



NOTICE

**MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)
Wednesday, September 24, 2025 at 4:45 p.m. CDT/3:45 p.m. MDT**

PLEASE TAKE NOTICE that on **Wednesday, September 24, 2025, at 4:45 p.m. CDT/3:45 p.m. MDT**, the League Association of Risk Management (LARM), will hold a LARM Board of Directors meeting by Virtual Conferencing.

The meeting will be made available by Zoom via Computer, Smart Device or Telephone

<https://larmpool-org.zoom.us/j/86110163053?pwd=xBUluSrYckff6ggeKoPf5djUeV70rd.1>

or via phone at 833-548-0282. The meeting ID is 861 1016 3053 and the passcode is 427131.

Grand Ballroom B and C at the Cornhusker Marriot Hotel, 333 South 13th Street, Lincoln, NE will be open for attendance by the public during the meeting.

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, in Lincoln, Nebraska. A notice of this meeting with the agenda and other materials is available at this location with the following links kept continually current on LARM's website – larmpool.org: an electronic copy of the agenda, all documents being considered at the meeting, and a link to the current version of the Open Meetings Act.

On September 17, 2025, a notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board.



AGENDA

MEETING OF THE BOARD OF DIRECTORS OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM) Wednesday, September 24, 2025 at 4:45 p.m. CDT/3:45 p.m. MDT By Virtual Conferencing

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

Grand Ballroom B and C at the Cornhusker Marriot Hotel, 333 South 13th Street, Lincoln, NE will be open for attendance by the public during the meeting. A notice of this meeting with the agenda and other materials will be available at this location with a copy of the Open Meetings Act posted.

You may join the meeting by Zoom via Computer, Smart Device or Telephone

<https://larmpool-org.zoom.us/j/86110163053?pwd=xBUluSrYckff6ggeKoPf5djUeV70rd.1>

or via phone at 833-548-0282. The Meeting ID: 861 1016 3053 and the passcode is 427131.

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

1. Call meeting to order:

- a. 4:45 p.m. CT/3:45 pm. MT – Joey Spellerberg, Mayor of Fremont and Chair of the LARM Board, will call the meeting to order.
- b. Roll call.
- c. Indicate that on September 17, 2025, a notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board of Directors. Notice of this meeting with the agenda and other materials was available for public inspection at 1335 L Street, Suite 200, 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. A notice of this meeting, the agenda, and other materials are available at this location, and a copy of the Open Meetings Act is posted.
- e. 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.
- f. Pledge of Allegiance to the Flag of the United States of America.

2. Consider a motion to approve the minutes of the May 21, 2025, meeting of the LARM Board of Directors.

See pages 1-6

3. Consider a motion to approve the minutes of the July 22, 2025, special meeting of the LARM Board of Directors.

See pages 7-10

4. Consider a motion to accept the quarterly update on LARM financials.

See pages 11-17

· Robert Ooms, Director of Finance, Sedgwick

5. Consider a motion to approve the reinsurance update and place the following coverages:

- a) Primary Property Program, Effective 10-1-25; b) Excess Workers' Compensation, Effective 10-1-25; c) Excess Liability, Effective 10-1-25.

See pages 18-28

· Andrew Finn, Director of Pool Administration, Sedgwick

6. Consider a motion to accept the quarterly update on LARM investments.

See pages 29-61

· *Michael Maloney, Senior Portfolio Manager, US Bank*

7. Consider a motion to approve LARM's Proposed Budget for FY 2025-26.

See pages 62-67

· *Robert Ooms, Director of Finance, Sedgwick*

· *Dave Bos, Executive Director, LARM*

· *Lynn Rex, Administrator, LARM*

8. Consider a motion to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation.

· *Natacha McClain, Designated Litigation Manager, Sedgwick*

9. Public disclosure of release and settlement agreement between Bryce Preister (LARN10957) and the League Association of Risk Management in consideration of payment of the total sum of \$550,000 to provide release and discharge to Bryce Preister and the League Association of Risk Management for a workers' compensation claim in compliance with Nebraska Revised Statute 84-713.

See pages 68-78

· *Dave Bos, Executive Director, LARM*

10. Consider a motion to increase the reserve amount for Workers' Compensation Claim Number LARN1075 to \$350,000.

· *Dave Bos, Executive Director, LARM*

11. Consider a motion to increase the reserve amount for Workers' Compensation Claim Number LARN10807 to \$850,000.

· *Dave Bos, Executive Director, LARM*

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

· *Lynn Rex, Administrator, LARM*

· *Dave Bos, Executive Director, LARM*

13. Consider a motion to adjourn.



MINUTES
MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT
Wednesday, May 21, 2025, 11:30 a.m. CT/10:30 p.m. MT
Suite 800 in the Sharp Building, 206 South 13th Street, in Lincoln, NE

A Meeting of the League Association of Risk Management (LARM) Board of Directors was held May 21, 2025, at 11:30 a.m. CT /10:30 a.m. MT by Virtual Conferencing. Suite 800 in the Sharp Building, 206 South 13th, in Lincoln, Nebraska, was open for attendance by the public during the meeting.

(AGENDA ITEM #1) **Call meeting to order.** At 11:30 a.m. CT, **LARM Board Chair Mayor Joey Spellerberg**, City of Fremont, called the meeting to order.

The roll call was read with the following voting Board Members present: **Alec Baillie (Via Zoom)**, Board Member, Loup Central Landfill; **Connie Jo Beck (Via Zoom)**, Clerk/Deputy Treasurer, City of St. Paul; **Mayor James Bulkley**, City of Columbus; **Raquel Felzien (Via Zoom)**, Clerk/Treasurer, City of Franklin; **Mayor Don Groesser**, City of Ralston; **Layne Groseth**, Administrator/Utilities Director, City of North Platte; **Pat Heath (Via Zoom)**, Administrator, City of Gering; **Dana Klabenenes (Via Zoom)**, Clerk/Treasurer, City of Neligh; **Sharon Powell**, Board Chair, Village of Utica; **Mayor Mindy Rump (Via Zoom)**, City of Blair; **Mayor Joey Spellerberg**, City of Fremont; **Mark Stracke**, Clerk/Treasurer, Village of Stuart. Ex-officio (non-voting) Board Member **L. Lynn Rex**, Executive Director of the League of Nebraska Municipalities, and Administrator of LARM was also present.

At the time of roll call: 3 were absent: **Gwenda Horky**, Clerk/Treasurer, City of Sargent; **Chris Rector**, Administrator, City of Holdrege; **Kevin Spencer**, City Manager, City of Scottsbluff.

Other participants included: **Cline Williams Law Firm** –Trent Sidders; **Sedgwick (LARM's third party administrator)** – Andrew Finn, Becky Atkinson, Robert Ooms (Via Zoom); Angie Lasceski (Via Zoom) and Natacha McClain; **LARM** – Dave Bos, Tracy Juranek, Diane Becker, Ethan Nguyen, Fred Wiebelhaus, Kyla Brockevelt, Drew Cook, James Kelley, John Hobbs and Nate Fox (Via Zoom); **League of Nebraska Municipalities** – Shirley Riley; **US Bank-** Michael Maloney (Via Zoom); **Alliant Insurance Services-** Justin Swarbrick.

Chair Spellerberg indicated that on May 14, 2025, a notice of the meeting with the agenda and other materials was sent to all LARM members and the LARM Board. Notice of the meeting with the agenda and other materials also was made available for public inspection at 206 South 13th 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.

Chair Spellerberg stated in accordance with Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed was available to the public at this meeting for examination. The Open Meetings Act was posted in the meeting room and was accessible to members of the public. Chair Spellerberg informed the public about the location of the Open Meetings Act posted in the meeting room and stated that the LARM Board may pass motions to go into closed session on any agenda item pursuant to the requirements of the Open Meetings Act.

The Pledge of Allegiance to the Flag of the United States of America was recited.

(AGENDA ITEM #2) Consider a motion to approve the minutes of the February 25, 2025, meeting of the LARM Board of Directors. Chair Spellerberg asked if there was any discussion; there was none. Layne Groseth moved, seconded by Mayor James Bulkley, to approve the minutes of the February 25, 2025, meeting of the LARM Board of Directors. Roll call vote. Ayes: Baillie, Beck, Bulkley, Felzien, Groesser, Groseth, Heath, Klabenes, Powell, Rump, Spellerberg and Stracke. Nays: None. Abstentions: None. Absent: Horky, Rector and Spencer. **Motion carried: 12 ayes, 0 nays, 0 abstention, and 3 absent.**

It is noted that Gwenda Horky, Clerk/Treasurer, City of Sargent joined via Zoom at 11:38 a.m.

(AGENDA ITEM #3) Consider a motion to accept the quarterly update on LARM investments. (Presented by Michael Maloney, Senior Portfolio Manager, US Bank) Chair Spellerberg asked if there was any further discussion. There was none. Mayor Don Groesser moved, seconded by Sharon Powell, to accept the quarterly update on LARM investments. Roll call vote. Aye: Baillie, Beck, Bulkley, Felzien, Groesser, Groseth, Heath, Horky, Klabenes, Powell, Rump, Spellerberg and Stracke. Nays: None. Abstentions: None. Absent: Rector and Spencer. **Motion carried: 13 ayes, 0 nays, 0 abstention, 2 absent.**

It is noted that Kevin Spencer, Administrator, City of Scottsbluff joined via Zoom at 12:00 p.m.

(AGENDA ITEM #4) Consider a motion to accept the quarterly update on LARM financials. (Presented by Robert Ooms, Director of Finance, Sedgwick) Chair

Spellerberg asked if there was any further discussion. There was none. Sharon Powell moved, seconded by Mayor James Bulkley, to accept the quarterly update on LARM financials. Roll call vote. Ayes: Baillie, Beck, Bulkley, Felzien, Groesser, Groseth, Heath, Horky, Klabenes, Powell, Rump, Spellerberg, Spencer and Stracke. Nays: None. Abstentions: None. Absent: Rector. **Motion carried: 14 ayes, 0 nays, 0 abstention, 1 absent.**

(AGENDA ITEM #5) Consider a motion to accept the reinsurance renewal update and to set rates to achieve the overall funding targets for Property, General Liability, and Workers' Compensation as presented. *(Presented by Justin Swarbrick, Senior Vice-President, Alliant Insurance Services, Inc. and Andrew Finn, Director of Pool Administration, Sedgwick)* Chair Spellerberg asked if there was any further discussion. There was none. Mayor James Bulkley moved, seconded by Mayor Don Groesser, to accept the reinsurance renewal update and to set rates to achieve the overall funding targets for Property, General Liability, and Workers' Compensation as presented. Roll call vote. Ayes: Baillie, Beck, Bulkley, Felzien, Groesser, Heath, Horky, Klabenes, Powell, Rump, Spellerberg, Spencer and Stracke. Nays: Groseth. Abstentions: None. Absent: Rector. **Motion carried: 13 ayes, 1 nay, 0 abstention, 1 absent.**

(AGENDA ITEM #6) Consider a motion to authorize Sedgwick, on behalf of LARM, to bind the following reinsurance coverages: a) All Risk Property, effective 07-01-25; b) Cyber Liability, effective 07-01-25; c) Pollution Liability, effective 07-01-25; and d) Deadly Weapon Response Program, effective 07-01-25. *(Presented by Andrew Finn, Director of Pool Administration, Sedgwick.)* Chair Spellerberg asked if there was any further discussion. There was none. Layne Groseth moved, seconded by Sharon Powell, to authorize Sedgwick, on behalf of LARM, to bind the following reinsurance coverages: a) All Risk Property, effective 07-01-25; b) Cyber Liability, effective 07-01-25; c) Pollution Liability, effective 07-01-25; and d) Deadly Weapon Response Program, effective 07-01-25. Roll call vote. Ayes: Baillie, Beck, Bulkley, Felzien, Groesser, Groseth, Heath, Horky, Klabenes, Powell, Rump, Spellerberg, Spencer and Stracke. Nays: None. Abstentions: None. Absent: Rector. **Motion carried: 14 ayes, 0 nays, 0 abstention, 1 absent.**

(AGENDA ITEM #7) Consider a motion to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation. *(Presented by Natacha McClain, Designated Litigation Manager, Sedgwick)* Chair Spellerberg stated that the following would be joining the LARM board in closed session: Dave Bos, Tracy Juranek, Fred Wiebelhaus, Andrew Finn, Trent Sidders, Natacha McClain, Ethan Nguyen, and Shirley Riley. Chair Spellerberg asked if there was any further discussion. There was none. Mayor James Bulkley moved, seconded by Mayor Don Groesser, to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation. Roll call vote. Ayes: Baillie, Beck, Bulkley, Felzien, Groesser, Groseth, Heath, Horky, Klabenes, Powell, Rump, Spellerberg, Spencer and Stracke. Nays: None. Abstentions: None. Absent: Rector. **Motion carried: 14 ayes, 0 nays, 0 abstention, 1 absent.**

Chair Spellerberg repeated the motion again to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation with the following joining the LARM Board in closed session: Dave Bos, Tracy Juranek, Fred Wiebelhaus, Andrew Finn, Trent Sidders, Natacha McClain, Ethan Nguyen, and Shirley Riley. As of 12:52 p.m. the Board was in closed session.

