



NOTICE

ANNUAL MEMBERS MEETING OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM) Wednesday, October 2, 2024, 11:00 a.m. CT/10:00 a.m. MT

PLEASE TAKE NOTICE that on **Wednesday, October 2, 2024, at 11:00 a.m. CT/10:00 a.m. MT**, the League Association of Risk Management (LARM), will hold a LARM Annual Members meeting at the Cornhusker Marriott Hotel, Grand Ballroom, B and C, 333 South 13th Street, Lincoln, Nebraska. An agenda of subjects known at this time is included with this notice, and the agenda shall be kept continually current and readily available for public inspection at the principal office of LARM during normal business hours at 206 South 13th Street, Suite 800, in 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://larmpool-org.zoom.us/j/81582263405?pwd=xYOEfuQGRUGzGMYdrAROCrvJv2LKMi.1> or 1-833-548-0282. The Meeting ID is 815 8226 3405 and the passcode is 356511.

On September 26, 2024, 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 206 South 13th Street, Suite 800, in Lincoln, Nebraska and posted with the following links kept continually current: an electronic copy of the agenda, all documents being considered at the meeting, with a link to the current version of the Open Meetings Act on LARM's website- larmpool.org.



AGENDA

**ANNUAL MEMBERS MEETING
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)
Wednesday, October 2, 2024, 11:00 a.m. CT/ 10:00 a.m. MT
Cornhusker Marriott Hotel - Grand Ballroom, B and C
333 South 13th Street, Lincoln, NE**

In accordance with the Open Meetings Act, Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed is available to the public at this meeting and at larmpool.org for examination.

You may also join the meeting by Zoom via Computer, Smart Device or Telephone <https://larmpool-org.zoom.us/j/81582263405?pwd=xYOEfuQGRUGzGMYdrAROCrvJv2LKMi.1> or 1-833-548-0282. The Meeting ID is 815 8226 3405 and the passcode is 356511. *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. 11:00 a.m. CT/ 10:00 a.m. MT – Joey Spellerberg, Mayor of Fremont and Chair of the LARM Board, will call the meeting to order.
- b. Roll call of members present.
- c. Indicate that on September 26, 2024, notice of this meeting with the agenda and other materials was available for public inspection at 206 South 13th Street, Suite 800, in Lincoln, Nebraska, and also posted with the following links kept continually current: an electronic copy of the agenda and all documents being considered at the meeting, with a link to the current version of the Open Meetings Act on LARM’s website- larmpool.org.
- d. Inform the public about the location of the Open Meetings Act which is posted and accessible to members of the public and at 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 Annual Members Meeting of the League of Association of Risk Management (LARM) held on September 27, 2023.

See pages 1-14

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

See pages 15-16

· Lynn Rex, LARM Administrator

- 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 has recommended a slate of five candidates (listed below) to serve a three-year term.
- 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.

- Connie Jo Beck, Clerk/Deputy Treasurer of the City of St. Paul (appointed at the 9-22-2021 LARM Board meeting to replace Doug Schulz, City Administrator of Curtis)
- Sharon Powell, Board Member of the Village of Utica
- Mindy Rump, Mayor of the City of Blair
- Kevin Spencer, Police Chief/City Manager of the City of Scottsbluff
- Mark Stracke, Clerk/Treasurer of the Village of Stuart

4. Consider a motion to accept a report on LARM's Annual Audited Financial Statement and Actuarial Opinion.

Please see pages 17-45

· Jeremy Fox, CPA, Thomas, Kunc and Black

5. Consider a motion to adjourn.

MINUTES
ANNUAL MEMBERS' MEETING
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT
Cornhusker Marriott Hotel – Grand Ballroom B & C
333 South 13th Street, Lincoln NE
Wednesday, September 27, 2023, at 11:00 a.m. CT/10:00 a.m. MT

The Annual Members' Meeting of LARM was held September 27, 2023, at 11:00 a.m. CT/10:00 a.m. MT at the Cornhusker Marriott Hotel in Lincoln. This meeting was held in conjunction with the League of Nebraska Municipalities Annual Conference.

On September 20, 2023, 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 was 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, and a link to the current Open Meetings Act on LARM's website- larmpool.org.

(AGENDA ITEM #1) Call meeting to order. LARM Board Chair Lanette Doane, Village of Ansley, called the meeting to order.

Roll call:

Present (14):

Village of Ansley, Lanette Doane

City of Crete, Tom Ourada

City of Fremont, Mayor Joey Spellerberg

City of Gibbon, Mayor Deb VanMatre

Guide Rock Fire District, Sandra Schendt

City of Nelson, Sandra Schendt

Nelson Rural Fire District, Sandra Schendt

City of North Platte, Layne Groseth

City of Ralston, Mayor Don Groesser

SID #29 – Sarpy County, Pamela Buethe

City of St. Paul, Connie Jo Beck

St. Paul Fire Department, Connie Jo Beck

City of Wahoo, Melissa Harrell

Not present (196):

City of Ainsworth	Village of Cook	Village of Hendley
Village of Alda	Village of Cotesfield	Village of Henry
Village of Allen	City of Curtis	Village of Herman
Village of Anselmo	Village of Dalton	Village of Hershey
City of Arapahoe	Village of Danbury	City of Hickman
Village of Arcadia	Village of Dannebrog	Village of Holbrook
Village of Arlington	City of David City	City of Holdrege
Village of Ashton	Village of DeWeese	Village of Hoskins
City of Atkinson	Village of Dorchester, Dorchester VFD	Hoskins RFD
City of Auburn	Village of Dunbar	Village of Howells
Auburn Board of Public Works	City of Edgar	City of Humboldt
Village of Bancroft	Village of Edison	Humboldt Fire & RFD
City of Bassett	Village of Elba	City of Imperial
City of Bayard	Village of Elm Creek	City of Indianola, Indianola RFD & VFD
City of Beaver City	Village of Elsie	Village of Inglewood
Village of Beaver Crossing	Village of Elyria	Village of Jansen
Village of Benedict	Village of Emerson	Village of Johnstown
City of Benkelman	Village of Eustis	Village of Julian
Village of Berwyn	Fairfield Rural Fire Protection District	KBR Solid Waste Committee
City of Blair	Village of Farwell	Village of Lawrence
Village of Broadwater	Village of Farnam	Village of Lebanon
Village of Brock	Village of Firth	Village of Leigh
Village of Brownville	City of Franklin	Village of Lewellen
Village of Brule	Village of Funk	Village of Litchfield
Village of Burr	City of Genoa	Village of Lodgepole
City of Burwell	City of Gering	Village of Long Pine
Village of Butte	Village of Glenvil	City of Louisville
Village of Callaway	City of Gothenburg	Loup Central Landfill
Village of Cedar Bluffs	Village of Greeley	Lower Republican NRD
Village of Cedar Creek	Village of Guide Rock	Village of Lyman
Central Rural Fire Protection District	Village of Gurley	Madison County RTSD
City of Chadron	Village of Haigler	Village of Malcolm
Village of Chester	Village of Halsey	Village of Malmo
City of Clarkson	City of Harvard & Harvard RFD	Village of Manley
City of Clay Center	Village of Hazard	Village of Marquette
City of Columbus	Village of Hemingford	Village of Martinsburg
Village of Comstock	City of Henderson	Village of Mason City

