



## NOTICE

**MEETING OF THE ANNUAL MEMBERS MEETING  
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)  
Wednesday, September 22, 2021, 10:15 a.m. CT/9:15 a.m. MT**

PLEASE TAKE NOTICE that on **Wednesday, September 22, 2021, at 10:15 a.m. CT/9:15 a.m. MT**, the League Association of Risk Management (LARM), will hold a LARM Annual Members meeting at the Cornhusker Marriot Hotel, Grand Ballroom, B and C, 333 South 13<sup>th</sup> 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/89057406260?pwd=eEo0LzhoUGhLTWFNNHYveXhJQTR6QT09> or 1-346-248-7799. The Meeting ID is 890 5740 6260 and the passcode is 887398.

On September 17, 2021, 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](http://larmpool.org) and Facebook page- [www.facebook.com/larmne](https://www.facebook.com/larmne).

**AGENDA**  
**ANNUAL MEMBERS' MEETING**  
**OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)**  
**Wednesday, September 22, 2021, 10:15 a.m. CT/ 9:15 a.m. MT**  
**Cornhusker Marriott Hotel - Grand Ballroom B and C**  
**333 South 13<sup>th</sup> 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 this meeting and at [www.larmpool.org](http://www.larmpool.org) for examination and copying.

*LARM and the League of Nebraska Municipalities will follow CDC guidelines and any other applicable health directives to protect conference delegates and comply with the law.*

You may also join the meeting by Zoom via Computer, Smart Device or Telephone  
<https://us06web.zoom.us/j/89057406260?pwd=eEo0LzhoUGhLTWFNNHYveXhJQTR6QT09> or 1-346-248-7799. The Meeting ID is 890 5740 6260 and the passcode is 887398.

*Officials of LARM members and members of the public may comment on agenda items or listen to the meeting.*

**1. Call meeting to order:**

- a.** 10:15 a.m. CT/ 9:15 a.m. MT – Hickman Mayor Doug Hanson, Chair of the LARM Board of Directors, will call the meeting to order.
- b.** Roll call of members present.
- c.** Indicate that on September 17, 2021, 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](http://larmpool.org) and Facebook page – [www.facebook.com/larmne](http://www.facebook.com/larmne).
- d.** Inform the public about the location of the Open Meetings Act which is posted and accessible to members of the public and at [www.larmpool.org](http://www.larmpool.org) 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.** Public comment on any agenda item(s): Pursuant to the Open Meetings Act, the LARM Board Chair reserves the right to limit comments on agenda items. In accordance with the Open Meetings Act, there is no time limit on comments made by members of the LARM Board of Directors.

**2. Consider a motion to approve the Minutes of the "Special Members Meeting" of the**

**League of Association of Risk Management (LARM) held on December 22, 2020.**

***Please see pages 1-10***

**3. Consider a motion to accept the recommendations of the Nominating Committee and elect the slate of nominees to the LARM Board of Directors.**

***Please see pages 11-12***

**a.** Pursuant to Article I, Section 2 of LARM's Bylaws and Section 8.1.4.1 of LARM's Interlocal Agreement, the Nominating Committee of the LARM Board of Directors met on September 9, 2021, and nominated a slate of five candidates (listed below) to serve a three-year term. The first four officials listed below were elected on March 21, 2018, to a one-year term and then on September 19, 2018, to a three-year term which ends Dec. 31, 2021.

**Tom Ourada**, Administrator of the City of Crete

**Sandra Schendt**, Clerk/Treasurer of the City of Nelson

**Deb VanMatre**, Mayor of the City of Gibbon

**Pamela Buethe**, Board Member of the Sarpy County SID #29

**\*Connie Jo Beck**, Clerk of the City of St. Paul, is nominated to serve her first three-year term.

*\*(Pursuant to Article I, Section 1 of LARM's Bylaws and Section 8.1 of LARM's Interlocal Agreement, L. Lynn Rex, LARM's Administrator, will recommend Connie Jo Beck, Clerk of the City of St. Paul, to the LARM Board of Directors at its meeting on Sept. 22, 2021, to immediately fill the vacancy created by the resignation of Doug Schultz, Former Administrator/Clerk/Treasurer of the City of Curtis, whose term of office would have expired on Dec. 31, 2021.)*

**b.** Pursuant to Article I, Section 2.1 of LARM's Bylaws and Section 8.1.4.1 of LARM's Interlocal Agreement, additional nominations shall be requested from participating members at the meeting.

**4. Consider a motion to accept a report by Lyndee Black, CPA, Thomas, Kunc and Black, LARM's Auditor, concerning LARM's Annual Audited Financial Statement and Actuarial Opinion.**

***Please see pages 13-41***

*· Lyndee Black, CPA, Thomas, Kunc and Black*

**5. Consider a motion to adjourn.**



**MINUTES  
SPECIAL MEMBERS' MEETING  
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT  
utilizing video and telephone conferencing  
Thursday, December 22, 2020, 11:00 A.M. CT/10:00 A.M. MT**

*Per Governor Pete Ricketts Executive Order 20-36 (December 1, 2020)*

**CORONA VIRUS – PUBLIC MEETINGS REQUIREMENT LIMITED WAIVER**

*“All governing bodies may meet by videoconference or by telephone conferencing or by conferencing by other electronic communication so long as there is made available at such meeting access to members of the public and to members of the media.”*

*Effective December 1, 2020 through January 31, 2021*

A Special Members' meeting of the League Association of Risk Management (LARM) was held December 22, 2020, at 11:00 A.M. CT/10:00 A.M. MT via video and telephone conferencing.

On December 17, 2020, 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 was available for public inspection at 1335 L Street in Lincoln, Nebraska, and also was posted on the League of Nebraska Municipalities' website ([lonm.org/larm](http://lonm.org/larm)); LARM's Facebook page ([facebook.com/larmne](https://facebook.com/larmne)); and LARM's website ([larmpool.org](http://larmpool.org)).

(AGENDA ITEM #1) **Call to Order.** At 11:01 A.M. CT, **LARM Board Vice Chair Lanette Doane**, Clerk/Treasurer of the Village of Ansley, called the meeting to order. She 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 [www.larmpool.org](http://www.larmpool.org). The Open Meetings Act was accessible to members of the public at [www.larmpool.org](http://www.larmpool.org). Vice Chair Lanette Doane 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 LARM members present by video and telephone conferencing:

**Present (14):**

**Village of Ansley, Lanette Doane**

**City of Columbus,** Tammy Orender

**City of Crete,** Tom Ourada

**City of Fremont,** Mayor Joey Spellerberg

**City of Gibbon,** Mayor Deb VanMatre

**Guide Rock RFD,** Sandra Schendt

**City of Nelson,** Sandra Schendt

**Nelson RFD,** Sandra Schendt

**Village of Henry,** Janine Schmidt

**Village of Morrill,** Janine Schmidt

**Sheep Creek RFPD,** Janine Schmidt

**City of Hickman,** Mayor Doug Hanson

**City of Oshkosh,** LeAnn Brown

**SID #29 Sarpy County,** Pam Buethe

**Not present (160):**

City of Ainsworth

Village of Alda

Village of Allen

Village of Anselmo

City of Arapahoe

Village of Arlington

Village of Ashton

City of Atkinson

City of Auburn

Auburn Board of Public Works

Village of Bancroft

City of Bassett

City of Bayard

City of Beaver City

Village of Beaver Crossing

Village of Benedict

City of Benkelman

Village of Berwyn

Village of Broadwater

Village of Brock

Village of Brownville

Village of Brule

Village of Burr

Village of Butte

Village of Callaway

Village of Cedar Bluffs

Village of Cedar Creek

Central RFPD

City of Chadron

Village of Chester

City of Clarkson

City of Clay Center

Village of Comstock

Village of Cook

Village of Cotesfield

City of Curtis

Village of Dalton

Village of Dannebrog

City of David City

Village of DeWeese

City of Edgar

Village of Edison

Village of Elba

Village of Elyria

Village of Emerson

Village of Eustis

Fairfield Rural Fire Protection District

City of Genoa

City of Gering

Village of Glenvil

Village of Guide Rock

Village of Gurley

Village of Haigler

Village of Halsey

City of Harvard & Harvard RFD

Village of Hazard

Village of Hemingford

City of Henderson

Village of Hendley  
 Village of Herman  
 Village of Hershey  
 Village of Holbrook  
 Village of Hoskins  
 Hoskins RFD  
 Village of Howells  
 City of Humboldt  
 Humboldt Fire & RFD  
 City of Imperial  
 City of Indianola, Indianola RFD  
 & VFD  
 Village of Inglewood  
 Village of Jansen  
 Village of Johnstown  
 Village of Julian  
 KBR Solid Waste Committee  
 Village of Lawrence  
 Village of Leigh  
 Village of Lewellen  
 Village of Litchfield  
 Village of Lodgepole  
 City of Louisville  
 Loup Central Landfill  
 Lower Platte North NRD  
 Lower Republican NRD  
 Madison County RTSD  
 Village of Malcolm  
 Village of Malmo  
 Village of Marquette  
 Village of Martinsburg  
 Village of Mason City  
 Village of Maxwell  
 Village of Meadow Grove  
 Village of Merna  
 Village of Miller