At 1:07 p.m. Chair Spellerberg stated that we were now in open session and that no actions were taken during the closed session.

(AGENDA ITEM #8) Consider a motion to increase the reserve/settlement amount for Workers' Compensation Claim Number LARN10957 to \$550,000. *(Presented by Dave Bos, Executive Director, LARM)* Chair Spellerberg asked if there was any further discussion. There was none. Layne Groseth moved, seconded by Mayor Don Groesser to increase the reserve/settlement amount for Workers' Compensation Claim Number LARN10957 to \$550,000. Roll call vote. Ayes: Baillie, Beck, Bulkley, Felzien, Groesser, Groseth, Heath, Horky, Klabenes, Powell, Rump, Spellerberg, Spencer and Stracke. Nays: None. Abstentions: None. Absent: Rector. **Motion carried: 14 ayes, 0 nays, 0 abstentions, 1 absent.**

(AGENDA ITEM #9) Discuss the date for the next meeting of the LARM Board of Directors. *(Dave Bos, Executive Director, LARM and Lynn Rex, Administrator, LARM)* Lynn Rex stated that she and Dave Bos would discuss some dates but that it would coincide with LONM's conference.

(AGENDA ITEM #10) Consider a motion to adjourn. At 1:11 p.m. Mayor James Bulkley moved, seconded by Sharon Powell to adjourn. Roll call vote. Ayes: Baillie, Beck, Bulkley, Felzien, Groesser, Groseth, Heath, Horky, Klabenes, Powell, Rump, Spellerberg, Spencer and Stracke. Nays: None. Abstentions: None. Absent: Rector. **Motion carried: 14 ayes, 0 nays, 0 abstention, 1 absent.**

Approved on:

ATTEST:

Kyla Brockevelt

Executive Administrative Assistant
League Association of Risk Management

L. Lynn Rex

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



NOTICE

MEETING OF THE BOARD OF DIRECTORS OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM) Wednesday, May 21, 2025, at 11:30 a.m. CDT/10:30 a.m. MDT

PLEASE TAKE NOTICE that on **Wednesday, May 21, 2025, at 11:30 a.m. CDT/10:30 a.m. MDT**, the League Association of Risk Management (LARM), will hold a LARM Board of Directors meeting by Virtual Conferencing. The meeting will be made available by Zoom via Computer, Smart Device or Telephone at <https://larmpool-org.zoom.us/j/82326762301?pwd=JR1siohlwUwBSDXCQ1BZ252HGCYZMb.1> or via phone at 833-548-0282. The meeting ID is 823 2676 2301 and the passcode is 946995.

Suite 800 in the Sharp Building, 206 South 13th Street, in Lincoln, Nebraska, will be open to the public for attendance during the meeting.

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 Suite 800, in Lincoln, Nebraska. A notice of this meeting with the agenda and other materials is available at this location with the following links kept continually current on LARM's website – larmpool.org: an electronic copy of the agenda, all documents being considered at the meeting, and a link to the current version of the Open Meetings Act.

On May 14, 2025, a notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board.



MINUTES
SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT
Tuesday, July 22, 2025, 11:00 a.m. CT/10:00 p.m. MT

By Virtual Conferencing

A Special Meeting of the League Association of Risk Management (LARM) Board of Directors was held July 22, 2025, at 11:00 a.m. CT /10:00 a.m. MT by Virtual Conferencing. Suite 200, 1335 L Street, in Lincoln, Nebraska, was open for attendance by the public during the meeting.

(AGENDA ITEM #1) **Call meeting to order.** At 11:00 a.m. CT, **LARM Board Chair Mayor Joey Spellerberg**, City of Fremont, called the meeting to order.

The roll call was read with the following voting Board Members present: **Alec Baillie (Via Zoom)**, Board Member, Loup Central Landfill; **Mayor James Bulkley (Via Zoom)**, City of Columbus; **Layne Groseth (Via Zoom)**, Administrator/Utilities Director, City of North Platte; **Pat Heath (Via Zoom)**, Administrator, City of Gering; **Gwenda Horky (Via Zoom)**, Clerk/Treasurer, City of Sargent; **Sharon Powell (Via Zoom)**, Board President, Village of Utica; **Chris Rector (Via Zoom)**, Administrator, City of Holdrege; **Mayor Mindy Rump (Via Zoom)**, City of Blair; **Mayor Joey Spellerberg (Via Zoom)**, City of Fremont; **Kevin Spencer (Via Zoom)**, City Manager, City of Scottsbluff. Ex-officio (non-voting) Board Member **L. Lynn Rex**, Executive Director of the League of Nebraska Municipalities, and Administrator of LARM was also present.

At the time of roll call: 5 were absent: **Connie Jo Beck**, Clerk/Treasurer, City of St. Paul; **Raquel Felzien**, Clerk/Treasurer, City of Franklin; **Mayor Don Groesser**, City of Ralston; **Dana Klabenes**, Clerk/Treasurer, City of Neligh; **Mark Stracke**, Clerk/Treasurer, City of Stuart.

Other participants included: **Cline Williams Law Firm** –Trent Sidders; **Sedgwick (LARM's third party administrator)** – Andrew Finn (Via Zoom), Becky Atkinson (Via Zoom); **LARM** – Dave Bos, Diane Becker, Ethan Nguyen, Fred Wiebelhaus, Kyla Brockevelt, Drew Cook, James Kelley (Via Zoom), John Hobbs and Nate Fox (Via Zoom); **League of Nebraska Municipalities** – Shirley Riley (Via Zoom) and Christy Abraham (Via Zoom).

Chair Spellerberg indicated that on July 16, 2025, a notice of the meeting with the agenda and other materials was sent to all LARM members and the LARM Board. Notice of the meeting with the agenda and other materials also was made available for public inspection at Suite 200, 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.

Chair Spellerberg stated in accordance with Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed was available to the public at this meeting for examination. The Open Meetings Act was posted in the meeting room and was accessible to members of the public. Chair Spellerberg informed the public about the location of the Open Meetings Act posted in the meeting room and stated that the LARM Board may pass motions to go into closed session on any agenda item pursuant to the requirements of the Open Meetings Act.

The Pledge of Allegiance to the Flag of the United States of America was recited.

(AGENDA ITEM #2) Consider a motion to allow the City of North Platte to obtain workers' compensation coverage outside of the LARM pool as recommended by Lynn Rex, LARM Administrator, and Dave Bos, LARM Executive Director. (Presented by Lynn Rex and Dave Bos)

Dave Bos and Lynn Rex explained to the board that North Platte has asked about the possibility of separating from LARM for workers' compensation coverage, while staying with LARM for property and liability coverage. There was brief discussion with the board about why this would be beneficial for both North Platte and LARM.

It is noted that **Mark Stracke**, Clerk/Treasurer, City of Stuart, joined at 11:08 via Zoom.

Chair Spellerberg asked if there was any further discussion; there was none. Mayor James Bulkley moved, seconded by Alec Baillie, to allow the City of North Platte to obtain workers' compensation coverage outside of the LARM pool as recommended by Lynn Rex, LARM Administrator, and Dave Bos, LARM Executive Director. Roll call vote. Ayes: Baillie, Bulkley, Heath, Horky, Powell, Rector, Rump, Spellerberg, Spencer and Stracke. Nays: None. Abstentions: Groeth. Absent: Beck, Felzien, Groesser and Klabenes. **Motion carried: 10 ayes, 0 nays, 1 abstention, and 4 absent.**

(AGENDA ITEM #3) Consider a motion to adjourn. At 11:19 a.m. Sharon Powell moved, seconded by Mayor James Bulkley to adjourn. Roll call vote. Ayes: Baillie, Bulkley, Groeth, Heath, Horky, Powell, Rector, Rump, Spellerberg, Spencer and Stracke. Nays: None. Abstentions: None. Absent: Beck, Felzien, Groesser and Klabenes. **Motion carried: 11 ayes, 0 nays, 0 abstention, 4 absent**

Approved on:

ATTEST:

Kyla Brockvelt

Executive Administrative Assistant
League Association of Risk Management

L. Lynn Rex

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



NOTICE

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

Tuesday, July 22, 2025, at 11:00 a.m. CDT/10:00 a.m. MDT

PLEASE TAKE NOTICE that on **Tuesday, July 22, 2025, at 11:00 a.m. CDT/10:00 a.m. MDT**, the League Association of Risk Management (LARM), will hold a Special Meeting of the LARM Board of Directors by Virtual Conferencing.

The meeting will be made available by Zoom via Computer, Smart Device or Telephone at

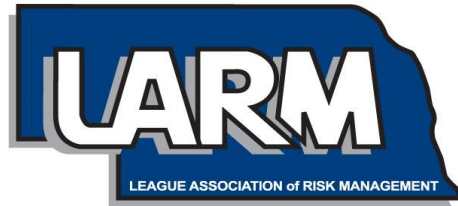
<https://larmpool-org.zoom.us/j/86156506998?pwd=U5nj2oOV0uUeGPLKXfeVGeRwbRHd2b.1>

or via phone at 833-548-0282. The meeting ID is 861 5650 6998 and the passcode is 372009.

Suite 200, 1335 L Street, Lincoln, Nebraska, will be open to the public for attendance during the meeting.

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 Suite 200, 1335 L Street, Lincoln, Nebraska. A notice of this meeting with the agenda and other materials is available at this location with the following links kept continually current on LARM's website – larmpool.org: an electronic copy of the agenda, all documents being considered at the meeting, and a link to the current version of the Open Meetings Act.

On July 1, 2025, a notice of this meeting with the agenda and other materials was sent to all LARM members and the LARM Board.