Village of Maxwell
 Village of McGrew
 Village of Meadow Grove
 Village of Merna
 Village of Miller
 City of Minatare
 Village of Monroe
 Village of Moorefield
 Village of Morrill
 Village of Mullen
 Village of Murray
 City of Neligh
 Village of Nenzel
 Village of Newcastle
 City of Norfolk
 Village of North Loup
 Northeast Nebraska Economic Development District
 Northeast Nebraska Solid Waste Coalition
 City of Oakland
 Village of Oconto
 Village of Ohiowa
 Village of Orleans
 City of Oshkosh
 Village of Otoe
 Village of Oxford
 Oxford Rural Fire Protection District
 City of Pawnee City
 Village of Paxton
 Village of Pilger

Village of Platte Center
 City of Randolph
 Village of Roca
 SID #1 - Butler County
 SID #6 - Dodge County
 SID #7 - Platte County
 SID #23 - Sarpy County
 SID #65 - Sarpy County
 SID #79 - Sarpy County
 SID#158 - Sarpy County
 SID #237 - Sarpy County
 SID #274 - Sarpy County
 SID #299 - Sarpy County
 SID #331 - Sarpy County
 SID #333 - Sarpy County
 SID #341 - Sarpy County
 SID # 358 - Sarpy County
 SID #367 - Sarpy County
 SID #368 - Sarpy County
 City of Sargent
 Sargent RFD
 Village of Scotia
 City of Scottsbluff
 Sheep Creek & Farmers RFD
 Village of Shelton

Village of Shickley
 Village of Silver Creek
 Solid Waste Agency of Northwest Nebraska (SWANN)
 Springbank Township
 Village of Stamford
 Village of Stapleton
 Village of Steele City
 Village of Stratton
 Village of Stuart
 Village of Sumner
 Village of Sutherland
 City of Syracuse
 Village of Table Rock
 Village of Taylor
 City of Terrytown
 City of Trenton
 Village of Uehling
 Village of Union
 Village of Utica
 City of Valentine
 City of Valley
 Victoria Township
 Village of Walthill
 Village of Wausa
 Village of Wilcox
 Village of Winnebago
 City of Wisner
 Village of Wolbach
 Village of Wood Lake
 City of Wymore

The following also attended the meeting: **LARM Staff** – Dave Bos, Tracy Juranek, James Kelley, Diane Becker, Drew Cook, Kyla Brockevelt, Fred Wiebelhaus, Ethan Nguyen, and Clint Simmons; **Sedgwick** – Chris Cadwell, Mark Weaver **Cline Williams** – Trent Sidders; **LONM Staff** – Shirley Riley, and **LARM Administrator** – L. Lynn Rex.

After roll call was taken, Chair Lanette Doane indicate that on September 20, 2023, 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 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. She informed the public about the location of the Open Meetings Act which is posted and accessible to members of the public and at larmpool.org along with at least one copy of all reproducible written material to be discussed at this meeting.

The Pledge of Allegiance to the Flag of the United States of America was recited. Chair Lanette Doane stated that 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.

At 11:06 a.m. **City of Gering**, Pat Heath joined the meeting as a voting member.

(AGENDA ITEM #2) Consider a motion to approve the Minutes of the Annual Members Meeting of the League Association of Risk Management (LARM) held on September 14, 2022. Connie Jo Beck of the City of St. Paul moved, seconded by Pam Buethe of the SID #29 to approve the Minutes of the Annual Members Meeting of the League Association of Risk Management (LARM) held on September 14, 2022. Chair Lanette Doane asked if there was any discussion; there was none.

Roll call vote.

Ayes (15):

Village of Ansley, City of Crete, City of Fremont, City of Gering, City of Gibbon, Guide Rock Fire District, City of Nelson, Nelson Rural Fire District, City of North Platte, City of Ralston, SID #29, City of St. Paul, St. Paul Fire Department, City of Wahoo, and City of Waverly

Nays (0)

Abstentions (0):

Not present (195):

City of Ainsworth
Village of Alda
Village of Allen
Village of Anselmo
City of Arapahoe
Village of Arcadia
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
City of Blair
Village of Broadwater
Village of Brock
Village of Brownville
Village of Brule

Village of Burr
City of Burwell
Village of Butte
Village of Callaway
Village of Cedar Bluffs
Village of Cedar Creek
Central Rural Fire
Protection District
City of Chadron
Village of Chester
City of Clarkson
City of Clay Center
City of Columbus

Village of Comstock
Village of Cook
Village of Cotesfield
City of Curtis
Village of Dalton
Village of Danbury
Village of Dannebrog
City of David City
Village of DeWeese
Village of Dorchester,
Dorchester VFD
Village of Dunbar
City of Edgar
Village of Edison
Village of Elba
Village of Elm Creek
Village of Elsie
Village of Elyria
Village of Emerson
Village of Eustis
Fairfield Rural Fire
Protection District
Village of Farwell
Village of Farnam
Village of Firth
City of Franklin
Village of Funk
City of Genoa
Village of Glenvil
City of Gothenburg
Village of Greeley
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 Henry
Village of Herman
Village of Hershey
City of Hickman
Village of Holbrook

City of Holdrege
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 Lebanon
Village of Leigh
Village of Lewellen
Village of Litchfield
Village of Lodgepole
Village of Long Pine
City of Louisville
Loup Central Landfill
Lower Republican NRD
Village of Lyman
Madison County RTSD
Village of Malcolm
Village of Malmö
Village of Manley
Village of Marquette
Village of Martinsburg
Village of Mason City
Village of Maxwell
Village of McGrew
Village of Meadow
Grove
Village of Merna
Village of Miller
City of Minatare
Village of Monroe
Village of Moorefield
Village of Morrill
Village of Mullen
Village of Murray