Village of Monroe  
 Village of Moorefield  
 Village of Mullen  
 Village of Murray  
 City of Neligh  
 Village of Newcastle  
 City of Norfolk  
 Village of North Loup  
 City of North Platte  
 North Platte NRD  
 Northeast Nebraska Economic  
 Development District  
 Northeast Nebraska Solid  
 Waste Coalition  
 City of Oakland  
 Village of Otoe  
 Village of Oxford  
 City of Pawnee City  
 Village of Pilger  
 Village of Platte Center  
 City of Ralston  
 City of Randolph  
 Village of Roca  
 City of St. Paul  
 St. Paul Rural Fire District  
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 SID #331 - Sarpy County  
 SID #333 - Sarpy County

City of Sargent  
 Sargent RFD  
 Village of Scotia  
 City of Scottsbluff  
 Village of Shelton  
 Village of Shickley  
 Village of Silver Creek  
 Solid Waste Agency of  
 Northwest Nebraska (SWANN)  
 Southwest Nebraska Solid  
 Waste Agency  
 Springbank Township  
 Village of Stamford  
 Village of Stapleton  
 Village of Sumner  
 Village of Sutherland  
 City of Syracuse  
 Village of Table Rock  
 Village of Taylor  
 City of Terrytown  
 Village of Trenton  
 Village of Uehling  
 Village of Union  
 Village of Utica  
 City of Valentine  
 Victoria Township  
 City of Wahoo  
 Village of Walthill  
 Village of Wausa  
 City of Waverly  
 Village of Wilcox  
 Village of Winnebago  
 Village of Wolbach  
 Village of Wood Lake  
 City of Wymore

**Other participants included:** Cline Williams (representing LARM) - **Andy Barry and Trent Sidders**; Sedgwick (LARM's third party administrator) – **John Brockschmidt, Chris Cadwell and Mark Weaver**; LARM staff – **Dave Bos, Tracy Juranek, Diane Becker, Elizabeth Becker, Randy Peters and Fred Wiebelhaus**; Thomas, Kunc & Black, LLP – **Lyndee Black**; League of Nebraska (LONM) Municipality staff – **Shirley**



**Riley;** and LONM Executive Director, LARM Administrator and Ex-Officio LARM Non-Voting Board Member – **L. Lynn Rex.**

(AGENDA ITEM #2) **Consider a motion to approve the minutes of the October 22, 2020, “Virtual Annual Members’ Meeting of LARM.”** Sandra Schendt of the City of Nelson moved, seconded by LeAnn Brown of the City of Oshkosh to approve the minutes of the October 22, 2020, “Virtual Annual Members’ Meeting of LARM.” Mayor Doug Hanson resumed his role as Board Chair and asked if there was any other discussion; there was none.

**Roll call vote.**

**Ayes (14):**

Village of Ansley, City of Columbus, City of Crete, City of Fremont, City of Gibbon, Guide Rock RFD, Village of Henry, City of Hickman, Village of Morrill, City of Nelson, Nelson RFD, City of Oshkosh, SID #29 Sarpy County and Sheep Creek RFPD.

**Nays (0)**

**Abstentions (0)**

**Not present (160):**

City of Ainsworth	Village of Brownville	Village of Edison
Village of Alda	Village of Brule	Village of Elba
Village of Allen	Village of Burr	Village of Elyria
Village of Anselmo	Village of Butte	Village of Emerson
City of Arapahoe	Village of Callaway	Village of Eustis
Village of Arlington	Village of Cedar Bluffs	Fairfield Rural Fire Protection District
Village of Ashton	Village of Cedar Creek	City of Genoa
City of Atkinson	Central RFPD	City of Gering
City of Auburn	City of Chadron	Village of Glenvil
Auburn Board of Public Works	Village of Chester	Village of Guide Rock
Village of Bancroft	City of Clarkson	Village of Gurley
City of Bassett	City of Clay Center	Village of Haigler
City of Bayard	Village of Comstock	Village of Halsey
City of Beaver City	Village of Cook	City of Harvard & Harvard RFD
Village of Beaver Crossing	Village of Cotesfield	Village of Hazard
Village of Benedict	City of Curtis	Village of Hemingford
City of Benkelman	Village of Dalton	City of Henderson
Village of Berwyn	Village of Dannebrog	Village of Hendley
Village of Broadwater	City of David City	Village of Herman
Village of Brock	Village of DeWeese	Village of Hershey
	City of Edgar	

Village of Holbrook  
 Village of Hoskins  
 Hoskins RFD  
 Village of Howells  
 City of Humboldt  
 Humboldt Fire & RFD  
 City of Imperial  
 City of Indianola, Indianola RFD  
 & VFD  
 Village of Inglewood  
 Village of Jansen  
 Village of Johnstown  
 Village of Julian  
 KBR Solid Waste Committee  
 Village of Lawrence  
 Village of Leigh  
 Village of Lewellen  
 Village of Litchfield  
 Village of Lodgepole  
 City of Louisville  
 Loup Central Landfill  
 Lower Platte North NRD  
 Lower Republican NRD  
 Madison County RTSD  
 Village of Malcolm  
 Village of Malmo  
 Village of Marquette  
 Village of Martinsburg  
 Village of Mason City  
 Village of Maxwell  
 Village of Meadow Grove  
 Village of Merna  
 Village of Miller  
 Village of Monroe  
 Village of Moorefield

Village of Mullen  
 Village of Murray  
 City of Neligh  
 Village of Newcastle  
 City of Norfolk  
 Village of North Loup  
 City of North Platte  
 North Platte NRD  
 Northeast Nebraska Economic  
 Development District  
 Northeast Nebraska Solid  
 Waste Coalition  
 City of Oakland  
 Village of Otoe  
 Village of Oxford  
 City of Pawnee City  
 Village of Pilger  
 Village of Platte Center  
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City of Sargent  
 Sargent RFD  
 Village of Scotia  
 City of Scottsbluff  
 Village of Shelton  
 Village of Shickley  
 Village of Silver Creek  
 Solid Waste Agency of  
 Northwest Nebraska (SWANN)  
 Southwest Nebraska Solid  
 Waste Agency  
 Springbank Township  
 Village of Stamford  
 Village of Stapleton  
 Village of Sumner  
 Village of Sutherland  
 City of Syracuse  
 Village of Table Rock  
 Village of Taylor  
 City of Terrytown  
 Village of Trenton  
 Village of Uehling  
 Village of Union  
 Village of Utica  
 City of Valentine  
 Victoria Township  
 City of Wahoo  
 Village of Walthill  
 Village of Wausa  
 City of Waverly  
 Village of Wilcox  
 Village of Winnebago  
 Village of Wolbach  
 Village of Wood Lake  
 City of Wymore

**Motion carried: 14 ayes, 0 nays, 0 abstentions and 160 not present.**

(AGENDA ITEM #3) **Consider a motion to accept a report by Lyndee Black, CPA, Thomas, Kunc and Black, LARM's Auditor concerning LARM's Annual Audited Financial Statement and Actuarial Opinion.** Mayor Deb VanMatre of the City of Gibbon moved, seconded by Sandra Schendt of the City of Nelson to accept a report by Lyndee Black, CPA, Thomas, Kunc and Black, LARM's Auditor concerning LARM's Annual



Audited Financial Statement and Actuarial Opinion. Chair Doug Hanson asked if there was any discussion; there was none.