**LEAGUE ASSOCIATION OF RISK MANAGEMENT
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2025 AND 2024
(Unaudited)
AND THE YEAR ENDED SEPTEMBER 30, 2024
(Audited)**

LEAGUE ASSOCIATION OF RISK MANAGEMENT

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League Association of Risk Management
Balance Sheet - Statutory Basis
June 30, 2025, 2024 and September 30, 2024

	<u>Assets</u>		
	June 30 2025 (Unaudited)	June 30 2024 (Unaudited)	September 30 2024 (Audited)
Cash:			
Cash on deposit	\$ 4,727,911	3,481,671	\$ 1,623,054
Short-term investments	-	3,895,982	1,947,700
Total cash	4,727,911	7,377,653	3,570,754
Long-term investments	16,843,744	11,996,310	10,497,032
Premiums receivable	108,950	172,180	17,401,708
Interest receivable	146,829	73,916	68,575
Prepaid expenses	-	-	228,673
Reinsurance recoverable on paid losses	3,107,031	1,045,261	4,776,487
Total assets	<u>\$ 24,934,465</u>	<u>20,665,320</u>	<u>\$ 36,543,229</u>
	<u>Liabilities and Surplus</u>		
Loss reserves	\$ 8,177,042	6,585,160	\$ 6,318,869
Loss adjustment expenses	2,022,368	2,058,639	2,134,501
Unearned premium	5,061,920	3,392,483	17,425,737
Taxes payable	142,306	112,554	151,111
Other liabilities	198,846	108,835	1,179,577
Funds held under reinsurance treaties	25,000	25,000	25,000
Total liabilities	15,627,482	12,282,671	27,234,795
Surplus	9,306,983	8,382,649	9,308,434
Total liabilities and surplus	<u>\$ 24,934,465</u>	<u>20,665,320</u>	<u>\$ 36,543,229</u>

League Association of Risk Management
Statements of Income - Statutory Basis
For the Periods Ended June 30, 2025 and 2024
and the Year Ended September 30, 2024

	Six Months Ended		Year Ended
	June 30	June 30	September 30
	2025	2024	2024
	(Unaudited)	(Unaudited)	(Audited)
Revenue:			
Premiums earned, direct	\$ 16,984,744	12,811,840	\$ 17,001,944
Premiums earned, transferred by excess	(5,686,217)	(4,524,479)	(5,804,343)
Net premiums	11,298,527	8,287,361	11,197,601
Investment income	504,379	318,675	392,700
Miscellaneous income	11,802	25,879	28,110
Total revenues	11,814,708	8,631,915	11,618,411
Expenses:			
Losses incurred, direct	14,796,165	11,723,627	14,582,588
Losses incurred, transferred by excess	(8,044,203)	(7,050,257)	(9,018,551)
Net losses	6,751,962	4,673,370	5,564,037
Loss expenses incurred	828,643	636,892	1,057,888
Other underwriting expense incurred	4,235,554	3,409,584	4,158,636
Total expenses	11,816,159	8,719,846	10,780,561
Net income - statutory basis	\$ (1,451)	(87,931)	\$ 837,850

League Association of Risk Management
Statement of Changes in Surplus - Statutory Basis
For the Periods Ended June 30, 2025 and 2024
and the Year Ended September 30, 2024

	Six Months Ended		Year Ended
	June 30	June 30	September 30
	2025	2024	2024
	(Unaudited)	(Unaudited)	(Audited)
Surplus, beginning of period	\$ 9,308,434	8,470,580	\$ 8,470,580
Net income - statutory basis	(1,451)	(87,931)	837,854
Unrealized capital gain	-	-	192,910
Change in non-admitted assets	-	-	(192,910)
Surplus, end of period	<u>\$ 9,306,983</u>	<u>8,382,649</u>	<u>\$ 9,308,434</u>

League Association of Risk Management
Statement of Cash Flows - Statutory Basis
For the Periods Ended June 30, 2025 and 2024
and the Year Ended September 30, 2024

	Six Months Ended		Year Ended
	June 30	June 30	September 30
	2025	2024	2024
	(Unaudited)	(Unaudited)	(Audited)
Premiums collected, net of excess insurance	\$ 16,227,468	11,587,739	\$ 11,301,704
Loss and loss adjustment expenses paid	(4,165,109)	(4,658,295)	(9,891,608)
Underwriting expense paid	(4,996,417)	(3,695,633)	(3,335,386)
Cash from underwriting	7,065,942	3,233,811	(1,925,290)
Investment Income	426,125	266,231	538,508
Other Income/(Expense)	11,802	25,879	28,109
Net cash from operations	7,503,869	3,525,921	(1,358,673)
Transfer in:			
Other sources	-	1,497,414	2,996,382
Transfer out:			
Other applications	(6,346,712)	-	(421,273)
Net change in cash and short-term investments	1,157,157	5,023,335	1,216,436
Cash and short term investments, beginning of period	3,570,754	2,354,318	2,354,318
Cash and short term investments, end of period	\$ 4,727,911	7,377,653	\$ 3,570,754

League Association of Risk Management
Reconciliation of Unpaid Claim Liabilities
For the Periods Ended June 30, 2025 and 2024
and the Year Ended September 30, 2024

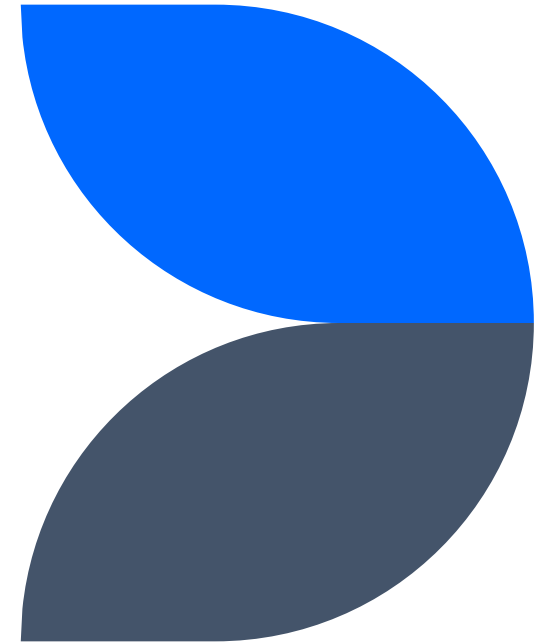
	Six Months Ended		Year Ended
	June 30	June 30	September 30
	2025	2024	2024
	(Unaudited)	(Unaudited)	(Audited)
Unpaid claims and claims adjustment expenses at the beginning of period	\$ 8,453,370	7,679,436	\$ 7,679,436
Incurring claims and claims adjustment expenses:			
Provision for insured events of current policy year	6,987,462	4,783,500	7,273,871
Increase/(decrease) in provision in insured events of prior policy year	593,143	526,762	(651,950)
Total incurred claims and claims adjustment expense	7,580,605	5,310,262	6,621,921
Payments:			
Claims and claims adjustment expenses attributable to insured events of the current policy year	1,936,557	1,024,665	2,339,112
Claims and claims adjustment expenses attributable to insured events of prior policy year	3,898,008	3,321,234	3,508,875
Total payments	5,834,565	4,345,899	5,847,987
Unpaid claims at end of period	\$ 10,199,410	8,643,799	\$ 8,453,370

LARM

2025-26 Reinsurance Renewal & Coverage Program

Presented by Sedgwick

September 24, 2025



Agenda

Today's presentation's purpose is to update the LARM Board on reinsurance negotiations and outcomes that will facilitate board action for binding reinsurance program renewals effective October 1, 2025.

- Market Overview
- Primary Property Renewal Overview
- Expiring Reinsurance & May 2025 Estimated Renewal Premiums
- Revised Renewal Premiums
 - Primary Property Renewal
 - Excess Liability Renewal
 - Excess Workers' Compensation Renewal
- 2025-2026 Renewal – Annual Premiums
- Motion

Market Overview

Property

- Strong financial results and additional market capacity leading to increased appetite by reinsurers
- Underwriters continue to scrutinize pool losses, CAT deductibles and CAT exposures, specifically severe convective storm
- Overall, property reinsurance is very favorable for pools currently

Liability

- Casualty market is significant concern due to social inflation
- Auto liability remains challenging, with large jury awards and increasing costs for repairs
- Litigation financing and other factors leading to nuclear verdicts

Workers' Comp

- Remains stable and competitive



Primary Property Renewal Overview

- Addition of a \$1 Million Corridor
- Increase in All-Peril Retention to \$250,000 (from \$100,000). Wind and Hail deductible remains at \$500,000.
- Must fund both the \$1 million corridor and the additional estimated losses from the increased All-Peril retention (approx. \$1,350,000)



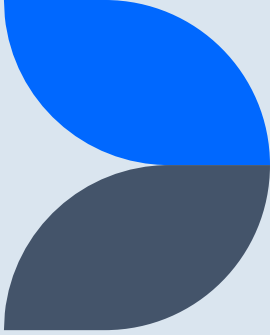
Expiring Reinsurance & May 2025 Estimated Renewal Premiums

Program	2024-25 Expiring Premium	2024-25 Expiring Rate	Est. 2025-26 Renewal Premium	Est. 2025-26 Premium Increase YoY	Rate Increase YoY (May Assumption)
Property**	\$5.8M	\$0.2074	\$6.83M**	\$1M*	0%*
Liability	\$917K	\$0.1377	\$1.25M*	\$330K*	10%*
Workers' Comp	\$775K	\$0.498	\$987K*	\$211K*	5%*

*Premium indications subject to change

** Includes Property, Cyber, Pollution & Deadly Weapon

Revised Renewal Premiums*



Program	Est. Renewal Premium	Est. Premium Increase YoY	Est. Rate Increase YoY	Renewal Premium	Premium Increase YoY	Rate Increase YoY
Property**	\$6.83M	\$1M	0%	\$6,850,212**	\$1,046,648	0% NLC/ -4% APIP
Liability	\$1.25M	\$330K	10%	\$1,147,213	\$230,174	0%
Workers' Comp	\$987K	\$211K	5%	\$789,120	\$13,967	-4.6%

*Reinsurance proposal with estimate for 60-day true up as of 9/12/2025

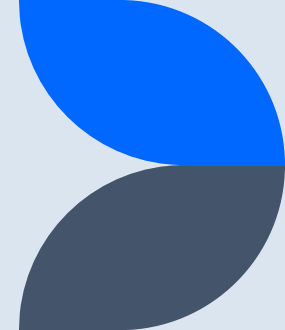
** Includes Property, Cyber, Pollution & Deadly Weapon

\$3M Primary Property* - 3-year historical

Program Details	2023-24	2024-25	2025-26
Program Coverage	Follow LARM Form	Follow LARM Form	Follow LARM Form
Limits of Liability			
- All Risk Limit:	\$2,900,000	\$2,900,000	\$2,750,000
- CAT Perils (EQ, Flood W&H) Limits:	\$2,550,000	\$2,500,000	\$2,500,000
Pool Retention			
- All Risk:	\$100,000	\$100,000	\$250,000
- CAT Perils (EQ, Flood W&H):	\$450,000	\$500,000	\$500,000
Exposure/Rate			
Total Insured Values (TIV):	\$2,269,600,130	\$2,667,419,251	\$3,282,604,935*
YOY +/-	10.0%	17.5%	20.3%
Rate Per \$100 TIV:	.0693	.1150	.1150
YOY +/-	30.0%	66.0%	0%
Annual Premium	\$1,572,458	\$3,067,532	\$3,774,996
YOY +/-	43.0%	95.1%	65.6%

*As of 9/12/2025

Excess Liability* – 3-year historical



Program Details	2023-24	2024-25	2025-26
Program Options	Expiring	Expiring	Expiring
Retention / Limits			
- Retention:	\$300,000	\$300,000	\$300,000
- Per Member:	\$4,700,000	\$4,700,000	\$4,700,000
- Per Occurrence Maximum:	\$15,000,000	\$15,000,000	\$15,000,000
Exposure/Rate			
-Net Operating Expense (NOE):	\$618,689,451	\$665,968,952	\$833,124,772*
YOY +/-	4.0%	7.6%	25.1%
- Rate Per \$1000 Est. NOE:	1.3370	1.3770	1.3770
YOY +/-	7.50%	3.00%	0%
Annual Premium	\$827,188	\$917,039	\$1,147,213*
YOY +/-	11.7%	10.9%	25.1%

*As of 9/12/2025

Excess Work Comp* – 3-year historical

Program Details	2023-24	2024-25	2025-26
Excess Carrier	MEC	MEC	MEC
Workers' Compensation			
- Specific Limit:	Statutory	Statutory	Statutory
- Retention each accident, each employee for disease:	\$750,000	\$750,000	\$750,000
Employers Liability			
- Limit:	\$2,000,000	\$2,000,000	\$2,000,000
- Retention:	\$750,000	\$750,000	\$750,000
Aggregate Limit	\$5,000,000	\$5,000,000	\$5,000,000
Exposure/Rate			
Estimated Payroll:	127,233,293	155,682,555	166,126,403*
YOY +/-	+ 6.7%	+ 22.4%	+ 6.7%
Rate Per \$100 Est. Payroll:	.4929	.4980	.4751
YOY +/-	0.0%	1.0%	-4.6%
Annual Premium	\$627,133	\$775,299	\$789,120*
YOY +/-	+ 6.7%	+ 23.6%	+ 1.8%

*As of 9/12/2025 & Includes removal of North Platte WC

2025-2026 Renewal – Annual Premiums*

\$3 Million Primary Property	Excess Liability Annual Premium	Excess Workers' Compensation
\$6,850,212**	\$1,147,213	\$789,120

**Reinsurance proposal with estimate for 60-day true up as of 9/12/2025*

*** Includes Property, Cyber, Pollution & Deadly Weapon*

Motion

- The LARM Board may act on the Primary Property, Excess Liability, and Excess Workers' Compensation Reinsurance Renewal Programs as Presented:
- Approve the annual reinsurance update and place the following coverages:
 - Primary Property - Effective 10.01.2025
 - Excess Liability - Effective 10.01.2025
 - Excess Workers' Compensation - Effective 10.01.2025



League Association of Risk Management

September 24, 2025

Your Team

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Sub-advised investment services are provided by PFM Asset Management (“PFMAM”). PFM Asset Management serves clients in the public sector and is a division of U.S. Bancorp Asset Management, Inc., which is the legal entity providing investment advisory services. U.S. Bancorp Asset Management, Inc. is a registered investment adviser, a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bank N.A. is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc.

