village of Ansley**  
217 Nile Street  
Ansley, NE 68814

**City of Beaver City**  
301 10<sup>th</sup> Street  
Beaver City, NE 68926

**City of Curtis**  
201 Garlick Avenue  
Curtis, NE 69025

**City of Fremont**  
400 East Military  
Fremont, NE 68025

**City of Gering**  
1025 P Street  
Gering, NE 69341

**City of Gibbon**  
715 Front Street  
Gibbon, NE 68840

**City of Imperial**  
PO Box 637  
Imperial, NE 69033

**City of Nelson**  
580 S Main Street  
Nelson, NE 68961

**City of Oshkosh**  
305 West 1<sup>st</sup> Street  
Oshkosh, NE 69154

**Sarpy County SID #29**  
City of La Vista  
8116 Park View Blvd  
La Vista, NE 68128

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

*Officials of LARM members and members of the public may call **1-571-317-3129 or (toll free) 1-877-568-4106** and **enter access code 580-000-365** to 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:**

- b.** 10 am CT – Hickman Mayor Doug Hanson, Chair of the LARM Board, will call the meeting to order.
- c.** Indicate that on June 18, 2020, notice of this meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials were available for public inspection at 1335 L Street, in Lincoln, Nebraska, and also posted on the League of Nebraska Municipalities' Facebook page and its website relating to LARM – <https://www.lonm.org/larm/>.
- d.** Inform the public about the location of the Open Meetings Act which is posted and accessible to members of the public along with at least one copy of all reproducible written material to be discussed at this meeting.
- e.** Pledge of Allegiance to the Flag of the United States of America.
- f.** Roll call.
- g.** Public comment period on any agenda item(s): Pursuant to the Open Meetings Act, the LARM Board Chair reserves the right to limit comments on agenda items. In accordance with the Open Meetings Act, there is no time limit on comments made by members of the LARM Board of Directors.
- h.** No one on the phone or attending this meeting is required to identify themselves. However, if anyone would like to be listed in the minutes, please identify yourself at this time. If anyone wants to address the Board on any agenda item, you will be asked to identify yourself as authorized by the Open Meetings Act.

**2. Consider approval of the minutes of the May 28, 2020, "Special Meeting of the LARM Board of Directors."**

***See pages 1-6.***

3. Consider approval of a motion to accept Chair Doug Hanson's recommendation of Lanette Doane as Vice Chair of LARM; other members of the LARM Board also may submit their name for consideration.
  - LARM Chair Doug Hanson, Mayor of Hickman
4. Consider approval of a motion to accept the report for placement of LARM's property reinsurance with Alliant, effective July 1, 2020.  
**See pages 7-8.**
  - John Brockschmidt, CPCU, ARM, Senior Vice President of Pooling, Sedgwick
  - Chris Cadwell, Director Pool Administration, Sedgwick
  - Dave Bos, ARM, LARM's Loss Control Manager
  - Tracy Juranek, LARM's Customer Service Specialist
  - Lynn Rex, LARM Administrator and LARM Acting Executive Director
5. Consider approval of a motion to authorize LARM Staff to send an email to all LARM members notifying them that LARM will try to obtain reinsurance for communicable and infectious diseases (i.e., COVID-19); if such reinsurance is not available or available at a reasonable cost, LARM will provide some level of coverage at reduced limits.
  - John Brockschmidt, CPCU, ARM, Senior Vice President of Pooling, Sedgwick
  - Dave Bos, ARM, LARM's Loss Control Manager
  - Lynn Rex, LARM Administrator and LARM Acting Executive Director
  - Andy Barry, Partner, Cline Williams, representing LARM
6. **Litigation Update.** Update on the Lancaster County District Court's dismissal of Michael J. Nolan v. League Association of Risk Management, Case No. CI 19-3470 on May 5, 2020, and the filing of a new lawsuit, Michael J. Nolan v. Lynn Rex and League Association of Risk Management, Case No. CI 20-2098, which was filed in the District Court of Lancaster County on June 12, 2020.
  - Andy Barry, Partner, Cline Williams, representing LARM
7. Discuss possible meeting dates of the next LARM Board of Directors by telephone conference call.
  - Lynn Rex, LARM Administrator and LARM Acting Executive Director
8. Motion to Adjourn.