City of Neligh
Village of Nenzel
Village of Newcastle
City of Norfolk
Village of North Loup
Northeast Nebraska
Economic
Development District
Northeast Nebraska
Solid Waste
Coalition
City of Oakland
Village of Oconto
Village of Ohioa
Village of Orleans
City of Oshkosh
Village of Otoe
Village of Oxford
Oxford Rural Fire
Protection District
City of Pawnee City
Village of Paxton
Village of Pilger
Village of Platte Center
City of Randolph
Village of Roca
SID #1 - Butler County
SID #6 - Dodge County
SID #7 - Platte County
SID #23 - Sarpy County
SID #65 - Sarpy County
SID #79 - Sarpy County
SID#158 - Sarpy County
SID #237 - Sarpy
County
SID #274 - Sarpy
County
SID #299 - Sarpy
County
SID #331 - Sarpy
County
SID #333 - Sarpy
County
SID #341 - Sarpy
County

SID # 358 - Sarpy County	Solid Waste Agency of Northwest Nebraska (SWANN)	City of Trenton
SID #367 - Sarpy County	Springbank Township	Village of Uehling
SID #368 - Sarpy County	Village of Stamford	Village of Union
City of Sargent	Village of Stapleton	Village of Utica
Sargent RFD	Village of Steele City	City of Valentine
Village of Scotia	Village of Stratton	City of Valley
City of Scottsbluff	Village of Stuart	Victoria Township
Sheep Creek & Farmers RFD	Village of Sumner	Village of Walthill
Village of Shelton	Village of Sutherland	Village of Wausa
Village of Shickley	City of Syracuse	Village of Wilcox
Village of Silver Creek	Village of Table Rock	Village of Winnebago
	Village of Taylor	City of Wisner
	City of Terrytown	Village of Wolbach
		Village of Wood Lake
		City of Wymore

Motion carried: 15 ayes, 0 nays, 1 abstention, and 195 not present

(AGENDA ITEM #3) Consider a motion to accept the recommendations of the Nominating Committee and elect the slate of nominees to the LARM Board of Directors.

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 has recommended a slate of five candidates (listed below) to serve a three-year term.

Raquel Felzien, Clerk/Treasurer of the City of Franklin (appointed at the 2-28-2023 LARM Board meeting to replace Doug Hanson, Mayor of Hickman)

Don Groesser, Mayor of the City of Ralston (appointed at the 10-22-2020 LARM Board meeting to replace Jim Hawks, City Administrator of the City of North Platte)

James Bulkley, Mayor of the City of Columbus

M. Layne Groseth, City Administrator of the City of North Platte

Danielle (Dana) Klabenes, Clerk/Treasurer of the City of Neligh

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.

Chair Lanette Doane asked if there were any additional nominations from participating members; there were none. Sandra Schendt of the City of Nelson moved, seconded by Mayor Deb VanMatre of the City of Gibbon to elect the slate of nominees recommended by LARM's Nominating Committee.

Roll call vote.

Ayes (14):

Village of Ansley, City of Crete, City of Fremont, City of Gering, City of Gibbon, Guide Rock Fire District, City of Nelson, Nelson Rural Fire District, City of Ralston, SID #29, City of St. Paul, St. Paul Fire Department, City of Wahoo, and City of Waverly.

Nays (0)

Abstentions (1)

City of North Platte

Not Present (195):

- | | | |
|-------------------------|------------------------|-----------------------|
| City of Ainsworth | Central Rural Fire | City of Franklin |
| Village of Alda | Protection District | Village of Funk |
| Village of Allen | City of Chadron | City of Genoa |
| Village of Anselmo | Village of Chester | Village of Glenvil |
| City of Arapahoe | City of Clarkson | City of Gothenburg |
| Village of Arcadia | City of Clay Center | Village of Greeley |
| Village of Arlington | City of Columbus | Village of Guide Rock |
| Village of Ashton | Village of Comstock | Village of Gurley |
| City of Atkinson | Village of Cook | Village of Haigler |
| City of Auburn | Village of Cotesfield | Village of Halsey |
| Auburn Board of Public | City of Curtis | City of Harvard & |
| Works | Village of Dalton | Harvard RFD |
| Village of Bancroft | Village of Danbury | Village of Hazard |
| City of Bassett | Village of Dannebrog | Village of Hemingford |
| City of Bayard | City of David City | City of Henderson |
| City of Beaver City | Village of DeWeese | Village of Hendley |
| Village of Beaver | Village of Dorchester, | Village of Henry |
| Crossing | Dorchester VFD | Village of Herman |
| Village of Benedict | Village of Dunbar | Village of Hershey |
| City of Benkelman | City of Edgar | City of Hickman |
| Village of Berwyn | Village of Edison | Village of Holbrook |
| City of Blair | Village of Elba | City of Holdrege |
| Village of Broadwater | Village of Elm Creek | Village of Hoskins |
| Village of Brock | Village of Elsie | Hoskins RFD |
| Village of Brownville | Village of Elyria | Village of Howells |
| Village of Brule | Village of Emerson | City of Humboldt |
| Village of Burr | Village of Eustis | Humboldt Fire & RFD |
| City of Burwell | Fairfield Rural Fire | City of Imperial |
| Village of Butte | Protection District | City of Indianola, |
| Village of Callaway | Village of Farwell | Indianola RFD & |
| Village of Cedar Bluffs | Village of Farnam | VFD |
| Village of Cedar Creek | Village of Firth | Village of Inglewood |

Village of Jansen
Village of Johnstown
Village of Julian
KBR Solid Waste
Committee
Village of Lawrence
Village of Lebanon
Village of Leigh
Village of Lewellen
Village of Litchfield
Village of Lodgepole
Village of Long Pine
City of Louisville
Loup Central Landfill
Lower Republican NRD
Village of Lyman
Madison County RTSD
Village of Malcolm
Village of Malmo
Village of Manley
Village of Marquette
Village of Martinsburg
Village of Mason City
Village of Maxwell
Village of McGrew
Village of Meadow
Grove
Village of Merna
Village of Miller
City of Minatare
Village of Monroe
Village of Moorefield
Village of Morrill
Village of Mullen
Village of Murray
City of Neligh
Village of Nenzel
Village of Newcastle
City of Norfolk
Village of North Loup
Northeast Nebraska
Economic
Development District

Northeast Nebraska
Solid Waste
Coalition
City of Oakland
Village of Oconto
Village of Ohioa
Village of Orleans
City of Oshkosh
Village of Otoe
Village of Oxford
Oxford Rural Fire
Protection District
City of Pawnee City
Village of Paxton
Village of Pilger
Village of Platte Center
City of Randolph
Village of Roca
SID #1 - Butler County
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SID #333 - Sarpy
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SID #341 - Sarpy
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SID # 358 - Sarpy
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SID #367 - Sarpy
County
SID #368 - Sarpy
County

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

Motion carried: 14 ayes, 0 nays, 1 abstention and 195 not present.