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 - Fixed Income Overview
 - Fixed Income Analysis
 - Holdings
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- Page 16 – Market Review & Disclosures

Portfolio Review

Provided by U.S. Bank

Selected Period Performance

Selected Period Performance

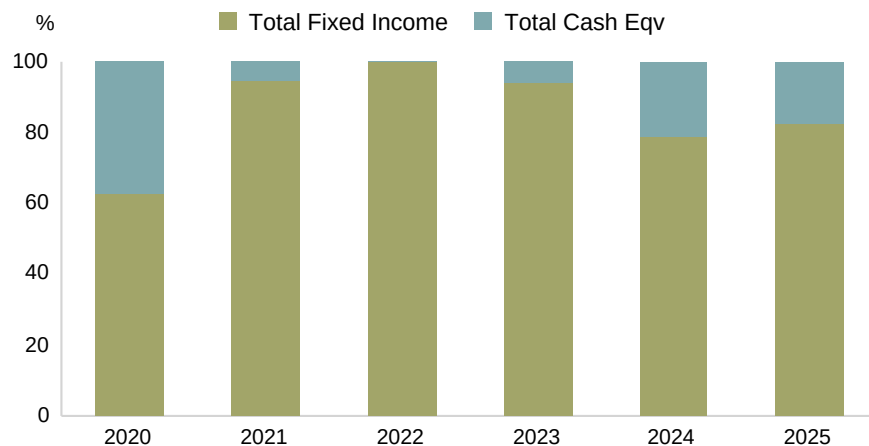
	Market Value	1 Month	3 Months	Year to Date (8 Months)	1 Year	3 Years	5 Years	Inception to Date 11/01/2014
Total Portfolio Gross of Fees	15,359,575	.63	1.28	3.34	4.77	3.91	1.10	1.19
Total Portfolio Net of Fees	15,359,575	.62	1.24	3.25	4.63	3.77	.97	1.04
Total Fixed Income	12,724,349	.71	1.35	3.54	4.84	3.98	.96	1.20
Gov/Agency Bonds	12,724,349	.71	1.35	3.54	4.83	3.98	.95	
BBARC 1-5 Year US Treasury Index		1.07	1.67	4.39	4.44	3.76	1.01	1.63
BBARC 1-3 Year US Treasury Index		.88	1.43	3.67	4.41	3.84	1.48	1.60
Total Cash and Equivalents	2,635,226	.36	1.06	2.84	4.48	4.61	2.76	1.58
FTSE 1 Month Treasury Bill Index		.37	1.09	2.92	4.62	4.84	2.98	1.87
FTSE 6 Month Treasury Bill Index		.37	1.11	3.02	4.80	4.95	3.06	2.00
Pending Cash	0	.00	.00	.00	.00	.00	.00	.00

History of Asset Growth Graphs

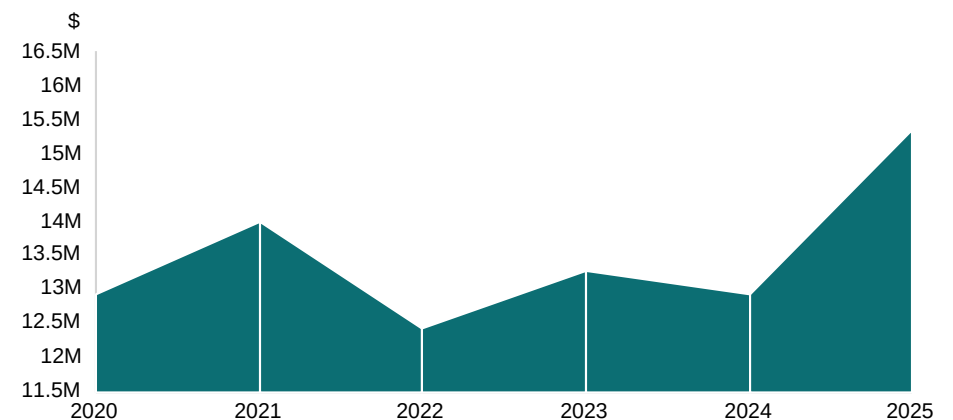
Annual Portfolio Values

	Consolidated	Oct 2019- Sep 2020	Oct 2020- Sep 2021	Oct 2021- Sep 2022	Oct 2022- Sep 2023	Oct 2023- Sep 2024	Oct 2024- Aug 2025
Beginning Portfolio Value	13,922,983	13,922,983	12,945,684	13,999,890	12,440,653	13,290,957	12,942,481
Contributions	48,600,025	3,700,000	7,900,000	7,500,000	8,000,025	8,500,000	13,000,000
Withdrawals	-48,722,591	-4,921,961	-6,822,895	-7,833,096	-7,749,965	-9,918,856	-11,475,818
Income Earned	1,635,912	209,553	87,451	88,038	278,050	358,818	614,003
Gain/Loss	-76,755	35,109	-110,350	-1,314,179	322,194	711,562	278,909
Ending Portfolio Value	15,359,575	12,945,684	13,999,890	12,440,653	13,290,957	12,942,481	15,359,575
Total Return	1.20	1.52	-.12	-7.28	3.17	6.25	4.12
Principal	-.27	-.03	-.73	-7.73	1.56	4.15	1.59
Income	1.49	1.55	.61	.45	1.61	2.10	2.53

Allocation Over Time



Ending Market Values Over Time





Account: XXXXXXXXX9800

Holdings Method: Direct

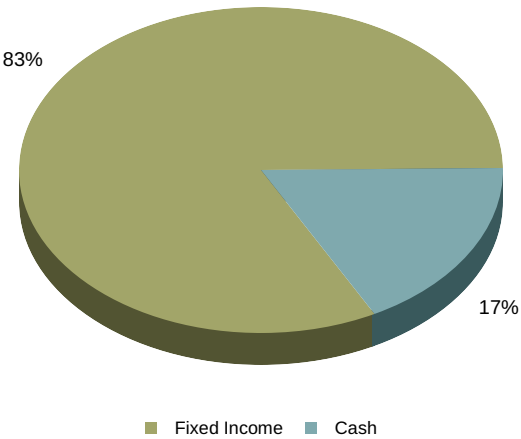
Report Date: 08/29/2025

Portfolio Summary

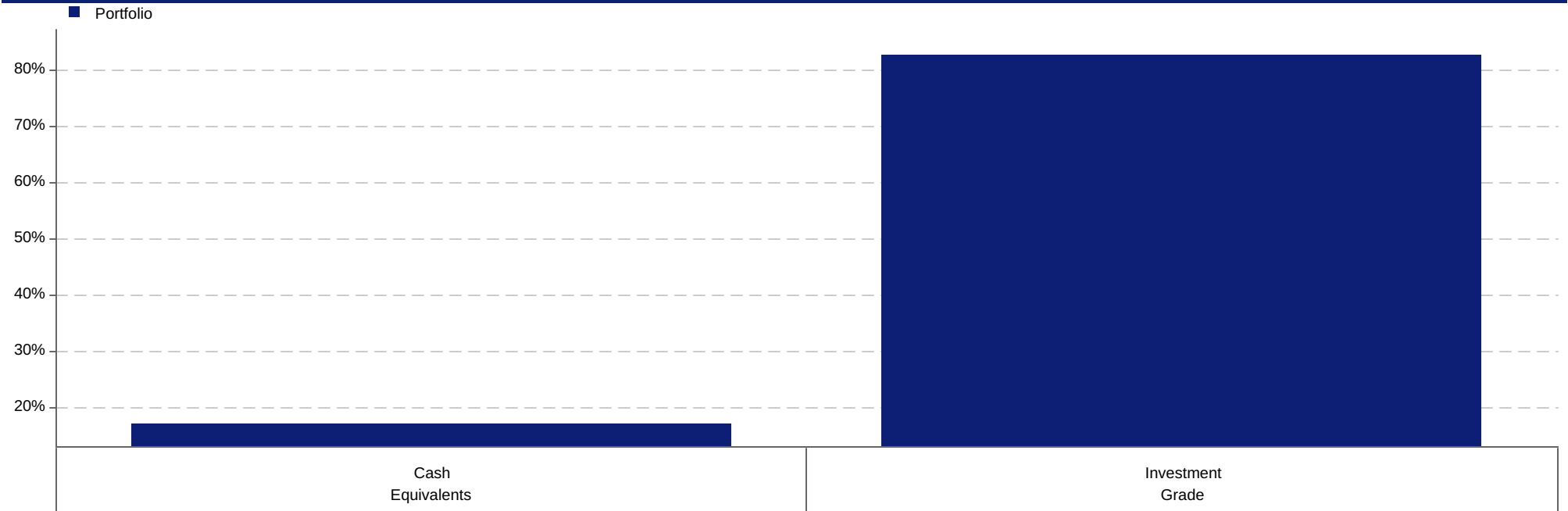
Inv. Objective	All Fixed/Non Taxable
Total Portfolio Value	\$15,243,693
Net Realized Cap Gains YTD	\$-11,006
Annual Income Projected	\$495,822
Current Yield	3.25%
Number of Securities	17
Portfolio Mgr.	Michael T. Maloney

Portfolio Asset Allocation

Fixed Income	\$12,614,102	82.75%
Cash	\$2,629,591	17.25%
Invested Total	\$15,243,693	100.00%



Portfolio Model Allocation





Account: XXXXXXXXX9800

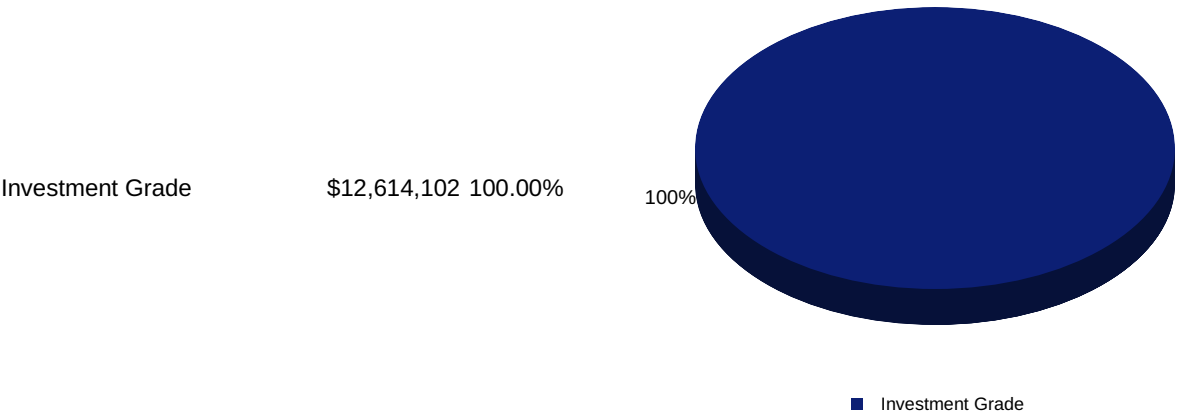
Holdings Method: Direct

Report Date: 08/29/2025

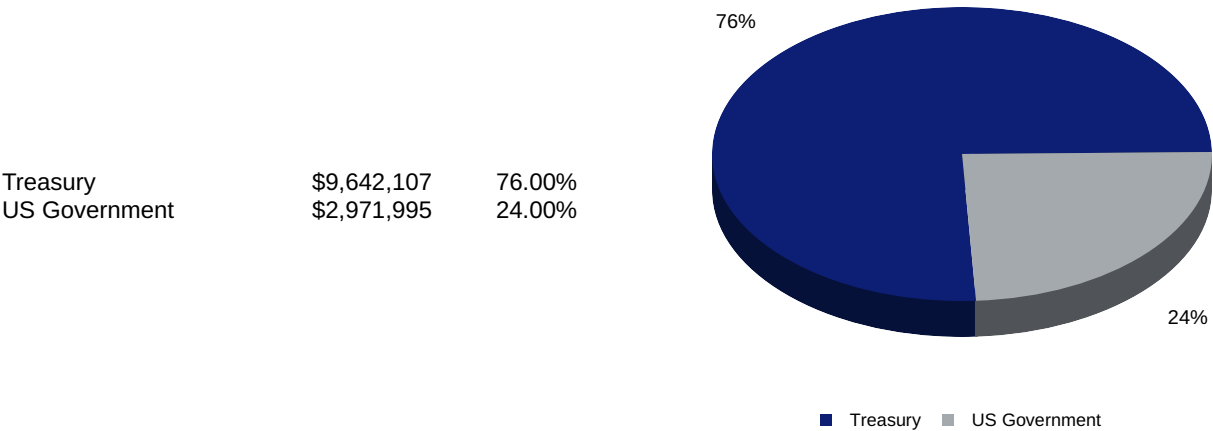
Fixed Income Summary

Inv. Objective	All Fixed/Non Taxable
Total Fixed Income Value	\$12,614,102
Current Yield	3.05%
Annual Income Projected	\$385,000
Number of Securities	16
Portfolio Mgr.	Michael T. Maloney