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

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**Access Code: 580-000-365**

**Thursday, May 28, 2020, 2:30 pm CT/1:30 pm MT**

A Special Meeting of the League Association of Risk Management (LARM) Board of Directors was held May 28, 2020, at 2:30 pm CT/1:30 pm MT via telephone conference call at 11 designated locations identified in the meeting notice (attached).

On May 22, 2020, notice of this Special Meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this Special Meeting with the agenda and other materials were available for public inspection at 1335 L Street in Lincoln, Nebraska, and also were posted on the League of Nebraska Municipalities' Facebook page and its website relating to LARM – <https://www.lonm.org/larm/>.

(AGENDA ITEM #1) **Call to Order.** At 2:33 pm CT, **LARM Board Chair Doug Hanson**, Mayor of Hickman, called the Special Meeting to order. He stated that in accordance with Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed was available to the public at this meeting for examination and copying at each designated location. The Open Meetings Act was posted in the meeting room and was accessible to members of the public at each designated location. Chair Doug Hanson informed the public about the location of the Open Meetings Act posted in the meeting room and stated that the LARM Board may pass motions to go into closed session on any agenda item pursuant to the requirements of the Open Meetings Act.

After the Pledge of Allegiance to the Flag of the United States of America, the roll call was read with the following Board Members present by phone: **LeAnn Brown**, Clerk/Treasurer, City of Oshkosh, 305 West 1<sup>st</sup> Street, Oshkosh, NE; **Lanette Doane**, Clerk/Treasurer, Village of Ansley, 217 Nile Street, Ansley, NE; **Mayor Scott Getzschman**, City of Fremont, 400 East Military, Fremont, NE; **Mayor Doug Hanson**, City of Hickman, League Office, 1335 L Street, Lincoln, NE.; **Mayor Tony Kaufman**, City of Gering, 1025 P Street, Gering, NE; **Jo Leyland**, Admin./Clerk/Treasurer, City of Imperial 740 Court Street, Imperial, NE; **Tom Ourada**, City Administrator, City of Crete, 243 East 13<sup>th</sup> Street, Crete, NE; **Sandra Schendt**, Clerk/Treasurer, City of Nelson, 580 S Main Street, Nelson, NE; **Doug Schultz**, Admin./Clerk/Treasurer, City of Curtis, 201 Garlick Avenue, Curtis, NE; **Mayor Deb VanMatre**, City of Gibbon, 715 Front Street, Gibbon, NE; ex-officio (non-voting) Board Member **Mayor Dwight Livingston**, City of North Platte, 211 West 3<sup>rd</sup> Street, North Platte, NE; and ex-officio (non-voting) Board Member **L. Lynn Rex**, League Executive Director and "Administrator" of LARM/LARM Acting Executive Director, League Office, 1335 L Street, Lincoln, NE. *10 Board Members present and 5 absent (Pam Buethe, Board Member, Sarpy County SID #29; Melissa*

**Harrell**, City Administrator/Treasurer, City of Wahoo; **Jim Hawks**, City Administrator, City of North Platte; and **Mayor Josh Moenning**, City of Norfolk; **Teresa Youngquist**, Clerk/Treasurer, City of Beaver City).

Other participants included: **Jan Rise**, Administrative Services Director of Fremont; **Andy Barry**, Partner, Cline Williams, representing LARM; **John Zimmer**, Attorney, Cline Williams; **Lyndee Black**, Thomas, Kunc & Black, LLP, LARM's Auditor; **Sedgwick (LARM's Third Party Administrator)** - John Brockschmidt, Chris Cadwell and Mark Weaver; **LARM** – Dave Bos, Tracy Juranek, Diane Becker, Randy Peters and Fred Wiebelhaus; and **League Staff** – Lash Chaffin, Shirley Riley, Brett Benson and Brenda Henning.