**Roll call vote.**

**Ayes (14):**

Village of Ansley, City of Columbus, City of Crete, City of Fremont, City of Gibbon, Guide Rock RFD, Village of Henry, City of Hickman, Village of Morrill, City of Nelson, Nelson RFD, City of Oshkosh, SID #29 Sarpy County and Sheep Creek RFPD.

**Nays (0)**

**Abstentions (0)**

**Not present (160):**

City of Ainsworth	Central RFPD	City of Harvard & Harvard RFD
Village of Alda	City of Chadron	Village of Hazard
Village of Allen	Village of Chester	Village of Hemingford
Village of Anselmo	City of Clarkson	City of Henderson
City of Arapahoe	City of Clay Center	Village of Hendley
Village of Arlington	Village of Comstock	Village of Herman
Village of Ashton	Village of Cook	Village of Hershey
City of Atkinson	Village of Cotesfield	Village of Holbrook
City of Auburn	City of Curtis	Village of Hoskins
Auburn Board of Public Works	Village of Dalton	Hoskins RFD
Village of Bancroft	Village of Dannebrog	Village of Howells
City of Bassett	City of David City	City of Humboldt
City of Bayard	Village of DeWeese	Humboldt Fire & RFD
City of Beaver City	City of Edgar	City of Imperial
Village of Beaver Crossing	Village of Edison	City of Indianola, Indianola RFD & VFD
Village of Benedict	Village of Elba	Village of Inglewood
City of Benkelman	Village of Elyria	Village of Jansen
Village of Berwyn	Village of Emerson	Village of Johnstown
Village of Broadwater	Village of Eustis	Village of Julian
Village of Brock	Fairfield Rural Fire Protection District	KBR Solid Waste Committee
Village of Brownville	City of Genoa	Village of Lawrence
Village of Brule	City of Gering	Village of Leigh
Village of Burr	Village of Glenvil	Village of Lewellen
Village of Butte	Village of Guide Rock	Village of Litchfield
Village of Callaway	Village of Gurley	Village of Lodgepole
Village of Cedar Bluffs	Village of Haigler	City of Louisville
Village of Cedar Creek	Village of Halsey	Loup Central Landfill

Lower Platte North NRD  
Lower Republican NRD  
Madison County RTSD  
Village of Malcolm  
Village of Malmo  
Village of Marquette  
Village of Martinsburg  
Village of Mason City  
Village of Maxwell  
Village of Meadow Grove  
Village of Merna  
Village of Miller  
Village of Monroe  
Village of Moorefield  
Village of Mullen  
Village of Murray  
City of Neligh  
Village of Newcastle  
City of Norfolk  
Village of North Loup  
City of North Platte  
North Platte NRD  
Northeast Nebraska Economic  
Development District  
Northeast Nebraska Solid  
Waste Coalition  
City of Oakland  
Village of Otoe

Village of Oxford  
City of Pawnee City  
Village of Pilger  
Village of Platte Center  
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Village of Shelton  
Village of Shickley  
Village of Silver Creek

Solid Waste Agency of  
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Southwest Nebraska Solid  
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Village of Stapleton  
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Village of Taylor  
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Village of Trenton  
Village of Uehling  
Village of Union  
Village of Utica  
City of Valentine  
Victoria Township  
City of Wahoo  
Village of Walthill  
Village of Wausa  
City of Waverly  
Village of Wilcox  
Village of Winnebago  
Village of Wolbach  
Village of Wood Lake  
City of Wymore

**Motion carried: 14 ayes, 0 nays, 0 abstentions and 160 not present.**

(AGENDA ITEM #4) **Consider a motion to adjourn.** At 11:29 A.M., Lanette Doane of the Village of Ansley moved, seconded by Tom Ourada of the City of Crete, to adjourn. Chair Doug Hanson asked if there was any discussion; there was none.

**Roll call vote.**

**Ayes (14):**

Village of Ansley, City of Columbus, City of Crete, City of Fremont, City of Gibbon, Guide Rock RFD, Village of Henry, City of Hickman, Village of Morrill, City of Nelson, Nelson RFD, City of Oshkosh, SID #29 Sarpy County and Sheep Creek RFPD.

## Nays (0)

## Abstentions (0)

## Not present (160):

City of Ainsworth	City of David City	Village of Leigh
Village of Alda	Village of DeWeese	Village of Lewellen
Village of Allen	City of Edgar	Village of Litchfield
Village of Anselmo	Village of Edison	Village of Lodgepole
City of Arapahoe	Village of Elba	City of Louisville
Village of Arlington	Village of Elyria	Loup Central Landfill
Village of Ashton	Village of Emerson	Lower Platte North NRD
City of Atkinson	Village of Eustis	Lower Republican NRD
City of Auburn	Fairfield Rural Fire Protection District	Madison County RTSD
Auburn Board of Public Works	City of Genoa	Village of Malcolm
Village of Bancroft	City of Gering	Village of Malmo
City of Bassett	Village of Glenvil	Village of Marquette
City of Bayard	Village of Guide Rock	Village of Martinsburg
City of Beaver City	Village of Gurley	Village of Mason City
Village of Beaver Crossing	Village of Haigler	Village of Maxwell
Village of Benedict	Village of Halsey	Village of Meadow Grove
City of Benkelman	City of Harvard & Harvard RFD	Village of Merna
Village of Berwyn	Village of Hazard	Village of Miller
Village of Broadwater	Village of Hemingford	Village of Monroe
Village of Brock	City of Henderson	Village of Moorefield
Village of Brownville	Village of Hendley	Village of Mullen
Village of Brule	Village of Herman	Village of Murray
Village of Burr	Village of Hershey	City of Neligh
Village of Butte	Village of Holbrook	Village of Newcastle
Village of Callaway	Village of Hoskins	City of Norfolk
Village of Cedar Bluffs	Hoskins RFD	Village of North Loup
Village of Cedar Creek	Village of Howells	City of North Platte
Central RFPD	City of Humboldt	North Platte NRD
City of Chadron	Humboldt Fire & RFD	Northeast Nebraska Economic Development District
Village of Chester	City of Imperial	Northeast Nebraska Solid Waste Coalition
City of Clarkson	City of Indianola, Indianola RFD & VFD	City of Oakland
City of Clay Center	Village of Inglewood	Village of Otoe
Village of Comstock	Village of Jansen	Village of Oxford
Village of Cook	Village of Johnstown	City of Pawnee City
Village of Cotesfield	Village of Julian	Village of Pilger
City of Curtis	KBR Solid Waste Committee	Village of Platte Center
Village of Dalton	Village of Lawrence	City of Ralston

City of Randolph  
Village of Roca  
City of St. Paul  
St. Paul Rural Fire District  
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City of Sargent

Sargent RFD  
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Springbank Township  
Village of Stamford  
Village of Stapleton  
Village of Sumner  
Village of Sutherland  
City of Syracuse  
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Village of Taylor  
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Village of Trenton  
Village of Uehling  
Village of Union  
Village of Utica  
City of Valentine  
Victoria Township  
City of Wahoo  
Village of Walthill  
Village of Wausa  
City of Waverly  
Village of Wilcox  
Village of Winnebago  
Village of Wolbach  
Village of Wood Lake  
City of Wymore

**Motion carried: 14 ayes, 0 nays, 0 abstentions and 160 not present.**

Approved on:

ATTEST:

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**Elizabeth Becker**

*Customer Service Representative  
League Association of Risk Management*

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**L. Lynn Rex**

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



**NOTICE**  
**SPECIAL MEMBERS' MEETING**  
**OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)**  
utilizing video and telephone conferencing  
**Thursday, December 22, 2020, 11 a.m. CT/10 a.m. MT**

*Per Governor Pete Ricketts Executive Order 20-36*

*CORONA VIRUS - PUBLIC MEETINGS REQUIREMENT LIMITED WAIVER*

*"All governing bodies may meet by videoconference or by telephone conferencing or by conferencing by other electronic communication so long as there is made available at such meeting access to members of the public and to members of the media."*

*Effective December 1, 2020 through January 31, 2021*

PLEASE TAKE NOTICE that on **Tuesday, December 22, 2020, at 11 a.m. CT/10 a.m. MT**, the League Association of Risk Management (LARM) will hold a Special Members' Meeting utilizing video and telephone conferencing. 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. On December 17, 2020, 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 are available for public inspection at 1335 L Street, in Lincoln, Nebraska, and posted on LARM's and the League of Nebraska Municipalities' Facebook pages and their websites – [larmpool.org](http://larmpool.org) and [lonm.org/larm/](http://lonm.org/larm/).