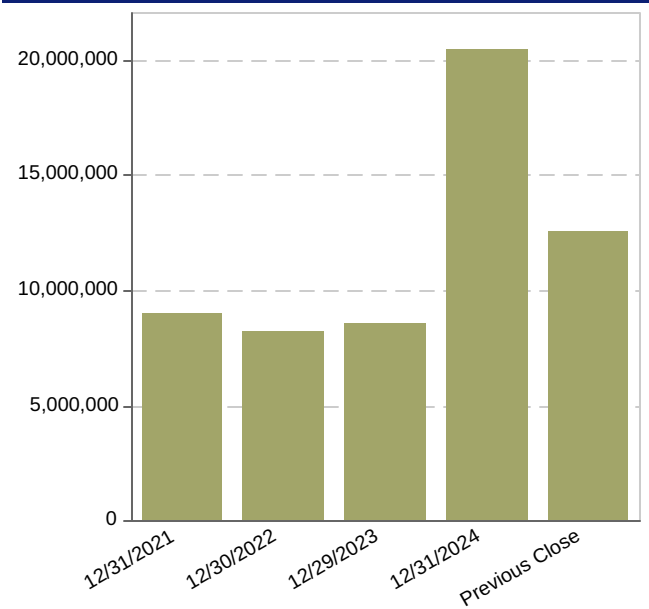
Fixed Income Asset Allocation



Fixed Income Sector Exposures



Fixed Income Market Value





Account: XXXXXXXXX9800

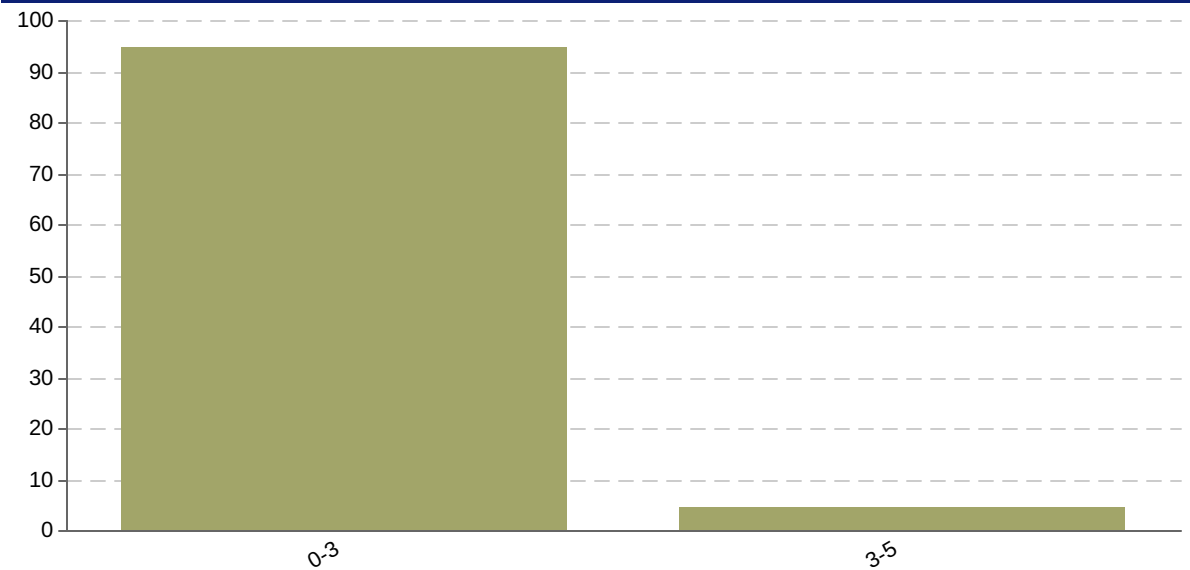
Holdings Method: Direct

Report Date: 08/29/2025

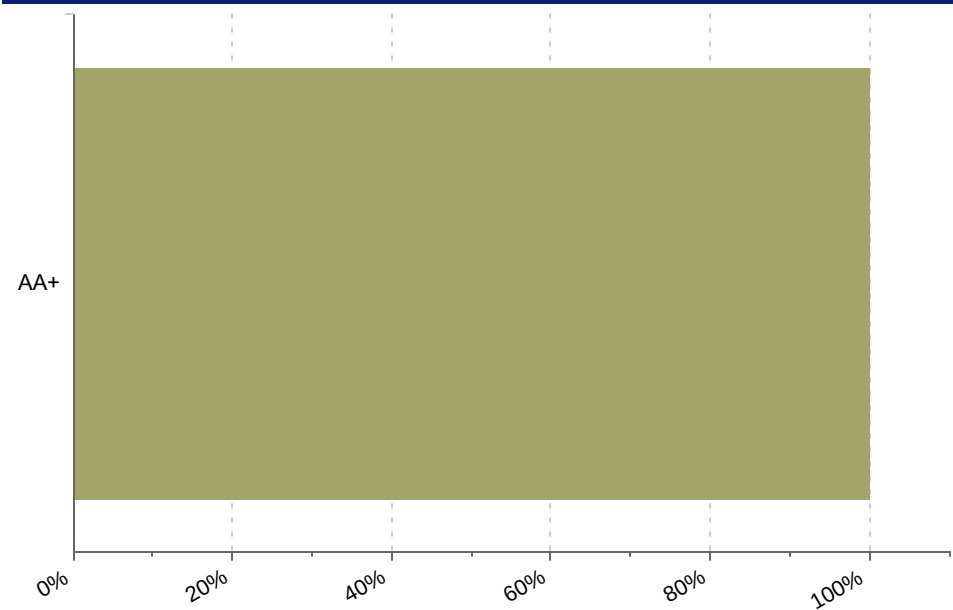
Bond Characteristics

	Portfolio	% Avail
Avg. Coupon (%)	3.06	100
Current Yield (%)	3.05	100
Yield to Maturity (%)	3.82	100
Yield to Worst (%)	3.82	100
Effective Maturity/Avg. Life (Yrs)	1.41	100
Effective Duration (Yrs)	1.33	100
Convexity	.03	100
Credit Quality	AA+	100
Number of Securities	16	100

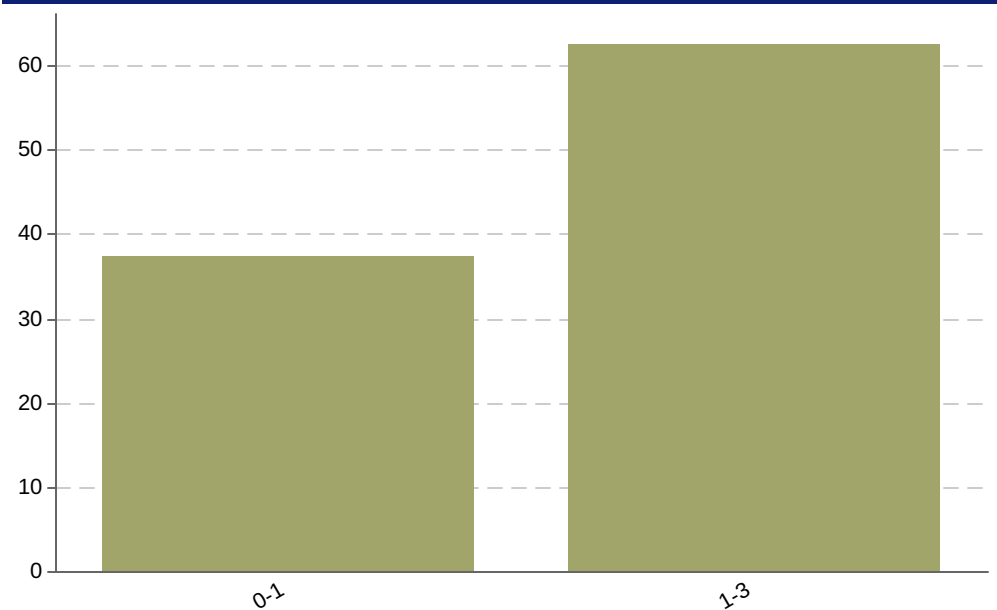
Bond Effective Maturity



Bond Quality Distribution



Bond Duration Distribution





LEAGUE ASSOC OF RISK MANAGEMENT

Portfolio Holdings

Account: XXXXXXXXX9800

Holdings Method: Direct

Report Date: 08/29/2025

				Symbol	% of Port.	Shares/ Units	Portfolio Value	Annual Income	Current Yield	Yield to Maturity	Effective Duration	Avg. Quality	Years to Maturity
Total					100.00		15,243,693	495,822	3.25	3.82	1.33	AA+	1.41
Cash					17.25		2,629,591	110,822	4.21	--	--	--	--
Cash Equivalents					17.25		2,629,591	110,822	4.21	--	--	--	--
FIRST AM GOVT OB FD CL X				31846V336	17.25	2,629,591	2,629,591	110,822	4.21	--	--	--	--
Fixed Income					82.75		12,614,102	385,000	3.05	3.82	1.33	AA+	1.41
Investment Grade					82.75		12,614,102	385,000	3.05	3.82	1.33	AA+	1.41
Treasury					63.25		9,642,107	367,275	3.81	3.72	1.66	AA+	1.76
U S TREASURY NT	4.625%	3/15/26		91282CGR6	4.94	750,000	752,663	34,688	4.61	3.94	0.52	AA+	0.54
U S TREASURY NT	0.750%	4/30/26		91282CBW0	1.61	250,000	244,750	1,875	0.77	3.95	0.65	AA+	0.67
U S TREASURY NT	4.625%	6/30/26		91282CKY6	4.95	750,000	754,163	34,688	4.60	3.94	0.81	AA+	0.84
U S TREASURY NT	1.125%	10/31/26		91282CDG3	6.36	1,000,000	969,530	11,250	1.16	3.79	1.15	AA+	1.17
U S TREASURY NT	4.125%	10/31/26		91282CLS8	4.94	750,000	752,400	30,938	4.11	3.82	1.13	AA+	1.17
U S TREASURY NT	4.125%	2/15/27		91282CKA8	4.95	750,000	753,953	30,938	4.10	3.74	1.41	AA+	1.47
U S TREASURY NT	4.500%	5/15/27		91282CKR1	6.65	1,000,000	1,013,320	45,000	4.44	3.67	1.62	AA+	1.71
U S TREASURY NT	4.375%	7/15/27		91282CKZ3	5.00	752,000	761,693	32,900	4.32	3.66	1.78	AA+	1.88
U S TREASURY NT	3.875%	11/30/27		91282CFZ9	6.60	1,000,000	1,005,590	38,750	3.85	3.61	2.12	AA+	2.25
U S TREASURY NT	4.000%	2/29/28		91282CGP0	6.62	1,000,000	1,009,610	40,000	3.96	3.59	2.32	AA+	2.50
U S TREASURY NT	4.000%	6/30/28		91282CHK0	6.63	1,000,000	1,011,170	40,000	3.96	3.58	2.65	AA+	2.84
U S TREASURY NT	4.375%	8/31/28		91282CHX2	4.02	600,000	613,266	26,250	4.28	3.59	2.74	AA+	3.01
US Government					19.50		2,971,995	17,725	0.60	4.13	0.26	AA+	0.27
F N M A M T N	0.580%	10/28/25		3135GA2A8	4.89	750,000	745,688	4,350	0.58	4.10	0.16	AA+	0.16
F H L M C M T N	0.600%	11/25/25		3134GXCH5	6.51	1,000,000	991,700	6,000	0.61	4.10	0.24	AA+	0.24
F N M A	0.650%	12/10/25		3135G06J7	4.87	750,000	742,628	4,875	0.66	4.19	0.28	AA+	0.28
F H L B DEB	0.500%	2/10/26		3130AKW51	3.23	500,000	491,980	2,500	0.51	4.15	0.44	AA+	0.45

Investment Policy

Provided by U.S. Bank

LEAGUE ASSOCIATION OF RISK MANAGEMENT

INVESTMENT POLICY

- I. Purpose. The purpose of this document is to establish the investment policy for the League Association of Risk Management, hereafter called LARM, and to provide guidance to the LARM Board, the Investment Committee, the LARM Administrator, and, if utilized, the Investment Manager or Custodian Bank pertaining to investment objectives and guidelines.
- II. Goal. The overall investment goal of LARM is to obtain a high rate of return on its portfolio assets, with a minimal risk, abiding by the appropriate statutes governing the investment of these funds and complying with the responsibility to LARM members.
- III. Priority Listing of Objectives.
 - A. Safety of Principal. Avoidance of financial risk or compromise of the financial integrity of the portfolio.
 - B. Liquidity. Provide sufficient liquidity for the payment of claims and expenses.