(AGENDA ITEM #2) **Consider approval of the minutes of the March 27, 2020, "Special Meeting of the LARM Board of Directors."** Tony Kaufman moved, seconded by Scott Getzschman to approve the minutes of the March 27, 2020, "Special Meeting of the LARM Board of Directors." Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 0. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.**

(AGENDA ITEM #3) **Consider motion to accept the financial report of Lyndee Black entitled: "Independent Accountant's Compilation Report, Financial Statements – Statutory Basis March 31, 2020 and 2019 and September 30, 2019."** (Presented by Lyndee Black of Thomas, Kunc & Black, LLP, LARM's Auditor.) Tony Kaufman moved, seconded by Sandra Schendt to accept the financial report of Lyndee Black entitled: "Independent Accountant's Compilation Report, Financial Statements – Statutory Basis March 31, 2020 and 2019 and September 30, 2019." Chair Doug Hanson asked if there was any discussion; there was none. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 0. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.**

(AGENDA ITEM #4) **LARM investments update; Consider motion to accept the report.** (Presented by Craig Dana and Michael Maloney of U.S. Bank.) LeAnn Brown moved, seconded by Tony Kaufman to accept the report. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 0. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.**

(AGENDA ITEM #5) **Review of By the Numbers Actuarial Consulting's (BYNAC) "Indicated Premium for October 1, 2020-2021" draft actuarial report. Consider motion to set rates to achieve the overall funding targets of 9.5% increase in General Liability contribution, a 3% increase in Property contribution and a 8% decrease in Workers Compensation contribution, which would result in an overall**



**increase of 1.5% in total contributions.** (Presented by Mark Weaver, CPA, Director of Finance, Sedgwick; and John Brockschmidt, CPCU, ARM, Senior Vice President of Pooling, Sedgwick.) Tony Kaufman moved, seconded by Lanette Doane to set rates to achieve the overall funding targets of 9.5% increase in General Liability contribution, a 3% increase in Property contribution and a 8% decrease in Workers Compensation contribution, which would result in an overall increase of 1.5% in total contributions. Following discussion that it might be better to consider an overall increase of 2%, instead of the 1.5%, Chair Doug Hanson asked if there was any further discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 0. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.**

(AGENDA ITEM #6) **Consider approval of an endorsement to modify the Liability Coverage Document to delete the exclusion for fireworks and approval of a contribution proposal.** (Presented by Chris Cadwell, Director Pool Administration, Sedgwick; and Tracy Juranek, LARM's Customer Service Specialist.) Sandra Schendt moved, seconded by Tom Ourada to approve an endorsement to modify the Liability Coverage Document to delete the exclusion for fireworks and to approve a contribution proposal, subject to the underwriting risk. There was discussion regarding the inherent danger of fireworks and the state requirements for a "certified pyrotechnic" individual. There also was discussion regarding the appropriate pricing for the coverage. Chair Doug Hanson asked if there was any further discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 0. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.**

Since Andy Barry, LARM's Legal Counsel, had a prior commitment, Chair Doug Hanson stated that Agenda Item #8 would be considered next.

(AGENDA ITEM #8) **Consider approval of proposed amendments to LARM's Bylaws.** (Presented by Andy Barry, Partner, Cline Williams, representing LARM; and Lynn Rex, LARM Administrator and LARM Acting Executive Director.) Andy Barry presented an overview of the proposed amendments to LARM's Bylaws. Andy commended the hard work of the Bylaws Committee and stated that he had submitted the proposed revisions to the Nebraska Department of Insurance (NDOI) for an initial review. Lanette Doane moved, seconded by Deb VanMatre to approve the proposed amendments to LARM's Bylaws as presented today. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 0. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. **Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.** Andy Barry stated that the amendments to LARM's Bylaws approved by the LARM Board would not take effect until NDOI issued a statement that they were "not disapproved."