**MINUTES**  
**Nominating Committee of the LARM Board**  
**Telephone Conference Call Sept. 9, 2021; 9:30 a.m. CT**

(Section 8.1.4.1 of the Interlocal Agreement provides: "A nominating committee shall recommend candidates for the Board to the members. The nominating committee shall consist of the chairperson of the Board, an individual from a participating member selected by the Board and the Administrator. Additional nominations shall be requested from participating members at the meeting.")

**Nominating Committee Members Present on Conference Call:**

**Hickman Mayor Doug Hanson**, Chair of the LARM Board

**Ansley Clerk/Treasurer Lanette Doane**, Vice Chair of the LARM Board

**League Executive Director L. Lynn Rex**, ex-officio member and Administrator of LARM pursuant to the Interlocal Agreement

**Others Present on Conference Call:**

**Dave Bos**, LARM Executive Director

**Tracy Juranek**, LARM Assistant Executive Director

**Elizabeth Becker**, LARM Customer Service Representative

The meeting was called to order at 9:30 a.m. CT to discuss nominations for the FY 21-22 LARM Board.

**(AGENDA ITEM #1) Consider a motion to nominate the following officials (candidates) to a three-year term of office on the LARM Board of Directors to the participating members for election at LARM's Annual Members' Meeting on Sept. 22 at 10:15 a.m. CT. (Except for Connie Jo Beck, these officials were elected on March 21, 2018, to a one-year term and then on Sept. 19, 2018, to a three-year term which ends Dec. 31, 2021.)**

- **Tom Ourada**, City Administrator of the City of Crete
- **Sandra Schendt**, Clerk/Treasurer of the City of Nelson
- **Deb VanMatre**, Mayor of the City of Gibbon
- **Pamela Buethe**, Board Member of the Sarpy County SID #29
- **\*Connie Jo Beck, Clerk of the City of St. Paul**

*\*(Pursuant to Article I, Section 1 of LARM's Bylaws and Section 8.1 of LARM's Interlocal Agreement, L. Lynn Rex, LARM's Administrator, will recommend Connie Jo Beck, Clerk of the City of St. Paul, to the LARM Board of Directors at its meeting on Sept. 22, 2021, to immediately fill the vacancy created by the resignation of Doug Schultz, Former Administrator/Clerk/Treasurer of the City of Curtis, whose term of office would have expired on Dec. 31, 2021.)*

Lanette Doane moved, seconded by Mayor Doug Hanson to nominate the following officials to the participating members for election at LARM's Annual Members' Meeting on Sept. 22 at 10:15 a.m. CT, **Tom Ourada**, City Administrator of the City of Crete; **Sandra Schendt**, Clerk/Treasurer of the City of Nelson; **Deb VanMatre**, Mayor of the City of Gibbon; and **Pamela Buethe**, Board Member of the Sarpy



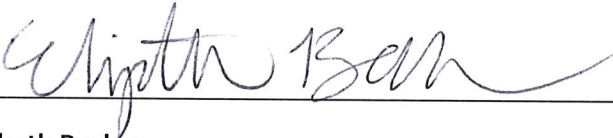
County SID #29; to another three-year term of office on the LARM Board of Directors (effective Jan. 1, 2022) as well as **Connie Jo Beck**, Clerk of the City of St. Paul, to a three-year term of office on the LARM Board of Directors (effective Jan. 1, 2022). **Roll Call Vote.** Ayes: Doane, Hanson and Rex. Nays: None. Abstentions: None. Absent: None. Motion carried: 3 ayes, 0 nays and 0 abstentions.

**(AGENDA ITEM #2) Motion to adjourn.**

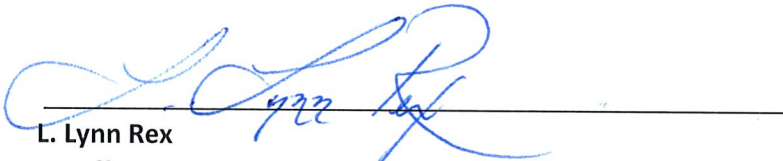
At 9:53 a.m. CT, Lanette Doane moved, seconded by Mayor Doug Hanson to adjourn at 9:53 a.m. CT. **Roll Call Vote.** Ayes: Doane, Hanson and Rex. Nays: None. Abstentions: None. Absent: None. Motion carried: 3 ayes, 0 nays and 0 abstentions.

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

ATTEST:



**Elizabeth Becker**  
Customer Service Representative  
League Association of Risk Management



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

**STATEMENT OF ACTUARIAL OPINION**  
for the League Association of Risk Management  
as of 9/30/20

**IDENTIFICATION**

I, Elizabeth Long, Principal and Consulting Actuary, am associated with the firm, By the Numbers Actuarial Consulting, Inc. I am a Member of the American Academy of Actuaries and meet its qualification standards for issuing Statements of Actuarial Opinion included with Property and Casualty Annual Statements. I am an Associate of the Casualty Actuarial Society. I was appointed by the Board of Directors of the League Association of Risk Management on April 24, 2019 to render this opinion.

The loss and loss adjustment expense reserves are the responsibility of the Association's management. My responsibility is to express an opinion on those reserves based on my review.

**SCOPE**

I have examined the actuarial assumptions and methods used in determining the reserves listed in Exhibit A, as shown in the Financial Statement of the Association as prepared for filing with state regulatory officials, as of September 30, 2020 and reviewed information provided to me through October 15, 2020. The items in the scope, on which I am expressing an opinion, reflect the Loss Reserve Disclosure items in Exhibit B.

My examination of the loss and loss adjustment expense reserves was based upon data and related information prepared by the Association. In this regard, I relied on Mr. Mark Weaver of Sedgwick (Third Party Administrator of the Association) as to the accuracy and completeness of the data. I evaluated the data used directly in my analysis for reasonableness and consistency. My evaluation did not reveal any data points materially affecting my analysis that fell outside the range of reasonable possibilities. In performing this evaluation, I have assumed that the Association and its service providers used their best efforts to supply accurate and complete data and did not knowingly provide any inaccurate data. I also reconciled the paid loss and allocated loss adjustment expense amounts and estimated ultimate incurred loss amounts as of September 30, 2020 used in my analysis against the Financial Statements. In other respects, my examination included the use of such actuarial assumptions and methods and such tests of the calculations as I considered necessary.

My review was limited to items 1) through 6) in Exhibit A, and did not include an analysis of any income statement items or other balance sheet items. My opinion on the reserves is based upon the assumption that all reserves are backed by valid assets, which have suitably scheduled maturities and/or adequate liquidity to meet cash flow requirements.

## OPINION

In my opinion, the amounts carried in the balance sheet on account of the items identified above:

- A) Meet the requirements of the insurance laws of Nebraska.
- B) Are computed in accordance with accepted actuarial standards and principles; and
- C) Make a reasonable provision for all unpaid loss and loss expense obligations of the Association under the terms of its contracts and agreements.

This opinion is made in accordance with the category “Determination of Reasonable Provision,” as contained in the 2019 Property and Casualty Annual Statement Instructions regarding Statements of Actuarial Opinion.

## RELEVANT COMMENTS

### *Risk of Material Adverse Deviation*

The Association writes workers compensation, general liability, automobile liability, automobile physical damage, property, inland marine, boiler and machinery, wind/storm/vandalism, public officials E&O, and police professional liability in the State of Nebraska. I believe there is no significant risk of material adverse deviation. The absence of risk factors from this listing does not imply that any risk factors will not be identified in the future as having been a significant influence on the Association’s reserves.