This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary and resale markets (dynamic liquidity). A portion of the portfolio may be placed in money market mutual funds which offer same day liquidity for short term funds.
 - C. Earn a High Rate of Return. Earn the highest rate of return with minimal risk. However, return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.
 - D. Diversification of Assets. Diversify assets by both the industry and the issuer in order to avoid undue exposure by any single industry or issuer.
 - E. All investments of LARM shall be in compliance with the Nebraska Insurer's Investment Act at all times.
- IV. Procedure.
 - A. LARM Board. The Board shall:
 1. Review and approve, at least quarterly, all purchases and disposals of investments.

2. Review, at least quarterly, whether all investments have been made in accordance with the Investment Policy.
3. Authorize the Investment Committee, under the general supervision of the LARM Board Chair, to manage the investments of LARM, either independently or through the utilization of the LARM Administrator or an Investment Manager or Custodian Bank.
4. Review the investment policy on an annual basis.

B. Investment Committee. The Investment Committee shall:

1. Receive and review summary reports on the investment portfolio, investment activities, and investment practices in order to determine whether the investment activity is consistent with the Investment Policy.
2. Provide such summary reports at least quarterly to the LARM Board for their review and approval.
3. Review and recommend revision of the Investment Policy to the LARM Board, as appropriate.
4. Review the Investment Manager or Custodian bank's performance and fees at least every 3 years.

C. LARM Administrator. The LARM Administrator shall:

1. Notify the Investment Committee of matters that bear upon the proper investment of the portfolio including pertinent financial, legal, or other information involving the investment of the portfolio and changes in investment objectives.
2. Meet regularly with the Investment Committee to report on progress of the portfolio.

D. Investment Manager or Custodian Bank. If utilized, the Investment Manager or Custodian Bank shall:

1. Meet regularly with the Investment Committee to report on progress of the portfolio.
2. Provide reports monthly to the Investment Committee.
3. Provide information concerning market trends and investment strategies.

V. Investment Guidelines.

A. Regulatory Limitations. The investment guidelines and restrictions as set forth by the Insurers Investment Act (Nebraska Revised Statutes Section 44-5101 et seq.) shall be adhered to at all times by the Board, the Investment Committee, the LARM Administrator, and any Investment Manager or Custodian Bank utilized by the Investment Committee in exercise of their discretion.

B. Prudence. The standard of prudence to be used for managing LARM's investments is the "prudent investor" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of

their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived.”

C. General Strategies.

1. The Investment Committee, or an Investment Manager or Custodial Bank, if utilized, shall determine the appropriate allocation of funds among cash, cash equivalents, and investment grade fixed income securities.
2. Capital gains and losses may be realized when, in the judgment of the Investment Committee or its investment manager or custodian bank, if utilized, consistent with the goals, objectives, and guidelines of this policy, such action is in the best interest of the portfolio and will lead to a greater long-term total rate of return.
3. Securities purchased by the Investment Committee, the LARM Administrator, or an Investment Manager or Custodian Bank, if utilized, shall be limited in general maturity parameters as follows:

The maximum maturity of any security at date of purchase shall not exceed 60 months. The purchase of a security with a maturity longer than 60 months shall be approved by the LARM Board at the next quarterly meeting. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as money market funds to ensure appropriate liquidity is maintained to meet ongoing obligations.

Securities shall not be sold prior to maturity with the following exceptions:

A security with declining credit may be sold early to minimize loss of principal.

Liquidity needs of the portfolio require that the security be sold.

A security swap that would adjust the portfolio (quality, yield, or duration) in a manner that would allow it to better fulfill the investment objectives.

Security purchases and sales shall be made, so that at the time of purchase or sale they do not cause, or exacerbate, non-compliance with the LARM portfolio maturity limitations.

4. Investments made by the Investment Committee, the LARM Administrator, or an Investment Manager or Custodian Bank, if utilized, shall be limited according to the following:

<u>Asset Class</u>	<u>Limitation*</u>
Direct obligations of the United States or obligations for which the full faith and credit of the United States is pledged for the payment of all principal and interest	No Limit
Direct obligations of any agency or instrumentality of the United States or obligations for which the full faith and credit of any agency or instrumentality of the United States is pledged for the payment of all principal and interest	25% per issuer
Other investment grade fixed income securities	5% per issuer
Mutual funds investing in the above classes	<u>5% per issuer, not to exceed 25% in total if the fund is only allowed to invest in U.S. government obligations or U.S. agency or instrumentality obligations; and</u> <u>5% per issuer, not to exceed 10% if invested in other classes.</u>

**Limitations apply to the percentage of admitted assets as shown by the most recent financial statement filed with the Nebraska Department of Insurance.*

- VI. Standard of Performance. Consideration shall be given to the extent to which the investment results are consistent with the goals and objectives as set forth in this policy.

Revised 3-23-2007; 12-16-2009; 3-1-2011; 2-26-2018

Market Review

Provided by Sub-Advisor - PFM Asset Management

U.S. Equity

- Domestic equity markets, as represented by the S&P 500 Index (S&P) and the Russell 3000, returned 2.03% and 2.31% respectively in August.¹
- 10 of the 11 sectors saw positive returns for the month. The Materials sector was the best performing sector, returning 5.76% for the month, followed by Healthcare at 5.38%. The Utilities sector was the worst performing sector, returning -1.58% in August.
- Positive returns were seen across all capitalizations, with small-caps (Russell 2000) returning 7.14%, mid-caps (Russell Mid Cap Index) returning 2.50%, and large-caps (Russell 1000 Index) returning 2.10%. Value stocks outperformed growth stocks across all capitalizations during the month.
- According to FactSet Earnings Insight as of August 29, 2025, the blended growth rate for the S&P is currently 11.9% for Q2 2025, with 98% of companies reporting results. Of those companies that reported earnings, 81% posted a positive surprise. The expected growth rate for Q3 2025 is 7.5% growth, with an overall calendar year projection of 10.6%.

Non-U.S. Equity

- Non-U.S. equity markets, represented by the MSCI ACWI ex-U.S. Index, returned 3.47% in August. Developed markets, represented by the MSCI EAFE Index, returned 4.26% as Europe (MSCI Europe) returned 3.44% and Japan (MSCI Japan) returned 6.95%. Emerging markets (EM), as represented by the MSCI Emerging Markets Index, returned 1.28% as Chinese equities (MSCI China Index) returned 4.94% and Indian equities (MSCI India Index) returned -3.13%.
- Within the ACWI ex-U.S. Index, all 11 sectors posted positive returns. Materials was the best performing sector for the month, returning 7.53%, while the Communication Services sector was the second-best performer, returning 7.05%. Information Technology was the worst performing sector, posting a return of 0.88%.

Fixed Income

- In August, the Treasury yield curve steepened as yields fell along the short and intermediate end of curve with a slight uptick on the long end of the curve. The 2- and 5-year yields fell 34 and 27 basis points (bps) respectively. The yield on the 10-year also fell 15 bps, while the 30-year U.S. Treasury yield rose 3 bps.
- The Bloomberg U.S. Aggregate Index returned 1.20% in August. Investment-grade (IG) credit returned 1.06%, AAA-rated bonds returned 1.18%, AA-rated bonds returned 1.00%, A-rated bonds returned 1.00% and BBB-rated bonds returned 1.10%. High-yield corporates, as represented by the ICE BofA U.S.

High Yield Index, returned 1.25% during the month, while the Broad Treasury Index returned 1.03%. Spreads tightened slightly for high-yield corporates while they remained near flat for investment grade corporates.

Diversifying Assets

- During August, real estate investment trusts (REITs), as represented by the MSCI U.S. REIT Index and the FTSE NAREIT Index returned 4.38% and 4.41% respectively. The Lodging/Resorts sector saw the strongest performance for the month while the Data Center sector was the most challenged. Listed Infrastructure, represented by the MSCI World Core Infrastructure Index, returned 0.95% for the month.

Items to Watch

- The tariff picture remains cloudy as the case against the global tariffs levied by the U.S. moves through the courts. While a federal appellate court ruled in August that many of the tariffs were put into effect illegally, the ruling does not go into effect until October 14 and the appeals process may escalate to the Supreme Court. Sector specific tariffs will generally not be impacted by this ruling and the Trump administration may implement new tariffs under these other authorities as replacements should the ruling be upheld by the Supreme Court.
- U.S. Manufacturing remains in contractionary territory for the sixth consecutive month, with the ISM U.S. Manufacturing PMI coming in at 48.7 in August. This was a slight improvement from July's 48.0, but it fell short of expectations as input price inflation remains elevated and demand continues to see weakness.
- PCE and core PCE (excluding volatile food and energy) matched expectations, rising 2.6% and 2.9% respectively year-over-year in July. Both food and energy prices declined prompting the stronger core PCE figure. The acceleration came in core services, while core goods prices remained relatively flat, pointing to a continued lag in pass-through of tariff cost increases. The sticky inflation figures remain an area to watch as the Federal Reserve plans their interest rate decisions, balancing the dual mandate of price stability and full employment.

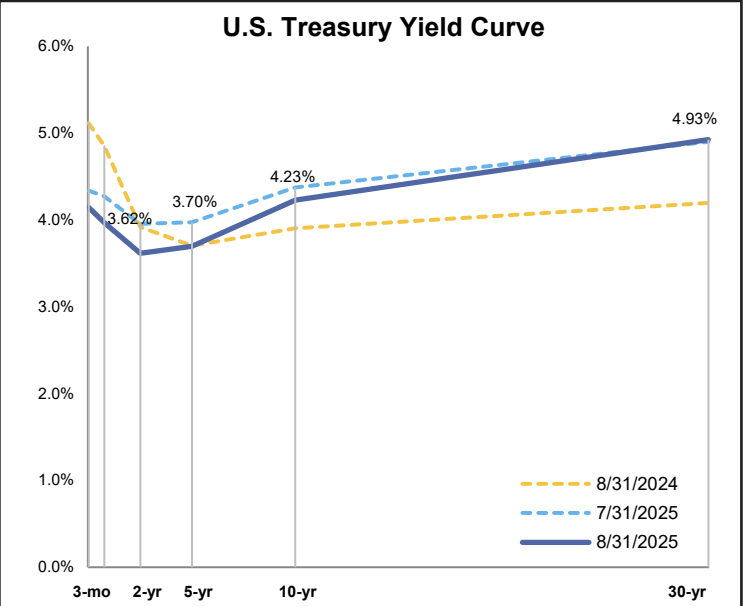
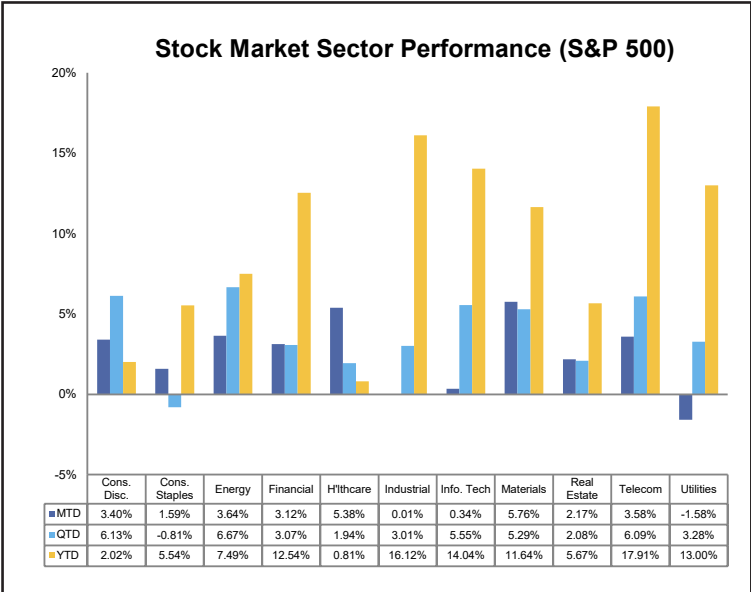
Sources

- Bloomberg
- FactSet
- BEA [U.S. Bureau of Economic Analysis](#)

1 - All returns are expressed as total returns (price returns net of dividends).