(AGENDA ITEM #4) Consider a motion to accept a report on LARM's Annual Audited Financial Statement and Actuarial Opinion. (The report was presented by Jeremy Fox, CPA, Thomas, Kunc and Black, LARM's Auditor and Mark Weaver, Vice-President, Finance, Sedgwick.) Mayor Don Groesser of the City of Ralston moved, seconded by Melissa Harrell of the City of Wahoo to accept the report on LARM's Annual Audited Financial Statement and Actuarial Opinion. Chair Lanette Doane asked if there was any discussion, there was none.

Roll call vote.

Ayes (15): Village of Ansley, City of Crete, City of Fremont, City of Gering, City of Gibbon, Guide Rock Fire District, City of Nelson, Nelson Rural Fire District, City of North Platte, City of Ralston, SID #29, City of St. Paul, St. Paul Fire Department, City of Wahoo, and City of Waverly

Nays (0)

Abstentions (0)

Not Present (195):

City of Ainsworth	Village of Brownville	Village of Dorchester,
Village of Alda	Village of Brule	Dorchester VFD
Village of Allen	Village of Burr	Village of Dunbar
Village of Anselmo	City of Burwell	City of Edgar
City of Arapahoe	Village of Butte	Village of Edison
Village of Arcadia	Village of Callaway	Village of Elba
Village of Arlington	Village of Cedar Bluffs	Village of Elm Creek
Village of Ashton	Village of Cedar Creek	Village of Elsie
City of Atkinson	Central Rural Fire	Village of Elyria
City of Auburn	Protection District	Village of Emerson
Auburn Board of Public	City of Chadron	Village of Eustis
Works	Village of Chester	Fairfield Rural Fire
Village of Bancroft	City of Clarkson	Protection District
City of Bassett	City of Clay Center	Village of Farwell
City of Bayard	City of Columbus	Village of Farnam
City of Beaver City	Village of Comstock	Village of Firth
Village of Beaver	Village of Cook	City of Franklin
Crossing	Village of Cotesfield	Village of Funk
Village of Benedict	City of Curtis	City of Genoa
City of Benkelman	Village of Dalton	Village of Glenvil
Village of Berwyn	Village of Danbury	City of Gothenburg
City of Blair	Village of Dannebrog	Village of Greeley
Village of Broadwater	City of David City	Village of Guide Rock
Village of Brock	Village of DeWeese	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 Henry
 Village of Herman
 Village of Hershey
 City of Hickman
 Village of Holbrook
 City of Holdrege
 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 Lebanon
 Village of Leigh
 Village of Lewellen
 Village of Litchfield
 Village of Lodgepole
 Village of Long Pine
 City of Louisville
 Loup Central Landfill
 Lower Republican NRD
 Village of Lyman
 Madison County RTSD
 Village of Malcolm
 Village of Malmo
 Village of Manley
 Village of Marquette
 Village of Martinsburg

Village of Mason City
 Village of Maxwell
 Village of McGrew
 Village of Meadow
 Grove
 Village of Merna
 Village of Miller
 City of Minatare
 Village of Monroe
 Village of Moorefield
 Village of Morrill
 Village of Mullen
 Village of Murray
 City of Neligh
 Village of Nenzel
 Village of Newcastle
 City of Norfolk
 Village of North Loup
 Northeast Nebraska
 Economic
 Development District
 Northeast Nebraska
 Solid Waste
 Coalition
 City of Oakland
 Village of Oconto
 Village of Ohioa
 Village of Orleans
 City of Oshkosh
 Village of Otoe
 Village of Oxford
 Oxford Rural Fire
 Protection District
 City of Pawnee City
 Village of Paxton
 Village of Pilger
 Village of Platte Center
 City of Randolph
 Village of Roca
 SID #1 - Butler County
 SID #6 - Dodge County
 SID #7 - Platte County
 SID #23 - Sarpy County
 SID #65 - Sarpy County
 SID #79 - Sarpy County
 SID#158 - Sarpy County

SID #237 - Sarpy
 County
 SID #274 - Sarpy
 County
 SID #299 - Sarpy
 County
 SID #331 - Sarpy
 County
 SID #333 - Sarpy
 County
 SID #341 - Sarpy
 County
 SID # 358 - Sarpy
 County
 SID #367 - Sarpy
 County
 SID #368 - Sarpy
 County
 City of Sargent
 Sargent RFD
 Village of Scotia
 City of Scottsbluff
 Sheep Creek & Farmers
 RFD
 Village of Shelton
 Village of Shickley
 Village of Silver Creek
 Solid Waste Agency of
 Northwest Nebraska
 (SWANN)
 Springbank Township
 Village of Stamford
 Village of Stapleton
 Village of Steele City
 Village of Stratton
 Village of Stuart
 Village of Sumner
 Village of Sutherland
 City of Syracuse
 Village of Table Rock
 Village of Taylor
 City of Terrytown
 City of Trenton
 Village of Uehling
 Village of Union
 Village of Utica

City of Valentine
City of Valley
Victoria Township
Village of Walthill
Village of Wausa

Village of Wilcox
Village of Winnebago
City of Wisner
Village of Wolbach
Village of Wood Lake

City of Wymore

Motion carried: 15 ayes, 0 nays, 1 abstention, and 195 not present.

(AGENDA ITEM #5) Motion to adjourn. Pam Buethe of SID #29 moved, seconded by Tom Ourada of the City of Crete, to adjourn.

Roll call vote.

Ayes (15): Village of Ansley, City of Crete, City of Fremont, City of Gering, City of Gibbon, Guide Rock Fire District, City of Nelson, Nelson Rural Fire District, City of North Platte, City of Ralston, SID #29, City of St. Paul, St. Paul Fire Department, City of Wahoo, and City of Waverly

Nays (0)

Abstentions (0)

Not present (195):

City of Ainsworth
Village of Alda
Village of Allen
Village of Anselmo
City of Arapahoe
Village of Arcadia
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
City of Blair
Village of Broadwater
Village of Brock

Village of Brownville
Village of Brule
Village of Burr
City of Burwell
Village of Butte
Village of Callaway
Village of Cedar Bluffs
Village of Cedar Creek
Central Rural Fire
Protection District
City of Chadron
Village of Chester
City of Clarkson
City of Clay Center
City of Columbus
Village of Comstock
Village of Cook
Village of Cotesfield
City of Curtis
Village of Dalton
Village of Danbury
Village of Dannebrog
City of David City
Village of DeWeese

Village of Dorchester,
Dorchester VFD
Village of Dunbar
City of Edgar
Village of Edison
Village of Elba
Village of Elm Creek
Village of Elsie
Village of Elyria
Village of Emerson
Village of Eustis
Fairfield Rural Fire
Protection District
Village of Farwell
Village of Farnam
Village of Firth
City of Franklin
Village of Funk
City of Genoa
Village of Glenvil
City of Gothenburg
Village of Greeley
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 Henry
Village of Herman
Village of Hershey
City of Hickman
Village of Holbrook
City of Holdrege
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 Lebanon
Village of Leigh
Village of Lewellen
Village of Litchfield
Village of Lodgepole
Village of Long Pine
City of Louisville
Loup Central Landfill
Lower Republican NRD
Village of Lyman
Madison County RTSD
Village of Malcolm
Village of Malmo
Village of Manley
Village of Marquette
Village of Martinsburg