In making this determination, I have considered a material adverse deviation to be one in which the actual net outstanding losses and loss adjustment expenses exceed the total of A) and B) of Exhibit A, by an amount greater than 15% of the Association’s statutory surplus shown on the Balance Sheets of the Financial Statements (i.e. a reserve deviation greater than \$1,407,011).

My selection of the materiality standard (15% of statutory surplus) was driven by the historical variability in the estimated ultimate incurred losses. Other measures of materiality might be used for reserves that are being evaluated in a different context.

With respect to the net reserves, the materiality of adverse deviation as it relates to the Association’s surplus will depend on the Association’s reinsurance protection. If the Association’s reinsurance protection does not respond to adverse reserve deviation, such deviation could materially affect the Association’s surplus.

### ***Uncertainty***

In evaluating whether the reserves make a reasonable provision for unpaid losses and loss expenses, it is necessary to project future loss and loss adjustment expense payments. It is certain that actual future losses and loss adjustment expenses will not develop exactly as projected and may, in fact, vary significantly from the projections. Further, my projections make no provision for extraordinary future emergence of new classes of losses or types of losses not sufficiently represented in the Association's historical database or that are not yet quantifiable.

### ***Reinsurance***

Based on discussions with Association management and its description of the Association's ceded and assumed reinsurance, I am not aware of any reinsurance transaction that either has been or should have been accounted for as retroactive reinsurance or financial reinsurance (defined as contractual arrangements that do not include transfer of both timing and underwriting risk).

Reinsurance recoverable of \$5,668,649 is in the 10/1/97-98, 10/1/99-00, 10/1/05-06, 10/1/06-07, 10/1/11-12, 10/1/13-14, 10/1/16-17, 10/1/17-18 and 10/1/18-19 policy periods. The reinsurers are Star Insurance Company for 10/1/97-98 and 10/1/99-00; Midwest Employers Casualty Company for 10/1/05-06, 10/1/06-07, 10/1/07-08, 10/1/11-12, and 10/1/17-18; Public Entity Property Insurance Program for 10/1/13-14; and JLT Re for 10/1/16-17, 10/1/17-18 and 10/1/18-19. The reinsurance that is in place has been collected to date and is believed to be collectable in the future.

### ***Methods and Assumptions***

There have not been any significant changes in the actuarial methods from those employed last year. The data is grouped this year into three major categories; workers compensation, other liability, and property. The data is combined in order to increase the credibility of the data.

### ***IRIS Ratios***

The company does not have any exceptional values to IRIS ratios 11, 12, or 13.

### ***Other Disclosures***

#### ***Asbestos and Environmental Exposure***

I have reviewed the Association's exposure to asbestos and environmental claims. In my opinion, there is a remote chance of material liability due to the fact that the Association's policies have excluded coverage.

#### ***Contractual Liability for Service Contracts***

The Association has represented to me that it does not provide contractual liability for service contracts (vehicles, appliances, etc).

### ***Discounting***

I evaluated the loss and loss adjustment expense reserves on both an undiscounted and discounted basis with regard to the time value of money. The amounts shown in Exhibit A are undiscounted with regard to the time value of money.

*Extended Loss and Expense Reserves*

I am not aware of any claims made extended loss and loss expense reserves.

*Long Duration Contracts*

The Association writes no contracts related to single or fixed premium contracts with coverage periods of thirteen months or greater that are non-cancelable and not subject to premium increase (excluding financial guaranty contracts, mortgage guaranty contracts, and surety contracts).

*Pre-paid Loss Adjustment Expenses*

The Association has represented to me that the reserve for unpaid loss adjustment expense was established based on the estimated amount to adjust all open and unreported claims, regardless of pre-payments made to third-party claims administrators.

*Salvage and Subrogation*

The data underlying my review, and the resulting estimates, are net of subrogation and salvage. The Association does not reduce reserves to reflect anticipated subrogation and salvage recoveries.

*Underwriting Pools and Associations*

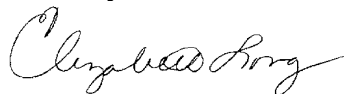
Reserve exposure with respect to pools and associations is considered to be immaterial.

**SUPPORTING DOCUMENTS AND USAGE**

This is the second opinion I have rendered for the Association and the tenth opinion by By the Numbers Actuarial Consulting, Inc. An actuarial report and underlying work papers supporting the findings expressed in this Statement of Actuarial Opinion have been provided to the Association to be retained for a period of seven years at its administrative offices and available for regulatory examination.

This statement of opinion is solely for the use of, and only to be relied upon by, the Association and the various state departments with which it files its Annual Statement.

Sincerely,



Elizabeth Long, ACAS, MAAA  
Principal and Consulting Actuary  
By the Numbers Actuarial Consulting, Inc.  
9 Forrest Blend Drive  
Titusville, NJ 08560  
(609) 474-0508  
elong@bynac.com

December 9, 2020

Exhibit A: SCOPE

<u>Loss Reserves:</u>	<u>Amount</u>
1. Reserve for Unpaid Losses (Liabilities, Surplus and Other Funds page, Col 1, Line 1)	\$ <u>4,266,416</u>
2. Reserve for Unpaid Loss Adjustment Expenses (Liabilities, Surplus and Other Funds page, Col 1, Line 3)	\$ <u>1,937,233</u>
3. Reserve for Unpaid Losses - Direct and Assumed (Should equal Schedule P, Part 1, Totals from Cols. 13 and 15, Line 12 * 1000)	\$ <u>9,072,002</u>
4. Reserve for Unpaid Loss Adjustment Expenses - Direct and Assumed (Should equal Schedule P, Part 1, Totals from Cols. 17, 19 and 21, Line 12 * 1000)	\$ <u>2,800,296</u>
5. The Page 3 write-in item reserves, "Retroactive Reinsurance Reserve Assumed"	\$ <u>0</u>
6. Other Loss Reserve items on which the Appointed Actuary is expressing an Opinion (list separately)	\$ <u>0</u>
 <u>Premium Reserves:</u>	 <u>Amount</u>
7. Reserve for Direct and Assumed Unearned Premiums for Long Duration Contracts	\$ <u>0</u>
8. Reserve for Net Unearned Premiums for Long Duration Contracts	\$ <u>0</u>
9. Other Premium Reserve items on which the Appointed Actuary is expressing an Opinion (list separately)	\$ <u>0</u>