Total Return of Major Indices				
Domestic Equity	MTD	QTD	YTD	1 YR
S&P 500	2.03%	4.32%	10.78%	15.85%
Russell 3000	2.31%	4.57%	10.57%	15.82%
Russell 2000	7.14%	9.00%	7.05%	8.15%
Russell 1000	2.10%	4.37%	10.75%	16.22%
International Equity	MTD	QTD	YTD	1 YR
MSCI ACWI ex-U.S.	3.47%	3.18%	21.64%	15.42%
MSCI EAFE	4.26%	2.80%	22.79%	13.87%
MSCI Emerging Markets	1.28%	3.26%	19.02%	16.80%
Fixed Income	MTD	QTD	YTD	1 YR
Bloomberg U.S. Agg	1.20%	0.93%	4.99%	3.14%
Bloomberg Global Agg	1.45%	-0.06%	7.21%	3.47%
ICE BofA U.S. HY	1.22%	1.62%	6.25%	8.15%
Listed Real Assets	MTD	QTD	YTD	1 YR
MSCI U.S. REIT	4.38%	3.52%	2.79%	-1.40%
FTSE NAREIT Index	4.41%	3.62%	3.35%	-0.44%
MSCI World Core Infrastructure	0.95%	0.55%	14.06%	9.72%

Economic Indicators		
Domestic	Current	Previous Month
Unemployment Rate (%)	4.2%	4.1%
Initial Jobless Claims (4 week average)	228.5 K	226 K
CB Leading Economic Indicators	-0.1	-0.3
Capacity Utilization	77.5%	77.7%
GDP (annual growth rate)	3.3%	-0.5%
University of Michigan Consumer Confidence	58.2	61.7
New Home Starts	652 K	656 K
Existing Home Sales	4 MM	3.9 MM
Retail Sales (YoY)	3.9%	4.4%
U.S. Durable Goods (MoM)	-2.8%	-9.4%
Consumer Price Index (YoY)	2.7%	2.7%
Producer Price Index (MoM)	0.5%	0.4%
Developed International*	6/30/2025	3/31/2025
Market GDP (annual rate)	1.3%	1.6%
Market Unemployment	4.8%	4.7%



Source: Bloomberg. Data as of August 31, 2025, unless otherwise noted.

*Developed market data is calculated with respect to the weightings in the MSCI World ex-U.S. Index. Most current data is as of June 30, 2025 due to release dates of numerous countries.

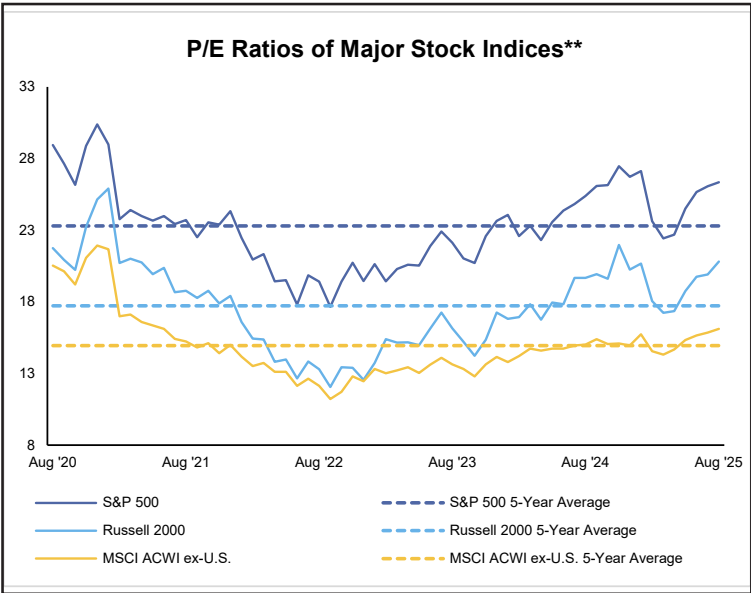
**P/E ratios are calculated based on one-year-forward estimates and adjusted to include only positive earning results for consistency.

Indices shown are not available for investment. The index data reference herein is the property of the index provider and/or its licensors. The index provider assumes no liability in connections with its use and does not sponsor, endorse or recommend the products or services contained herein. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of U.S. Bancorp Asset Management, Inc. at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. No representation is made as to its accuracy or completeness.

PFM Asset Management serves clients in the public sector and is a division of U.S. Bancorp Asset Management, Inc., which is the legal entity providing investment advisory services. U.S. Bancorp Asset Management, Inc. is a registered investment adviser, a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bank N.A. is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc.

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE



Important disclosures, definitions of terms and index descriptions

Provided by U.S. Bank

If you have questions regarding this information or wish to receive definitions of any additional terms or indexes used in this report, please contact your team.

Important disclosures (page 1 of 4)

The information provided here is not intended to replace your account statement. Your account statement is the official record of your account.



Equal Housing Lender. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products offered by U.S. Bank National Association. Member FDIC.

For use in one-on-one meetings/presentations.

This information represents the opinion of U.S. Bank. The views are subject to change at any time based on market or other conditions and are current as of the date indicated on the materials. This is not intended to be a forecast of future events or guarantee of future results. The factual information provided has been obtained from sources believed to be reliable but is not guaranteed as to accuracy or completeness.

U.S. Bank and its representatives do not provide tax or legal advice. Your tax and financial situation is unique. You should consult your tax and/or legal advisor for advice and information concerning your particular situation.

Past performance is no guarantee of future results. All performance data, while obtained from sources deemed to be reliable, are not guaranteed for accuracy. Indexes shown are unmanaged and are not available for direct investment, nor are they subject to fees and expenses.

Performance reports included may show performance results gross of fees and expenses. If fees and expenses were included, the performance would be lower. If you have any questions, please speak with your relationship manager for additional information.

Based on our strategic approach to creating diversified portfolios, guidelines are in place concerning the construction of portfolios and how investments should be allocated to specific asset classes based on client goals, objectives and tolerance for risk. Not all recommended asset classes will be suitable for every portfolio. **Diversification and asset allocation do not guarantee returns or protect against losses.**

Important disclosures (page 2 of 4)

Equity securities are subject to stock market fluctuations that occur in response to economic and business developments. **Stocks of small-capitalization companies** involve substantial risk. These stocks historically have experienced greater price volatility than stocks of larger companies and may be expected to do so in the future. **Stocks of mid-capitalization companies** can be expected to be slightly less volatile than those of small-capitalization companies, but still involve substantial risk and may be subject to more abrupt or erratic movements than large-capitalization companies. The value of **large-capitalization stocks** will rise and fall in response to the activities of the company that issued them, general market conditions and/or economic conditions. **Growth investments** focus on stocks of companies whose earnings/profitability are accelerating in the short term or have grown consistently over the long term. Such investments may provide minimal dividends, which could otherwise cushion stock prices in a market decline. Stock value may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks. Investors should carefully consider the additional risks involved in growth investments. **Value investments** focus on stocks of income-producing companies whose price is low relative to one or more valuation factors, such as earnings or book value. Such investments are subject to risks that their intrinsic values may never be realized by the market, or such stocks may turn out not to have been undervalued. Investors should carefully consider the additional risks involved in value investments.

International investing involves special risks, including foreign taxation, currency risks, risks associated with possible differences in financial standards and other risks associated with future political and economic developments. Investing in **emerging markets** may involve greater risks than investing in more developed countries. In addition, concentration of investments in a single region may result in greater volatility.

Investments in **real estate securities** can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates and risks related to renting properties (such as rental defaults). There are special risks associated with an investment in **commodities**, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors.

Investments in **fixed income securities** are subject to various risks, including changes in interest rates, credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications and other factors. Investment in fixed income securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term securities. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investments in **high yield bonds** offer the potential for high current income and attractive total return, but involve certain risks. Changes in economic conditions or other circumstances may adversely affect a bond issuer's ability to make principal and interest payments.

Important disclosures (page 3 of 4)

The **municipal bond** market is volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issues of municipal securities. Interest rate increases can cause the price of a bond to decrease. Income on municipal bonds is free from federal taxes, but may be subject to the federal alternative minimum tax (AMT), state and local taxes.

Treasury Inflation-Protected Securities (TIPS) offer a lower return compared to other similar investments and the principal value may increase or decrease with the rate of inflation. Gains in principal are taxable in that year, even though not paid out until maturity.

Non-financial **specialty assets**, such as real estate, farm, ranch and timber properties, oil, gas and mineral interests or closely-held business interests are complex and involve unique risks specific to each asset type, including the total loss of value. Special risk considerations may include natural events or disasters, complex tax considerations and lack of liquidity. Specialty assets may not be suitable for all investors.

Alternative investments very often use speculative investment and trading strategies. There is no guarantee that the investment program will be successful. Alternative investments are designed only for investors who are able to tolerate the full loss of an investment. These products are not suitable for every investor even if the investor does meet the financial requirements. It is important to consult with your investment professional to determine how these investments might fit your asset allocation, risk profile and tax situation. **Hedge funds** are speculative and involve a high degree of risk. An investment in a hedge fund involves a substantially more complicated set of risk factors than traditional investments in stocks or bonds, including the risks of using derivatives, leverage and short sales, which can magnify potential losses or gains. Restrictions exist on the ability to redeem or transfer interests in a fund. **Exchange-traded funds (ETFs)** are baskets of securities that are traded on an exchange like individual stocks at negotiated prices and are not individually redeemable. ETFs are designed to generally track a market index and shares may trade at a premium or a discount to the net asset value of the underlying securities. **Private equity** investments provide investors and funds the potential to invest directly into private companies or participate in buyouts of public companies that result in a delisting of the public equity. Investors considering an investment in private equity must be fully aware that these investments are illiquid by nature, typically represent a long-term binding commitment and are not readily marketable. The valuation procedures for these holdings are often subjective in nature. **Private debt** investments may be either direct or indirect and are subject to significant risks, including the possibility of default, limited liquidity and the infrequent availability of independent credit ratings for private companies. **Structured products** are subject to market risk and/or principal loss if sold prior to maturity or if the issuer defaults on the security. Investors should request and review copies of Structured Products Pricing Supplements and Prospectuses prior to approving or directing an investment in these securities.

Important disclosures (page 4 of 4)

Mutual fund investing involves risk and principal loss is possible. Investing in certain funds involves special risks, such as those related to investments in small- and mid-capitalization stocks, foreign, debt and high-yield securities and funds that focus their investments in a particular industry. Please refer to the fund prospectus for additional details pertaining to these risks. An investment in **money market funds** is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although these funds seek to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in these funds.