Village of Mason City
Village of Maxwell
Village of McGrew
Village of Meadow
Grove
Village of Merna
Village of Miller
City of Minatare
Village of Monroe
Village of Moorefield
Village of Morrill
Village of Mullen
Village of Murray
City of Neligh
Village of Nenzel
Village of Newcastle
City of Norfolk
Village of North Loup
Northeast Nebraska
Economic
Development District
Northeast Nebraska
Solid Waste
Coalition
City of Oakland
Village of Oconto
Village of Ohioa
Village of Orleans
City of Oshkosh
Village of Otoe
Village of Oxford
Oxford Rural Fire
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City of Scottsbluff
Sheep Creek & Farmers
RFD
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Solid Waste Agency of
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Springbank Township
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Village of Stapleton
Village of Steele City
Village of Stratton
Village of Stuart
Village of Sumner
Village of Sutherland
City of Syracuse
Village of Table Rock
Village of Taylor
City of Terrytown
City of Trenton
Village of Uehling
Village of Union
Village of Utica

City of Valentine
City of Valley
Victoria Township
Village of Walthill

Village of Wausa
Village of Wilcox
Village of Winnebago
City of Wisner

Village of Wolbach
Village of Wood Lake
City of Wymore

Motion carried: 15 ayes, 0 nays, 0 abstentions and 195 not present.

The meeting was adjourned at 11:23 am.

Chair Lanette Doane thanked all the members for taking the time to participate in the Annual Members' Meeting and vote on these important agenda items.

Approved on:

ATTEST:

Kyla Brockevelt
Executive Administrative Assistant
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



NOTICE

MEETING OF THE ANNUAL MEMBERS MEETING OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM) Wednesday, September 27, 2023, 11:00 a.m. CT/10:00 a.m. MT

PLEASE TAKE NOTICE that on **Wednesday, September 27, 2023, at 11:00 a.m. CT/10:00 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 13th Street, Lincoln, Nebraska. An agenda of subjects known at this time is included with this notice, and the agenda shall be kept continually current and readily available for public inspection at the principal office of LARM during normal business hours at 1335 L Street, Suite 200, 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/81124588603?pwd=SjhLTnRxWU9sNHZWeWVMMeUpQb1orQT09> or 1-833-548-0282. The Meeting ID is 811 2458 8603 and the passcode is 859274.

On September 20, 2023, a notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials also is available for public inspection at 1335 L Street, Suite 200, 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.



MINUTES

**Nominating Committee
of the League Association of Risk Management (LARM) Board
Telephone Conference Call
September 25, 2024; 3:45 p.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:

City of Fremont Mayor Joey Spellerberg, Chair of the LARM Board
City of Nelson Clerk/Treasurer Sandra Schendt, Vice Chair of the LARM Board
League of Nebraska Municipalities 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
Diane Becker, LARM Communications Director
Shirley Riley, League of Nebraska Municipalities Membership Services Director

The meeting was called to order at 3:46 p.m. CT to discuss nominations for the FY 24-25 LARM Board.

(AGENDA ITEM #1) Consider a motion for the Nominating Committee to recommend at the LARM Members Meeting on October 2, 2024 a slate of five candidates (listed below) to serve a three-year term, effective Jan. 1, 2025.

- Connie Jo Beck, Clerk/Deputy Treasurer of the City of St. Paul (appointed at the 9-22-2021 LARM Board meeting to replace Doug Schulz, City Administrator of Curtis)
- Sharon Powell, Board Member of the Village of Utica
- Mindy Rump, Mayor of the City of Blair
- Kevin Spencer, Police Chief/City Manager of the City of Scottsbluff
- Mark Stracke, Clerk/Treasurer of the Village of Stuart

Moved by Schendt. Second by Spellerberg. Roll Call Vote. Ayes: Schendt, Spellerberg and Rex. Nays: None. Abstentions: None. Absent: None. Motion carried: 3 ayes, 0 nays and 0 abstentions.

(AGENDA ITEM #3) Motion to adjourn.

At 3:52 p.m. CT, Moved by Spellerberg. Second by Schendt. Roll Call Vote. Ayes: Schendt, Spellerberg and Rex. Nays: None. Abstentions: None. Absent: None. Motion carried: 3 ayes, 0 nays and 0 abstentions.

Approved on: _____

ATTEST:

Dave Bos
Executive Director
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

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Independent Auditor's Report

Financial Statements - Statutory Basis

September 30, 2023 and 2022

ANNUAL STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2023
FOR
LEAGUE ASSOCIATION OF RISK MANAGEMENT

Nebraska Company Code: 201675

Employer's ID Number: 47-0791192

Incorporated May 1, 1995 under the Laws of Nebraska

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

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

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

Officers of the Association:

Chair: Lanette Doane
Vice-Chair: Joey Spellerberg
Secretary: L. Lynn Rex

Directors or Trustees:

Connie Jo Beck
Pamela Buethe
Lanette Doane
Raquel Felzien
Don Groesser
Melissa Harrell
Pat Heath
Gwenda Horky
Josh Moenning
Tom Ourada
Tyler Pribbeno
Chris Rector
Sandra Schendt
Joey Spellerberg
Deb VanMatre – Ex-officio

LEAGUE ASSOCIATION OF RISK MANAGEMENT

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Independent Auditor's Report

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

Opinions

We have audited the accompanying financial statements of League Association of Risk Management, which comprise the balance sheets – statutory basis as of September 30, 2023 and 2022, and the related statutory statements of revenues and expenses, changes in surplus, and cash flows for the years then ended, and the related notes to the statutory financial statements.

Unmodified Opinion on the Statutory 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 of League Association of Risk Management as of September 30, 2023 and 2022, and the related statutory statements of income, changes in surplus and cash flows, for the years then ended, in accordance with the financial reporting practices prescribed or permitted by the Insurance Department of the State of Nebraska as described in Note 1.

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” section of our report, 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, 2023 and 2022, or the changes in its surplus for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of League Association of Risk Management and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified audit opinion on the regulatory basis of accounting and our adverse opinion on U.S. generally accepted accounting principles.