Exhibit B: DISCLOSURES

- |     |  |         |                |
|-----|--|---------|----------------|
| 1.  | Name of the Appointed Actuary  | Long    | Elizabeth      |
| 2.  | The Appointed Actuary's Relationship to the Company  |         | C              |
|     | Enter E or C based upon the following:   |         |                |
|     | E if an Employee of the Company or Group   |         |                |
|     | C if a Consultant  |         |                |
| 3.  | The Appointed Actuary has the following designation  |         | A              |
|     | (indicated by the letter code):  |         |                |
|     | F if a Fellow of the Casualty Actuarial Society (FCAS)   |         |                |
|     | A if an Associate of the Casualty Actuarial Society (ACAS)   |         |                |
|     | M if not a member of the Casualty Actuarial Society, but a Member of the American Academy of Actuaries (MAAA) approved by the Casualty Practice Council, as documented with the attached approval letter.  |         |                |
|     | O for Other  |         |                |
| 4.  | Type of Opinion, as identified in the OPINION paragraph.   |         | R              |
|     | Enter R, I, E, Q, or N based upon the following:   |         |                |
|     | R if Reasonable  |         |                |
|     | I if Inadequate or Deficient Provision   |         |                |
|     | E if Excessive or Redundant Provision  |         |                |
|     | Q if Qualified. Use Q when part of the OPINION is Qualified.   |         |                |
|     | N if No Opinion  |         |                |
| 5.  | Materiality Standard expressed in US dollars (Used to Answer Question #6)  | \$      | 1,407,011      |
| 6.  | Are there significant risks that could result in Material Adverse Deviation?   | Yes [ ] | No [X] N/A [ ] |
| 7.  | Statutory Surplus (Liabilities, Col 1, Line 37)  | \$      | 9,380,070      |
| 8.  | Anticipated net salvage and subrogation included as a reduction to loss reserves as reported in Schedule P (should equal Part 1 Summary, Col 23, Line 12 * 1000)   | \$      | 0              |
| 9.  | Discount included as a reduction to loss reserves and loss expense reserves as reported in Schedule P  |         |                |
|     | 9.1 Nontabular Discount [Notes, Line 32B23, Amounts 1, 2, 3 & 4], Electronic Filing Cols 1, 2, 3, & 4.   | \$      | 0              |
|     | 9.2 Tabular Discount [Notes, Line 32A23 (Amounts 1 & 2)], Electronic Filing Cols 1 & 2.  | \$      | 0              |
| 10. | The net reserves for losses and expenses for the company's share of voluntary and involuntary underwriting pools' and associations' unpaid losses and expenses that are included in reserves shown on the Liabilities, Surplus and Other Funds page, Losses and Loss Adjustment Expense lines. | \$      | 0              |
| 11. | The net reserves for losses and loss adjustment expenses that the company carries for the following liabilities included on the Liabilities, Surplus and Other Funds page, Losses and Loss Adjustment Expenses lines. *  |         |                |
|     | 11.1 Asbestos, as disclosed in the Notes to Financial Statements (Notes, Line 33A03D, ending net asbestos reserves for current year) Electronic Filing Col 5   | \$      | 0              |
|     | 11.2 Environmental, as disclosed in the Notes to Financial Statements (Notes, Line 33D03D, ending net environmental reserves for current year), Electronic Filing Col 5  | \$      | 0              |
| 12. | The total claims made extended loss and expense reserve (Greater than or equal to Schedule P Interrogatories).   |         |                |
|     | 12.1 Amount reported as loss reserves  | \$      | 0              |
|     | 12.2 Amount reported as unearned premium reserves  | \$      | 0              |
| 13. | The net reserves for the A&H Long Duration Contracts that the Company carries on the following lines on the Liabilities, Surplus and Other Funds page:   |         |                |
|     | 13.1 Losses  | \$      | 0              |
|     | 13.2 Loss Adjustment Expenses  | \$      | 0              |
|     | 13.3 Unearned Premium  | \$      | 0              |
|     | 13.4 Write-in (list separately, adding additional lines as needed, and identify (e.g., "Premium Deficiency Reserves", "Contract Reserves other than Premium Deficiency Reserves" or "AG 51 Reserves"))   | \$      | 0              |
| 14. | Other items on which the Appointed Actuary is providing relevant comment (list separately, adding additional lines as needed)  | \$      | 0              |
- \* The reserves disclosed in item 11 above, should exclude amounts relating to contracts specifically written to cover asbestos and environmental exposures. Contracts specifically written to cover these exposures include Environmental Impairment Liability (post 1986), Asbestos Abatement, Pollution Legal Liability, Contractor's Pollution Liability, Consultant's Environmental Liability, and Pollution and Remediation Legal Liability.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Independent Auditor's Report

Financial Statements - Statutory Basis

September 30, 2020 and 2019

ANNUAL STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
FOR  
LEAGUE ASSOCIATION OF RISK MANAGEMENT

Nebraska Company Code: 201675

Employer's ID Number: 47-0791192

Incorporated May 1, 1995 under the Laws of Nebraska

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

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

Telephone Number 402-742-2600

Fax Number 402-476-4089

Contact Person L. Lynn Rex

Officers of the Association:

Chair:	Doug Hanson
Vice-Chair:	Lanette Doane
Secretary:	L. Lynn Rex

Directors or Trustees:

LeAnn Brown  
Pamela Buethe  
Lanette Doane  
Scott Getzschman  
Don Groesser  
Melissa Harrell  
Tony Kaufman  
Jo Leyland  
Josh Moenning  
Tom Ourada  
Sandra Schendt  
Douglas Schultz  
Deb VanMatre  
Teresa Youngquist

# LEAGUE ASSOCIATION OF RISK MANAGEMENT

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**Thomas, Kunc & Black, LLP**

**Independent Auditor's Report**

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

We have audited the accompanying financial statements of League Association of Risk Management, which comprise the balance sheets – statutory basis as of September 30, 2020 and 2019, and the related statutory statements of income, changes in surplus, and cash flows for the years then ended, and the related notes to the statutory financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting practices prescribed or permitted by the Insurance Department of the State of Nebraska. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1 to the financial statements, these financial statements were prepared in conformity with the financial reporting practices prescribed or permitted by the Insurance Department of the State of Nebraska, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

To the Board of Directors  
League Association of Risk Management

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of League Association of Risk Management as of September 30, 2020 and 2019, or the results of its operations or its cash flows for the years then ended.

**Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the balance sheets-statutory basis and the related statutory statements of income, changes in surplus and cash flows of League Association of Risk Management as of September 30, 2020 and 2019, for the years then ended, in accordance with the basis of accounting described in Note 1.

Lincoln, Nebraska  
December 11, 2020

*Thomas, Kunc and Black, LLP*



LEAGUE ASSOCIATION OF RISK MANAGEMENT

Balance Sheets - Statutory Basis

September 30, 2020 and 2019

	<u>Assets</u>	
	<u>2020</u>	<u>2019</u>
Cash:		
Cash on deposit	\$ 873,504	1,904,907
Short-term investments	5,248,706	1,850,421
Total cash	<u>6,122,210</u>	<u>3,755,328</u>
Long-term investments	7,251,105	10,598,391
Accounts receivable	10,232	62,439
Premiums receivable	9,463,267	8,173,816
Interest receivable	27,181	60,325
Reinsurance recoverable on paid losses	<u>1,899,306</u>	<u>848,229</u>
Total assets	<u>\$ 24,773,301</u>	<u>23,498,528</u>
	<u>Liabilities and Surplus</u>	
Loss reserves	\$ 4,266,416	3,895,014
Loss adjustment expenses	1,937,233	1,864,393
Unearned premium	8,781,678	7,618,931
Taxes payable	89,761	88,050
Other liabilities	293,143	137,581
Funds held under reinsurance treaties	<u>25,000</u>	<u>25,000</u>
Total liabilities	<u>15,393,231</u>	<u>13,628,969</u>
Surplus	<u>9,380,070</u>	<u>9,869,559</u>
Total liabilities and surplus	<u>\$ 24,773,301</u>	<u>23,498,528</u>

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

LEAGUE ASSOCIATION OF RISK MANAGEMENT.

Statements of Income - Statutory Basis

For the years ended September 30, 2020 and 2019

	2020	2019
Revenues:		
Premiums earned, direct	\$ 8,886,960	8,328,448
Premiums earned, transferred by excess	(2,407,442)	(2,169,795)
Net premiums	6,479,518	6,158,653
Investment income	245,812	291,004
Miscellaneous income	3,318	4,051
Total revenues	6,728,648	6,453,708
Expenses:		
Losses incurred, direct	6,353,220	5,826,494
Losses incurred, transferred by excess	(3,269,162)	(2,634,394)
Net losses	3,084,058	3,192,100
Loss expenses incurred	1,378,197	1,322,951
Other underwriting expenses incurred	2,755,882	3,030,036
Total expenses	7,218,137	7,545,087
Net income/(loss) - statutory basis	\$ (489,489)	(1,091,379)

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

LEAGUE ASSOCIATION OF RISK MANAGEMENT  
Statements of Changes in Surplus - Statutory Basis  
For the years ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Surplus, beginning of period	\$ 9,869,559	10,960,938
Net income/(loss)- statutory basis	(489,489)	(1,091,379)
Unrealized capital gain	241,968	287,415
Change in non-admitted assets	(241,968)	(287,415)
Dividends	<u>-</u>	<u>-</u>
Surplus, end of period	\$ <u><u>9,380,070</u></u>	<u><u>9,869,559</u></u>

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

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Statements of Cash Flows - Statutory Basis

For the years ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Premiums collected, net of excess insurance	\$ 6,368,014	5,603,719
Loss and loss adjustment expenses paid	(5,069,090)	(2,529,190)
Underwriting expenses paid	<u>(2,598,609)</u>	<u>(2,986,868)</u>
Cash from underwriting	(1,299,685)	87,661
Investment income	<u>520,924</u>	<u>577,432</u>
Net cash from operations	(778,761)	665,093
Transfers in:		
Other sources	3,347,286	2,201,225
Transfers out:		
Other applications	<u>(201,643)</u>	<u>(294,139)</u>
Net change in cash and short-term investments	2,366,882	2,572,179
Cash and short-term investments, beginning of period	<u>3,755,328</u>	<u>1,183,149</u>
Cash and short-term investments, end of period	<u><u>\$ 6,122,210</u></u>	<u><u>3,755,328</u></u>

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

# LEAGUE ASSOCIATION OF RISK MANAGEMENT

## Notes to Financial Statements

September 30, 2020 and 2019

(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.