(AGENDA ITEM #7) **Consider approval of any relevant motions relating to LARM membership issues regarding participation of Natural Resources Districts (NRDs) and Region 11 Emergency Management Association.** (*NRDs – Presented by John Brockschmidt, CPCU, ARM, Senior Vice President of Pooling, Sedgwick; Chris Cadwell, Director Pool Administration, Sedgwick; Dave Bos, ARM, LARM's Loss Control Manager; and Lynn Rex, LARM Administrator and LARM Acting Executive Director.*) John Brockschmidt of Sedgwick, LARM's Third Party Administrator, stated there were underwriting concerns relating to the unique downstream liability issues of NRDs. There was significant discussion relating to LARM's core mission to provide coverages and risk management services to municipalities and public entities more closely aligned with cities and villages. Jo Leyland moved, seconded by Scott Getzschman that LARM fulfill all contractual obligations with NRDs and provide NRDs notice ASAP that in the future, LARM would be phasing out future coverages and membership with NRDs. **After some discussion, Jo Leyland withdrew the motion and Scott Getzschman withdrew the second.** Jo Leyland then moved and Scott Getzschman seconded the motion that LARM will provide notice to NRDs as soon as possible that LARM will no longer pursue adding new NRDs as LARM members and after all of LARM's contractual obligations and Nebraska Department of Insurance (NDOI) requirements with current NRD members have been met, then LARM would no longer provide coverages to NRDs. The discussion reflected the importance of LARM meeting all NDOI requirements as well as fulfilling its contractual obligations with member NRDs (pursuant to LARM's Interlocal Agreement, Bylaws and coverage documents). Chair Doug Hanson asked if there was any further discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Leyland, Ourada, Schendt, and Schultz. Nays: None. Abstentions: VanMatre. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. **Motion carried: 9 ayes, 0 nays, 1 abstention and 5 absent.** Representatives of LARM will meet with NDOI in the near future to discuss LARM's underwriting concerns relating to the unique downstream liability issues of NRDs.

**(Region 11 Emergency Management Association – Presented by Fred Wiebelhaus, LARM's Field Adjuster Supervisor/Loss Control Assistant; and Lynn Rex, LARM Administrator and LARM Acting Executive Director.)** Following further discussion regarding LARM's core mission, Tony Kaufman moved, seconded by Scott Getzschman to pass on the opportunity to bid Region 11 Emergency Management Association property coverage. Chair Doug Hanson asked if there was any other discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 0. Present and not voting: Leyland. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. **Motion carried: 9 ayes, 0 nays, 0 abstentions, 1 present and not voting and 5 absent.**

(AGENDA ITEM #9) **Discuss possible meeting dates of the next LARM Board of Directors by telephone conference call.** (*Presented by Lynn Rex, LARM Administrator and LARM Acting Executive Director.*) Next meet will be either June 15 or June 22. One of the agenda items will be approval of binding reinsurance coverage. No action was necessary on this agenda item.

(AGENDA ITEM #10) **Motion to adjourn.** At 5:12 pm, Jo Leyland moved, seconded by Sandra Schendt to adjourn. Chair Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Brown, Doane, Getzschman, Hanson, Kaufman, Leyland, Ourada, Schendt, Schultz and VanMatre. Nays: None. Abstentions: 0. Absent: Buethe, Harrell, Hawks, Moenning and Youngquist. ***Motion carried: 10 ayes, 0 nays, 0 abstentions and 5 absent.***

Approved on: \_\_\_\_\_.