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

As described in Note 1, the financial statements are prepared by League Association of Risk Management in accordance 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, to meet the requirements of the Insurance Department of the State of Nebraska. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 League Association of Risk Management's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about League Association of Risk Management's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Thomas, Kunc and Black, LLP

Lincoln, Nebraska
December 29, 2023

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Balance Sheets - Statutory Basis

September 30, 2023 and 2022

	<u>Assets</u>	
	<u>2023</u>	<u>2022</u>
Cash:		
Cash on deposit	\$ 2,354,318	1,151,445
Short-term investments	-	-
Total cash	<u>2,354,318</u>	<u>1,151,445</u>
Long-term investments	13,493,414	13,711,558
Accounts receivable	4,424	14,547
Premiums receivable	14,131,220	10,683,529
Interest receivable	21,472	21,503
Reinsurance recoverable on paid losses	<u>732,865</u>	<u>1,887,369</u>
Total assets	<u>\$ 30,737,713</u>	<u>27,469,951</u>
	<u>Liabilities and Surplus</u>	
Loss reserves	\$ 5,598,841	4,621,930
Loss adjustment expenses	2,080,595	2,249,940
Unearned premium	14,055,259	11,662,104
Taxes payable	120,304	106,591
Other liabilities	387,134	373,730
Funds held under reinsurance treaties	<u>25,000</u>	<u>25,000</u>
Total liabilities	<u>22,267,133</u>	<u>19,039,295</u>
Surplus	<u>8,470,580</u>	<u>8,430,656</u>
Total liabilities and surplus	<u>\$ 30,737,713</u>	<u>27,469,951</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues:		
Premiums earned, direct	\$ 13,598,774	11,552,439
Premiums earned, transferred by excess	<u>(4,757,150)</u>	<u>(3,923,186)</u>
Net premiums	8,841,624	7,629,253
Investment income	264,924	1,142
Miscellaneous income	<u>115,198</u>	<u>112,913</u>
Total revenues	<u>9,221,746</u>	<u>7,743,308</u>
Expenses:		
Losses incurred, direct	7,052,358	7,134,579
Losses incurred, transferred by excess	<u>(1,832,519)</u>	<u>(2,771,433)</u>
Net losses	5,219,839	4,363,146
Loss expenses incurred	608,024	686,598
Other underwriting expenses incurred	<u>3,353,959</u>	<u>3,132,833</u>
Total expenses	<u>9,181,822</u>	<u>8,182,577</u>
Net income/(loss) - statutory basis	<u>\$ 39,924</u>	<u>(439,269)</u>

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, 2023 and 2022

	2023	2022
Surplus, beginning of period	\$ 8,430,656	8,869,925
Net income/(loss) - statutory basis	39,924	(439,269)
Unrealized capital gain	89,606	410,693
Change in non-admitted assets	(89,606)	(410,693)
Dividends	-	-
Surplus, end of period	\$ 8,470,580	8,430,656

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, 2023 and 2022

	2023	2022
Premiums collected, net of excess insurance	\$ 7,797,399	8,993,812
Loss and loss adjustment expenses paid	(3,865,793)	(6,530,494)
Underwriting expenses paid	(3,326,842)	(2,893,408)
Cash from underwriting	604,764	(430,090)
Investment income	354,561	405,817
Miscellaneous income	115,198	112,913
Net cash from operations	1,074,523	88,640
Transfers in:		
Other sources	218,144	-
Transfers out:		
Other applications	(89,794)	(879,893)
Net change in cash and short-term investments	1,202,873	(791,253)
Cash and short-term investments, beginning of period	1,151,445	1,942,698
Cash and short-term investments, end of period	\$ 2,354,318	1,151,445

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

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements

September 30, 2023 and 2022

(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, 2023 and 2022

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

(f) Reinsurance:

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

(g) Income taxes:

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

(h) Management estimates:

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

(2) NLC Mutual Insurance Company:

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

Each entity is charged a capitalization fee based on a percentage of premiums. The Pool contributed a total of \$377,664, which is reflected on NLC's financial statements as member surplus. In addition, NLC allocates a portion of their net income to the member surplus each year. As a mutual company, NLC returns earnings that are not needed to pay claims and the expenses of operations to the members in the form of dividends. NLC paid dividends of \$110,625 (September 30, 2023) and \$109,273 (September 30, 2022). The total member surplus reflected on NLC's financials for LARM were \$3,165,002 (September 30, 2023) and \$3,075,396 (September 30, 2022).

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

(3) Cash on deposit and investments:

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

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

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

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

See independent auditor's report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

September 30, 2023 and 2022

- (3) Cash on deposit and investments: (Continued)
The Pool's cash and investment balances were as follows:

	Cost		
	Insured or Direct U.S. Government	Uninsured	Total
At September 30, 2023			
Cash on deposit	\$ 250,000	2,654,386	2,904,386
Short-term investments	-	-	-
Long-term investments	13,493,414	-	13,493,414
	<u>\$ 13,743,414</u>	<u>2,654,386</u>	<u>16,397,800</u>
At September 30, 2022			
Cash on deposit	\$ 250,000	1,447,721	1,697,721
Short-term investments	-	-	-
Long-term investments	13,711,558	-	13,711,558
	<u>\$ 13,961,558</u>	<u>1,447,721</u>	<u>15,409,279</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, 2023 and 2022

(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, 2023					
	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	\$ -	-	2,557,645	189,876	2,557,645	189,876
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	-	-	9,711,482	784,542	9,711,482	784,542
Industrial and miscellaneous unaffiliated	-	-	-	-	-	-
Total bonds	-	-	12,269,127	974,418	12,269,127	974,418
Total temporarily impaired securities	\$ -	-	12,269,127	974,418	12,269,127	974,418

The amortized cost and estimated statutory fair value of bonds at September 30, 2023, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Bonds not due at a single maturity date have been included in the table below in the year of final maturity.

	Amortized Cost	Estimated Statutory Fair Value
Due in one year or less	\$ -	-
Due after one year through five years	10,244,246	9,558,327
Due after five years through ten years	2,999,300	2,710,800
Due after ten years	-	-
	\$ <u>13,243,546</u>	<u>12,269,127</u>

See independent auditor's report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

September 30, 2023 and 2022

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

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

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

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

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, 2023 and 2022 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, 2023 and 2022

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

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

September 30, 2023		Amortized	Gross	Gross	Estimated
		Cost	Unrealized	Unrealized	Fair
			Gains	Losses	Value
Obligations of U.S. Government sponsored enterprises	\$	13,243,545	-	974,418	12,269,127
Total	\$	13,243,545	-	974,418	12,269,127

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

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

		September 30, 2023				
Financial assets:		Statement Value	Estimated Fair Value	Level 1	Level 2	Level 3
Bonds	\$	13,243,545	12,269,127	-	12,269,127	-
Cash on deposit (including certificates of deposit)		2,604,187	2,590,552	2,354,187	236,365	-
Investment income due and accrued		21,472	21,472	21,472	-	-
Total	\$	15,869,204	14,881,151	2,375,659	12,505,492	-