See independent auditor's report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

September 30, 2020 and 2019

(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.

(i) Risks and uncertainties:

In March 2020, the United States declared a national emergency related to the rapidly spreading coronavirus (COVID-19) outbreak. The Pool invests in various securities as part of its ongoing operations and is exposed to economic and financial market risks. Events that result from the COVID-19 pandemic may have a material impact on the valuation of the Pool's investments. Additionally, financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the members. COVID-19 may have an effect on the financial position of the Pool.

(2) NLC Mutual Insurance Company:

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

Each entity is charged a capitalization fee based on a percentage of premiums. The Pool contributed a total of \$377,664, which is reflected on NLC's financial statements as member surplus. In addition, NLC allocates a portion of their net income to the member surplus each year. As a mutual company, NLC returns earnings that are not needed to pay claims and the expenses of operations to the members in the form of dividends. NLC did not declare any dividends for the years ended September 30, 2020 and 2019. The total member surplus reflected on NLC's financials for LARM were \$2,267,029 (September 30, 2020) and \$2,025,061 (September 30, 2019).

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

(3) Cash on deposit and investments:

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

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

See independent auditor's report.



# LEAGUE ASSOCIATION OF RISK MANAGEMENT

## Notes to Financial Statements (Continued)

September 30, 2020 and 2019

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

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.

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

		Cost		
		Insured or Direct U.S. Government	Uninsured	Total
At September 30, 2020				
Cash on deposit	\$	250,000	693,436	943,436
Short-term investments		5,248,706	-	5,248,706
Long-term investments		7,248,332	2,773	7,251,105
	\$	<u>12,747,038</u>	<u>696,209</u>	<u>13,443,247</u>
At September 30, 2019				
Cash on deposit	\$	250,000	1,956,568	2,206,568
Short-term investments		1,850,421	-	1,850,421
Long-term investments		10,597,228	1,163	10,598,391
	\$	<u>12,697,649</u>	<u>1,957,731</u>	<u>14,655,380</u>

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.

See independent auditor's report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

September 30, 2020 and 2019

(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.

September 30, 2020						
		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	\$	4,499,155	2	806,048	-	5,305,203 2
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions		753,780	-	5,995,490	5,886	6,749,270 5,886
Industrial and miscellaneous unaffiliated		-	-	-	-	- -
Total bonds		5,252,935	2	6,801,538	5,886	12,054,473 5,888
Total temporarily impaired securities	\$	5,252,935	2	6,801,538	5,886	12,054,473 5,888

The amortized cost and estimated statutory fair value of bonds at September 30, 2020, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Bonds not due at a single maturity date have been included in the table below in the year of final maturity.

	Amortized Cost	Estimated Statutory Fair Value
Due in one year or less	\$ 5,248,706	5,252,935
Due after one year through five years	6,751,105	6,801,538
Due after five years through ten years	-	-
Due after ten years	-	-
	\$ 11,999,811	12,054,473

See independent auditor's report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

September 30, 2020 and 2019

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

September 30, 2019						
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	\$ 3,594,989	-	1,070,964	48	4,665,953	48
Special revenue and special assessment obligations and all non- guaranteed obligations of agencies and authorities of governments and their political subdivisions	-	-	7,493,640	18,968	7,493,640	18,968
Industrial and miscellaneous unaffiliated	-	-	-	-	-	-
Total bonds	3,594,989	-	8,564,604	19,016	12,159,593	19,016
Total temporarily impaired securities	\$ 3,594,989	-	8,564,604	19,016	12,159,593	19,016

The amortized cost and estimated statutory fair value of bonds at September 30, 2019, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Bonds not due at a single maturity date have been included in the table below in the year of final maturity.

	Amortized Cost	Estimated Statutory Fair Value
Due in one year or less	\$ 3,590,518	3,594,989
Due after one year through five years	6,298,135	6,319,074
Due after five years through ten years	2,250,000	2,245,530
Due after ten years	-	-
	\$ 12,138,653	12,159,593

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

See independent auditor's report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

September 30, 2020 and 2019

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

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

**September 30, 2020**

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Obligations of U.S. Government sponsored enterprises	\$ 11,999,811	60,550	5,888	12,054,473
Total	\$ 11,999,811	60,550	5,888	12,054,473

**September 30, 2019**

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Obligations of U.S. Government sponsored enterprises	\$ 10,698,812	41,622	15,330	10,725,104
Total	\$ 10,698,812	41,622	15,330	10,725,104

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

September 30, 2020					
Financial assets:	Statement Value	Estimated Fair Value	Level 1	Level 2	Level 3
Bonds	\$ 11,999,811	12,054,473	-	12,054,473	-
Cash on deposit (including certificates of deposit)	1,373,504	1,376,277	873,504	502,773	-
Investment income due and accrued	27,181	27,181	27,181	-	-
Total	\$ 13,400,496	13,457,931	900,685	12,557,246	-

September 30, 2019					
Financial assets:	Statement Value	Estimated Fair Value	Level 1	Level 2	Level 3
Bonds	\$ 10,698,812	10,725,104	-	10,725,104	-
Cash on deposit (including certificates of deposit)	3,654,907	3,655,154	1,904,907	1,750,247	-
Investment income due and accrued	60,325	60,325	60,325	-	-
Total	\$ 14,414,044	14,440,583	1,965,232	12,475,351	-

See independent auditor's report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

September 30, 2020 and 2019

(4) Related party transactions:

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

	<u>2020</u>	<u>2019</u>
The following is a summary of the transactions with the League:		
Management and administrative services paid to the League of Nebraska Municipalities	\$ -	-

The total amount of payables to the League of Nebraska Municipalities was \$7,081 (September 30, 2020) and \$10,353 (September 30, 2019).

(5) Reinsurance recoverables:

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

	<u>2020</u>	<u>2019</u>
Contributions:		
Direct	\$ 8,886,960	8,328,448
Ceded	(2,407,442)	(2,169,795)
Net contributions earned	<u>\$ 6,479,518</u>	<u>6,158,653</u>
Losses:		
Direct	\$ 6,353,220	5,826,494
Ceded	(3,269,162)	(2,634,394)
Net losses incurred	<u>\$ 3,084,058</u>	<u>3,192,100</u>

The Pool has recorded reinsurance recoverables on paid losses from reinsurance companies of \$1,899,306 (September 30, 2020) and \$848,229 (September 30, 2019).

The Pool has recorded reinsurance recoverables on unpaid loss and loss adjustment expenses payable of \$5,668,649 (September 30, 2020) and \$4,022,610 (September 30, 2019).

The Pool has entered into quota share, stop loss and per occurrence reinsurance agreements. As part of a reinsurance agreement, the Pool has withheld \$25,000 from the balance payable to a reinsurer. At September 30, 2020 and 2019, the Pool had the funds withheld recorded as a liability.

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

See independent auditor's report.

# LEAGUE ASSOCIATION OF RISK MANAGEMENT

## Notes to Financial Statements (Continued)

September 30, 2020 and 2019

(6) Self-insured retention:

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

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

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

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

(7) Retrospective assessments and credits:

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

No dividends were declared for the periods ended September 30, 2020 and 2019.

(8) Surplus:

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

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

	2020	2019
Non-admitted assets:		
Accounts receivable over 90 days past due	\$ -	-
Agents balances receivable over 90 days past due	-	-
Investment in NLC	2,267,029	2,025,061
	<u>\$ 2,267,029</u>	<u>2,025,061</u>

(9) Commitments and contingencies:

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

(10) Financial statement presentation:

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

(11) Subsequent events:

The Pool evaluated subsequent events through December 11, 2020. There were no subsequent events that require disclosure and/or adjustments.