ATTEST:

\_\_\_\_\_  
**Brenda Henning**

Membership Services Assistant  
League of Nebraska Municipalities

\_\_\_\_\_  
**L. Lynn Rex**

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



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**City of Oshkosh**

305 West 1<sup>st</sup> Street  
Oshkosh, NE 69154

**Sarpy County SID #29**

City of La Vista  
8116 Park View Blvd  
La Vista, NE 68128

To: LARM Board of Directors  
From: Sedgwick  
RE: LARM Reinsurance Renewals  
Date: 6/18/2020

On behalf of the League Association of Risk Management (LARM) Board of Directors and LARM staff, Sedgwick presented the underwriting submission for the July 1, 2020 to 2021 property reinsurance program to the incumbent broker, Guy Carpenter, as well as to Alliant Insurance Services, Inc. Alliant served as LARM's property broker prior to 2017 and has remained interested in quoting the LARM program since being replaced by Guy Carpenter. The competitive situation benefitted the process by having two excellent organizations work towards an improved placement, an experienced service team, and a cost-effective outcome.

The full submission included a brief overview of LARM, its property program summary and pricing specifications, property and automobile values, loss experience, LARM Property Coverage Form, and LARM financial information and underwriting instructions.

Included in the materials were a comprehensive set of quantitative information and data, specific to LARM's unique profile and exposures as follows:

- 1.) Statement of Values
  - Buildings and Contents, standard property deductible, and Construction, COPE
  - Additional Property and Contractors Equipment
  - Automobile Schedule
- 2.) Financial Reports [as of 09.30.2019]
  - Most Recent Audited Financials
  - Actuarial Reports, most recent LARM indicated premium and LARM Reserve Analysis
- 3.) Loss Experience [as of 09.30.2019]
  - Ground Up Losses with Narratives
  - Aggregate Calculation

Included were specific LARM goals and objectives for the 2020 placement as follows:

- Provide comparable Cyber and Crime coverage
- Evaluate a return to the 2018/19 per occurrence retention of \$100,000
- Elimination of the \$300,000 Hail & Windstorm Corridor
- Evaluate a return to the 2018/19 annual aggregate of \$350,000

- Maintain current limits at \$150,000,000
- Maintain current catastrophic limits for Flood, Earthquake, Wind & Hail, and Terrorism
- Maintain current retentions/deductibles

LARM was explicit in its desire for coverage confirmation and binding no later than June 26, 2020. With this target, proposals were received in May, evaluated on the above goals, including the overall program cost, and negotiated to a favorable outcome in mid-June.

Firm indications as of the date of this memo for the LARM property reinsurance renewal are based on the preferred program with Alliant Insurance Services, Inc. through the Alliant Property Insurance Program (APIP). APIP is the largest group purchase Property Program in the World, with over \$550 Billion TIV and currently insuring over 8,000 public entity members in 45 States. It is designed to take advantage of economies of scale and take advantage of “pooling” risks without total risk sharing.

Under the APIP program, reinsurance premiums will slightly decline over current pricing from \$1.48M to approximately \$1.40M, which equates to a property reinsurance decrease of ~5%.

It is important to measure the renewal premium in step with current commercial insurance market conditions. Recent reports indicate that the hardening market has continued, and many lines of insurance have seen double-digit rate increases in the second quarter. Property accounts with good loss history and without catastrophe exposures saw increases of 5% to 15%, while those with catastrophe exposures and minimal loss history rose 20% to 40% or more. Property with both poor loss history and catastrophe exposures were up 40% or more.

Key terms and conditions achieved through APIP include a \$100K per occurrence All Other Perils (AOP) retention from \$150K, a return to 2018/19 levels. LARM’s wind and hail per occurrence retention will be \$450K, replacing the \$600K/\$300K corridor deductible. Other key sublimits for Earthquake and Flood are equal or better than expiring, and retentions for both these two perils has decreased from \$150K to \$100K. Finally, the annual aggregate stop loss for non-wind/hail/flood losses will increase from \$400K to \$500K.

Based on the results and outcome, it is the recommendation of the LARM staff and Administrators to bind coverage with Alliant Insurance Services Inc. for LARM’s 2020-2021 property reinsurance program, effective July 1<sup>st</sup>.

Staff and service providers will have additional information available to provide to the LARM Board as questions arise during the board meeting.