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

See independent auditor's report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

September 30, 2023 and 2022

- (4) Retirement plan:
The Pool maintains a 401(a) - retirement savings plan and 457(b) - deferred compensation plan for all employees. The Pool makes contributions into the 401(a) plan up to 10% of compensation. The employee may also make elective deferrals into either/both plans.
- (5) Related party transactions:
LARM contracted with the League of Nebraska Municipalities for office space and miscellaneous administrative services. The total amount paid to the League of Nebraska Municipalities was \$134,174 (September 30, 2023) and \$91,649 (September 30, 2022). The total amount of payables to the League of Nebraska Municipalities was \$393 (September 30, 2023) and \$1,106 (September 30, 2022).
- (6) Reinsurance recoverables:
Amounts recoverable from reinsurers are estimated based upon assumptions consistent with those used in establishing the liabilities related to the underlying reinsured coverage document. The Pool's management believes the recoverables are appropriately established. The Pool had reinsurance recoverable amounts from four third-party reinsurers.

	<u>2023</u>	<u>2022</u>
Contributions:		
Direct	\$ 13,598,774	11,552,439
Ceded	<u>(4,757,150)</u>	<u>(3,923,186)</u>
Net contributions earned	<u>\$ 8,841,624</u>	<u>7,629,253</u>
Losses:		
Direct	\$ 7,052,358	7,134,579
Ceded	<u>(1,832,519)</u>	<u>(2,771,433)</u>
Net losses incurred	<u>\$ 5,219,839</u>	<u>4,363,146</u>

The Pool has recorded reinsurance recoverables on paid losses from reinsurance companies of \$732,865 (September 30, 2023) and \$1,887,369 (September 30, 2022).

The Pool has recorded reinsurance recoverables on unpaid loss and loss adjustment expenses payable of \$6,643,560 (September 30, 2023) and \$5,792,125 (September 30, 2022).

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

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

See independent auditor's report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

September 30, 2023 and 2022

(7) Self-insured retention:

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

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

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

(8) Retrospective assessments and credits:

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

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

(9) Surplus:

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

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

	<u>2023</u>	<u>2022</u>
Non-admitted assets:		
Accounts receivable over 90 days past due	\$ -	-
Agents balances receivable over 90 days past due	-	-
Investment in NLC	3,165,002	3,075,396
	<u>\$ 3,165,002</u>	<u>3,075,396</u>

(10) Commitments and contingencies:

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

(11) Financial statement presentation:

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

(12) Subsequent events:

The Pool evaluated subsequent events through December 29, 2023. There were no subsequent events that require disclosure and/or adjustments.

See independent auditor's report.

SUPPLEMENTAL INFORMATION



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, 2023 and 2022 and our report thereon dated December 29, 2023, 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.

Thomas, Kunc and Black, LLP

Lincoln, Nebraska
December 29, 2023

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Reconciliation of Unpaid Claim Liabilities

For the years ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Unpaid claims and claims adjustment expenses at beginning of period	\$ <u>6,871,870</u>	<u>7,246,215</u>
Incurred claims and claims adjustment expenses:		
Provision for insured events of current policy year	7,580,837	6,137,435
Increase/(decrease) in provision in insured events of prior policy years	<u>(1,752,974)</u>	<u>(1,087,691)</u>
Total incurred claims and claims adjustment expenses	<u>5,827,863</u>	<u>5,049,744</u>
Payments:		
Claims and claims adjustment expenses attributable to insured events of the current policy year	3,122,439	2,555,720
Claims and claims adjustment expenses attributable to insured events of prior policy years	<u>1,897,858</u>	<u>2,868,369</u>
Total payments	<u>5,020,297</u>	<u>5,424,089</u>
Total unpaid claims and claims adjustment expenses at end of period	\$ <u><u>7,679,436</u></u>	<u><u>6,871,870</u></u>

See independent auditor's report on supplemental information.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Loss Development Information

September 30, 2023

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, 2023

	Fiscal and Plan Year Ended			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
1. Required contribution and investment revenues - fiscal year:				
Written and earned	\$ 13,598,774	11,552,439	9,889,689	8,886,960
Ceded	4,757,150	3,923,186	2,874,577	2,407,442
Net earned	8,841,624	7,629,253	7,015,112	6,479,518
Interest income	275,986	88,084	84,550	259,723
2. Unallocated expenses - fiscal year:				
Operating expenses	3,353,959	3,132,833	2,755,026	2,755,882
3. Incurred losses and loss adjustment expenses - fiscal year:				
Incurred	7,660,382	7,821,177	5,411,179	7,731,417
Ceded	1,832,519	2,771,433	477,631	3,269,162
Net incurred	5,827,863	5,049,744	4,933,548	4,462,255
4. Cumulative amounts paid as of:				
End of plan year	3,122,438	2,555,719	1,313,254	906,266
One year later	-	3,589,700	2,892,777	1,884,332
Two years later	-	-	3,094,358	2,134,512
Three years later	-	-	-	2,350,620
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	7,223,254	5,818,085	4,152,253	2,999,762
One year later	-	5,062,571	4,195,041	3,471,618
Two years later	-	-	4,009,697	3,073,419
Three years later	-	-	-	2,409,397
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	7,223,254	(755,514)	(142,556)	(590,365)