See independent auditor's report.

## SUPPLEMENTAL INFORMATION





**Thomas, Kunc & Black, LLP**

**Independent Auditor's Report  
on Supplemental Information**

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

We have audited the basic statutory-basis financial statements of League Association of Risk Management as of and for the years ended September 30, 2020 and 2019 and our report thereon dated December 11, 2020, which contained an unmodified opinion on the basic statutory-basis financial statements prepared in conformity with the financial reporting practices prescribed or permitted by the Insurance Department of the State of Nebraska. Our audit was performed for the purpose of forming an opinion on the basic statutory-basis financial statements taken as a whole. The reconciliation of unpaid claim liabilities and Schedule P information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information included in the schedules referred to above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic statutory-basis financial statements taken as a whole.

Lincoln, Nebraska  
December 11, 2020

*Thomas, Kunc and Black, LLP*

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Reconciliation of Unpaid Claim Liabilities

For the years ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Unpaid claims and claims adjustment expenses at beginning of period	\$ <u>5,759,407</u>	<u>4,082,901</u>
Inurred claims and claims adjustment expenses:		
Provision for insured events of current policy year	3,209,110	4,265,659
Increase/(decrease) in provision in insured events of prior policy years	<u>1,253,145</u>	<u>249,392</u>
Total incurred claims and claims adjustment expenses	<u>4,462,255</u>	<u>4,515,051</u>
Payments:		
Claims and claims adjustment expenses attributable to insured events of the current policy year	906,267	1,110,321
Claims and claims adjustment expenses attributable to insured events of prior policy years	<u>3,111,746</u>	<u>1,728,224</u>
Total payments	<u>4,018,013</u>	<u>2,838,545</u>
Total unpaid claims and claims adjustment expenses at end of period	\$ <u><u>6,203,649</u></u>	<u><u>5,759,407</u></u>

See independent auditor's report on supplemental information.

# LEAGUE ASSOCIATION OF RISK MANAGEMENT

## Loss Development Information

September 30, 2020

The following tables illustrate how the Pool's earned revenues (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Pool as of the end of each of the last twelve years. The rows of the tables are defined as follows:

1. Total of each fiscal year's earned contribution revenues and investment revenues.
2. Fiscal year's other operating costs of the Pool including overhead and claims expense not allocable to individual claims.
3. The Pool's fiscal year incurred losses and allocated loss adjustment expenses (both paid and accrued).
4. Cumulative amounts paid (net of reinsurance recoveries received) as of the end of successive years for each plan year.
5. Incurred losses, by plan year, increased or decreased as of the end of successive years. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.
6. Comparison of the latest reestimated incurred losses amount to the amount originally established (Line 3) and examines whether the latest estimate of claims cost is greater or less than originally booked.

As data for individual plan years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature plan years. The columns of the tables show data for successive plan years.

See independent auditor's report on supplemental information.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Loss Development Information (Continued)

September 30, 2020

		Fiscal and Plan Year Ended			
		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
1. Required contribution and investment revenues -					
fiscal year:					
Written and earned	\$	8,886,960	8,328,448	8,264,076	8,526,373
Ceded		2,407,442	2,169,795	2,168,798	2,185,673
Net earned		6,479,518	6,158,653	6,095,278	6,340,700
Interest income		259,723	278,865	225,153	163,887
2. Unallocated expenses - fiscal year:					
Operating expenses		2,755,882	3,030,036	3,049,925	2,551,999
3. Incurred losses and loss adjustment expenses -					
fiscal year:					
Incurred		7,731,417	7,149,445	5,553,950	1,595,503
Ceded		3,269,162	2,634,394	1,867,399	(210,709)
Net incurred		4,462,255	4,515,051	3,686,551	1,806,212
4. Cumulative amounts paid as of:					
End of plan year		906,266	1,110,321	2,291,545	1,143,890
One year later		-	2,789,578	3,122,284	1,778,779
Two years later		-	-	3,429,481	2,243,856
Three years later		-	-	-	2,884,726
Four years later		-	-	-	-
Five years later		-	-	-	-
Six years later		-	-	-	-
Seven years later		-	-	-	-
Eight years later		-	-	-	-
Nine years later		-	-	-	-
Ten years later		-	-	-	-
5. Reestimated incurred losses and loss adjustment					
expenses:					
End of plan year		2,999,762	4,265,659	3,900,160	2,639,834
One year later		-	4,264,115	3,963,779	2,568,626
Two years later		-	-	3,880,697	2,673,308
Three years later		-	-	-	3,235,014
Four years later		-	-	-	-
Five years later		-	-	-	-
Six years later		-	-	-	-
Seven years later		-	-	-	-
Eight years later		-	-	-	-
Nine years later		-	-	-	-
Ten years later		-	-	-	-
6. Increase (decrease) in estimated incurred losses and					
loss adjustment expenses from end of plan year		2,999,762	(1,544)	(19,463)	595,180

See independent auditor's report on supplemental information.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
7,688,166	6,926,492	8,213,781	6,830,821	6,769,582	7,225,912	7,029,485	6,958,673
2,260,774	2,026,062	2,276,721	2,013,347	1,607,784	1,418,610	1,338,560	1,259,767
5,427,392	4,900,430	5,937,060	4,817,474	5,161,798	5,807,302	5,690,925	5,698,906
111,568	59,286	68,728	56,360	91,754	133,834	200,551	439,758
2,443,815	2,419,847	2,479,946	2,403,301	2,187,851	2,426,068	2,253,799	1,775,552
3,345,355	(74,061)	7,867,921	3,305,167	5,859,212	5,869,860	3,875,393	3,381,941
955,861	(156,580)	4,334,998	(882,880)	2,979,727	4,211,222	402,229	321,127
2,389,494	82,519	3,532,923	4,188,047	2,879,485	1,658,638	3,473,164	3,060,814
921,577	795,609	1,706,079	1,048,881	1,389,248	1,353,918	1,261,030	1,050,634
1,358,090	1,580,076	2,676,826	1,755,657	1,977,865	1,707,898	2,142,664	1,814,597
1,564,121	1,745,523	2,801,904	1,940,919	2,345,151	2,127,938	2,374,044	2,584,329
1,581,574	1,851,741	3,013,831	2,106,487	2,485,185	2,487,370	2,443,641	2,454,525
1,717,666	1,887,545	3,124,621	2,186,653	2,619,590	2,655,195	2,677,504	2,740,196
-	1,908,684	3,269,178	2,299,406	2,874,960	2,862,428	2,750,535	2,782,920
-	-	3,409,044	2,384,787	2,982,354	2,918,258	2,885,651	2,786,388
-	-	-	2,389,626	3,118,093	2,998,845	2,923,866	2,786,810
-	-	-	-	3,144,134	3,034,344	2,942,561	2,786,936
-	-	-	-	-	3,076,307	2,944,492	2,811,776
-	-	-	-	-	-	2,944,694	2,821,543
2,479,490	2,379,269	4,492,832	3,515,009	3,511,465	3,594,938	3,511,381	3,166,669
1,919,104	2,188,723	3,494,212	2,775,472	3,147,845	3,332,643	3,309,533	2,807,861
1,750,286	2,029,208	3,250,628	2,541,586	2,962,289	3,485,696	3,228,323	3,221,050
1,721,670	1,988,621	3,353,043	2,531,140	2,887,596	3,339,530	3,165,708	2,900,616
2,128,559	1,967,292	3,284,009	2,551,752	2,996,381	2,985,782	3,232,134	2,855,825
-	1,913,143	3,587,970	2,510,282	3,084,560	3,134,757	3,033,999	2,811,485
-	-	3,437,724	2,443,204	3,103,599	3,034,244	3,145,609	2,787,048
-	-	-	2,443,204	3,192,726	3,089,464	3,043,347	2,787,057
-	-	-	-	3,230,862	3,124,968	3,043,376	2,787,057
-	-	-	-	-	3,113,807	3,043,376	2,857,643
-	-	-	-	-	-	3,043,376	2,821,543
(350,931)	(466,126)	(1,055,108)	(1,071,805)	(280,603)	(481,131)	(468,005)	(345,126)