See independent auditor's report on supplemental information.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
8,328,448	8,264,076	8,526,373	7,688,166	6,926,492	8,213,781	6,830,821	6,769,582
2,169,795	2,168,798	2,185,673	2,260,774	2,026,062	2,276,721	2,013,347	1,607,784
6,158,653	6,095,278	6,340,700	5,427,392	4,900,430	5,937,060	4,817,474	5,161,798
278,865	225,153	163,887	111,568	59,286	68,728	56,360	91,754
3,030,036	3,049,925	2,551,999	2,443,815	2,419,847	2,479,946	2,403,301	2,187,851
7,149,445	5,553,950	1,595,503	3,345,355	(74,061)	7,867,921	3,305,167	5,859,212
2,634,394	1,867,399	(210,709)	955,861	(156,580)	4,334,998	(882,880)	2,979,727
4,515,051	3,686,551	1,806,212	2,389,494	82,519	3,532,923	4,188,047	2,879,485
1,110,321	2,291,545	1,143,890	921,577	795,609	1,706,079	1,048,881	1,389,248
2,789,578	3,122,284	1,778,779	1,358,090	1,580,076	2,676,826	1,755,657	1,977,865
3,601,967	3,429,481	2,243,856	1,564,121	1,745,523	2,801,904	1,940,919	2,345,151
3,586,917	3,428,793	2,884,726	1,581,574	1,851,741	3,013,831	2,106,487	2,485,185
3,860,813	3,876,425	3,356,764	1,717,666	1,887,545	3,124,621	2,186,653	2,619,590
-	3,872,755	3,333,492	1,806,886	1,908,684	3,269,178	2,299,406	2,874,960
-	-	3,336,948	2,230,601	1,908,684	3,409,044	2,384,787	2,982,354
-	-	-	2,230,214	1,929,457	3,409,453	2,389,626	3,118,093
-	-	-	-	1,929,457	3,413,823	2,422,148	3,144,134
-	-	-	-	-	3,414,923	2,524,909	3,245,148
-	-	-	-	-	-	2,556,162	3,258,273
4,265,659	3,900,160	2,639,834	2,479,490	2,379,269	4,492,832	3,515,009	3,511,465
4,264,115	3,963,779	2,568,626	1,919,104	2,188,723	3,494,212	2,775,472	3,147,845
4,143,738	3,880,697	2,673,308	1,750,286	2,029,208	3,250,628	2,541,586	2,962,289
3,994,715	3,864,996	3,235,014	1,721,670	1,988,621	3,353,043	2,531,140	2,887,596
3,957,059	3,876,425	3,447,598	2,128,559	1,967,292	3,284,009	2,551,752	2,996,381
-	3,872,755	3,397,394	2,167,918	1,913,143	3,587,970	2,510,282	3,084,560
-	-	3,362,574	2,230,609	1,913,143	3,437,724	2,443,204	3,103,599
-	-	-	2,230,222	1,929,457	3,409,454	2,443,204	3,192,726
-	-	-	-	1,929,457	3,413,824	2,591,018	3,230,862
-	-	-	-	-	3,414,924	2,576,488	3,261,712
-	-	-	-	-	-	2,696,156	3,258,273
(308,600)	(27,405)	722,740	(249,268)	(449,812)	(1,077,908)	(818,853)	(253,192)



By the Numbers

Actuarial Consulting, Inc.

STATEMENT OF ACTUARIAL OPINION for the League Association of Risk Management as of 9/30/23

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.

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, 2023 and reviewed information provided to me through October 30, 2023. 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 Ms. Kathy Manuel 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, 2023 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 2022 Property and Casualty Annual Statement Instructions regarding Statements of Actuarial Opinion.

RELEVANT COMMENTS

Company Specific Risk Factors

The Association writes workers compensation, general liability, automobile liability, automobile physical damage, property, inland marine, boiler and machinery, wind/storm, vandalism, public officials errors & omissions, and police professional liability in the State of Nebraska. The limits retained vary between \$100,000 and \$750,000 per occurrence depending on the policy year and coverage. Two of the five reinsurers are not rated or rated B++ by AM Best.

I have identified the major risk factors as the varying frequency and severity due to the coverages written by the Association and a lower than an A rating by AM Best for reinsurers used by the Association. The absence of other risk factors from this listing does not imply that additional risk factors will not be identified in the future as having been a significant influence on the Association’s reserves.

Risk of Material Adverse Deviation

I believe there is no significant risk of material adverse deviation. 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 1) and 2) of Exhibit A, by an amount greater than 25% of the Association’s statutory surplus shown on the Balance Sheets of the Financial Statements (i.e. a reserve deviation greater than \$2,117,645).

My selection of the materiality standard (25% of statutory surplus) was driven by the fact that this opinion is prepared for regulatory review of the Association. 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 \$6,643,560 is in the 10/1/99-00, 10/1/06-07, 10/1/11-12, 10/1/13-14, 10/1/17-18, 10/1/18-19, and 10/1/20-21 through 10/1/22-23 policy periods. The reinsurers are Star Insurance Company for 10/1/99-00; Midwest Employers Casualty Company for 10/1/06-07, 10/1/11-12, 10/1/17-18, and 10/1/22-23; JLT Re for 10/1/18-19; NLC Mutual for 10/1/20-21 through 10/1/22-23; and Alliant Property Insurance Program for 10/1/13-14 and 10/1/20-21 through 10/1/22-23. The reinsurance that is in place has been collected to date and is believed to be collectable in the future. Star Insurance Company, Midwest Employers Casualty Company, and Alliant Property Insurance Program received AM Best ratings of A- or above. The AM Best rating for NLC Mutual is B++ and JLT Re is not rated.

Changes in 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.

Other Disclosures

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.

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.

Underwriting Pools and Associations

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

Statement of Actuarial Opinion
December 29, 2023
Page Four

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.

Extended Loss and Expense Reserves

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

Accident and Health Long Duration Contracts

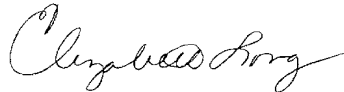
The Company writes no Accident and Health long duration contracts with coverage periods of thirteen months or greater that require contract reserves.

SUPPORTING DOCUMENTS AND USAGE

This is the fifth opinion I have rendered for the Association and the thirteenth opinion by my firm. 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.
PO Box 35
Titusville, NJ 08560
(609) 474-0508
elong@bynac.com

December 29, 2023

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>5,598,841</u>
2. Reserve for Unpaid Loss Adjustment Expenses (Liabilities, Surplus and Other Funds page, Col 1, Line 3)	\$ <u>2,080,595</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>11,824,588</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>2,498,408</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>	
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
Enter E or C based upon the following:
E if an Employee of the Company or Group
C if a Consultant | | C |
| 3. | The Appointed Actuary has the following designation
(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 | | A |
| 4. | Type of Opinion, as identified in the OPINION paragraph.
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 | | R |
| 5. | Materiality Standard expressed in US dollars (Used to
Answer Question #6) | \$ | <u>2,117,645</u> |
| 6. | Are there significant risks that could result in Material Adverse Deviation? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> N/A <input type="checkbox"/> |
| 7. | Statutory Surplus (Liabilities, Col 1, Line 37) | \$ | <u>8,470,580</u> |
| 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) | \$ | <u>0</u> |
| 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. | \$ | <u>0</u> |
| | 9.2 Tabular Discount [Notes, Line 32A23 (Amounts 1 &
2)], Electronic Filing Cols 1 & 2. | \$ | <u>0</u> |
| 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. | \$ | <u>0</u> |
| 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 | \$ | <u>0</u> |
| | 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 | \$ | <u>0</u> |
| 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 | \$ | <u>0</u> |
| | 12.2 Amount reported as unearned premium reserves | \$ | <u>0</u> |
| 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 | \$ | <u>0</u> |
| | 13.2 Loss Adjustment Expenses | \$ | <u>0</u> |
| | 13.3 Unearned Premium | \$ | <u>0</u> |
| | 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")) | \$ | <u>0</u> |
| 14. | Other items on which the Appointed Actuary is providing
relevant comment (list separately, adding additional lines as
needed) | \$ | <u>0</u> |

* 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.