Holdings of First American Funds: U.S. Bancorp Asset Management, Inc. is a registered investment advisor and subsidiary of U.S. Bank National Association. U.S. Bank National Association is a separate entity and wholly owned subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, performance or services of U.S. Bancorp Asset Management. U.S. Bancorp Asset Management, Inc. serves as an investment advisor to First American Funds. **Holdings of Nuveen mutual funds:** Firststar Capital Corporation (Firststar Capital), an affiliate of U.S. Bancorp, holds a less-than-10 percent ownership interest in Windy City Investments Holdings, LLC which was formerly the parent of Windy City Investment Inc. and the indirect parent of Nuveen Fund Advisors, LLC which is the investment advisor to the Nuveen Mutual Funds. On October 1, 2014, Windy City Investments, Inc. was sold to Teachers Insurance and Annuity Association of America. As a result of the sale, U.S. Bancorp no longer has an indirect ownership interest in Nuveen Fund Advisors, LLC. Depending on the outcome of certain factors, Firststar Capital might in the future receive an earn-out payment in respect of its interest in Windy City Investment Holdings, LLC, under the terms of the sale. **Non-proprietary mutual funds:** U.S. Bank may enter into agreements with other non-proprietary mutual funds or their service providers whereby U.S. Bank provides shareholder services and/or sub-transfer agency, custodial and other administrative support services and receives compensation for these services. Compensation received by U.S. Bank directly or indirectly from mutual funds does not increase fund fees and expenses beyond what is disclosed in the fund prospectuses. For more information, review the fund prospectus.

Definitions of report and statement terms (page 1 of 5)

Accredited Investor: Private placement securities generally require that investors be accredited due to the additional risks and speculative nature of the securities. For natural persons, the criteria is met by a net worth of more than \$1 million (excluding primary residence) or an income of more than \$200,000 individually (\$300,000 jointly) for the two most recent years and a reasonable expectation for the same in the current year. For other entities, such as corporations, partnerships, trusts and employee benefit plans, the criteria is met with at least \$5 million in assets. See full definition in Rule 501 of Regulation D under the Securities Act of 1933.

Alpha: A measure of risk-adjusted performance. A statistic measuring that portion of a stock, fund or composite's total return attributable to specific or non-market risk. Alpha measures non-market return and indicates how much value has been added or lost. A positive Alpha indicates the fund or composite has performed better than its Beta would predict (i.e., the manager has added value above the benchmark). A negative Alpha indicates a fund or composite has underperformed given the composite's Beta.

Alternative Investments: As used by U.S. Bank, an investment considered to be outside of the traditional asset classes of long-only stocks, bonds and cash. Examples of alternative investments include hedge funds, private equity, options and financial derivatives.

Annualized Excess Return: Shows the difference between the annualized linked returns of a portfolio and the model benchmark. Performance reports provided annualize only periods greater than one year.

Annualized or Annual Rate of Return: Represents the average annual change in the value of an investment over the periods indicated.

Batting Average: Shows how consistently the portfolio return met or beat the market.

Beta: A measure of your portfolio's risk relative to a benchmark. A portfolio with a beta of 1.5, for example, would be expected to return roughly 1.5 times the benchmark's return. A high Beta indicates a riskier portfolio.

Bond Credit Rating: A grade given to bonds by a private independent rating service that indicates their credit quality. Ratings are the opinion of Standard & Poor's or other agencies as noted and not the opinion of U.S. Bank.

Consumer Price Index (CPI): A measure of the average change in prices over time in a market basket of goods and services and is one of the most frequently used statistics for identifying periods of inflation and deflation.

Convexity to Stated Maturity: A measure of the curvature in the relationship between bond prices and bond yields that demonstrates how the duration of a bond changes as the interest rate changes. Convexity is used as a risk-management tool and helps to measure and manage the amount of market risk to which a portfolio of bonds is exposed. This version of convexity measures the rate change in duration of a bond as the yield to (stated) maturity changes.

Definitions of report and statement terms (page 2 of 5)

Cost basis/book value: The original value of an asset at the time it was acquired. This is normally the purchase price or appraised value at the time of acquisition. This data is for information purposes only.

Cumulative Excess Return: Shows the difference between the annualized linked returns of a portfolio and the model benchmark. Performance reports provided use unannualized returns in periods up to one year, but annualized returns for periods exceeding one year.

Downside Capture: The downside capture ratio reflects how a portfolio compares to a benchmark during periods when the benchmark is down. A downside capture ratio of 0.80 (or 80 percent) means the portfolio has historically declined only 80 percent as much as the benchmark during down markets.

Downside Deviation: The deviation of returns that fall below a minimum acceptable return (MAR). Although the numerator includes only returns below the MAR, the denominator includes all returns in the performance period. This risk statistic is similar to the downside standard deviation except the sum is restricted to returns less than the MAR instead of the mean.

Downside Standard Deviation: The deviation of returns that fall below the mean return. Although the numerator includes only returns below the mean, the denominator includes all returns in the performance period. This risk statistic is similar to the downside deviation except the sum is restricted to returns less than the mean instead of the minimum acceptable return (MAR).

Effective Maturity: The date of a bond's most likely redemption, given current market conditions, taking into consideration the optional and mandatory calls, the optional, mandatory and recurring puts, and the stated maturity.

Estimated annual income: The amount of income a particular asset is anticipated to earn over the period indicated. The shares multiplied by the annual income rate.

Gain/loss calculation: If an asset was sold, the difference between the proceeds received from the sale compared to the cost of acquiring the asset. If the value of the proceeds is the higher of the two numbers, then a gain was realized. If the value of the proceeds is the lower of the two numbers, a loss was incurred. This data is for information purposes only.

Information Ratio: The information ratio compares the average excess return of the portfolio over its associated benchmark divided by the tracking error.

M-Squared: The hypothetical return of the portfolio after its risk has been adjusted to match a benchmark.

Definitions of report and statement terms (page 3 of 5)

Market Value: Publicly traded assets are valued using market quotations or valuation methods from financial industry services believed by us to be reliable. Assets, that are not publicly traded, may be reflected at values from other external sources or special valuations prepared by us. Assets for which a current value is not available may be reflected as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could have been bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

Market Value Over Time: Many factors can impact the portfolio value over time, such as contributions to the account, distributions from the account, the investment of dividends and interest, the deduction of fees and expenses, and market performance.

Modified Duration to Effective Maturity: A formula that expresses the measurable change in the value of a security in response to a change in interest rates. This version of Modified Duration takes into consideration a “horizon date/price” that is, given current conditions, the most likely redemption date/price using the set of calls/puts, as well as stated maturity.

Modified Duration to Stated Maturity: A formula that expresses the measurable change in the value of a security in response to a change in interest rates. This version of Modified Duration uses stated maturity as the “horizon date/price” and ignores any potential call/put/pre-refunding, even if they are mandatory.

Price/Earnings Ratio (P/E): The P/E ratio of a company is calculated by dividing the price of the company’s stock by its trailing 12-month earnings per share. A high P/E usually indicates that the market is paying a premium for current earnings because it believes in the firm’s ability to grow its earnings. A low P/E indicates the market has less confidence that the company’s earnings will increase. Within a portfolio, P/E is the weighted average of the price/earnings ratios of the stocks in the portfolio.

Qualified Purchaser: Some private placement securities require that investors be Qualified Purchasers in addition to being Accredited Investors. For natural persons, the criteria is generally met when the client (individually or jointly) owns at least \$5 million in investments. For other entities, such as corporations, partnerships, trusts and employee benefit plans, the criteria is met with at least \$25 million in investments though there are other eligibility tests that may apply. See full definition in Section 2(a)(51) of the Investment Company Act of 1940.

R-Squared: Measures the portion of the risk in your portfolio that can be attributed to the risk in the benchmark.

Realized and Unrealized Gains/Losses: Are calculated for individual tax lots based on the records we have available. Some data may be incomplete or differ from what you are required to report on your tax return. Some data used in these calculations may have been obtained from outside sources and cannot be verified by U.S. Bank. The data is intended for informational purposes only and should not be used for tax reporting purposes. Please consult with your tax or legal advisor for questions concerning your personal tax or financial situation.

Definitions of report and statement terms (page 4 of 5)

Residual Risk: The amount of risk specific to the assets in a portfolio distinct from the market, represented by a benchmark.

Return: An indication of the past performance of your portfolio.

Sharpe Ratio: Measures of risk-adjusted return that calculates the return per unit of risk, where risk is the Standard Deviation of your portfolio. A high Sharpe ratio indicates that the portfolio is benefiting from taking risk.

Sortino Ratio: Intended to differentiate between good and bad volatility. Similar to the Sharpe ratio, except it uses downside deviation for the denominator instead of standard deviation, the use of which doesn't discriminate between up and down volatility.

Spread: The difference between the yields of two bonds with differing credit ratings (most often, a corporate bond with a certain amount of risk is compared to a standard traditionally lower risk Treasury bond). The bond spread will show the additional yield that could be earned from a bond which has a higher risk.

Standard Deviation: A measure of the volatility and risk of your portfolio. A low standard deviation indicates a portfolio with less volatile returns and therefore less inherent risk.

Time-weighted Return: The method used to calculate performance. Time-weighted return calculates period by period returns that negates the effect of external cash flows. Returns for periods of greater than one year are reported as an annualized (annual) rate of return. Returns of less than one year are reported on a cumulative return basis. Cumulative return is the aggregate amount an investment has gained or lost over time, independent of the period involved.

Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. This is often in the context of a hedge or mutual fund that did not work as effectively as intended, creating an unexpected profit or loss instead.

Traditional Investments: As used by U.S. Bank, an investment made in equity, fixed income or cash securities, mutual funds or exchange-traded funds (ETFs) where the investor buys at a price with the goal that the investment will go up in value.

Top 10 Holdings: The 10 assets with the highest market values in the account.

Total Portfolio Gross of Fees: Represents all assets included in the calculation of the portfolio, before the deduction of trust and asset management fees, and is inclusive of all applicable third-party security fees and expenses. Details of those fees and expenses are provided in the security's prospectus or offering documents.

Definitions of report and statement terms (page 5 of 5)

Total Return: The rate of return that includes the realized and unrealized gains and losses plus income for the measurement period.

Treynor Ratio: Measures the performance of a sector relative to risk by dividing the return of the sector in excess of the risk-free return by the sector's Beta. The higher the Treynor ratio, the better the return relative to risk.

Turnover Percent: Indicates how frequently asset are bought and sold within a portfolio.

Turnover Ratio: The percentage of a mutual fund's or other investment vehicle's holdings that have been "turned over" or replaced with other holdings in a given year.

Unrealized gain (loss) — The difference between the current market value (at the end of the statement period) and the cost to acquire the asset. If the current market value is higher than the cost, a gain is reflected. If the current market value is lower than the cost paid, a loss is reflected. This data is for information purposes only.

Upside Capture: The upside capture ratio reflects how a portfolio compares to the selected model benchmark during periods when the benchmark is up. An upside capture ratio of 1.15 (or 115 percent) means the portfolio has historically beat the benchmark by 15 percent during up markets.

Yield: The annual rate of return on an investment, expressed as a percentage. For bonds, it is the coupon rate divided by the market price. For stocks, it is the annual dividend divided by the market price.

Frequently used indexes (page 1 of 5)

Bloomberg Barclays 1-3 year U.S. Treasury Index: Measures the performance of the U.S. government bond market and includes public obligations of the U.S. Treasury with a maturity between one year and up to (but not including) three years.

Bloomberg Barclays 1-5 year U.S. Treasury Index: Includes all publicly issued, U.S. Treasury securities that have a remaining maturity of greater than or equal to one year and less than five years, are rated investment grade and have \$250 million or more of outstanding face value.

The Bloomberg Barclays 1-5 year Municipal Index: Measures the performance of municipal bonds with time to maturity of more than one year and less than five years.

Bloomberg Barclays 7-year Municipal Index: Includes municipal bonds with a minimum credit rating of Baa that have been issued as part of a transaction of at least \$50 million, have a maturity value of at least \$5 million and a maturity range of four to six years.

Bloomberg Barclays Global Aggregate Index ex-U.S. Index: Measure of global investment grade debt from 24 local currency markets. This multi-currency benchmark includes Treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Barclays Global Treasury ex-U.S. Index: Includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade.

Bloomberg Barclays High Yield Municipal Bond Index: An unmanaged index made up of bonds that are non-investment grade, unrated or below Ba1 bonds.

Bloomberg Barclays Intermediate Aggregate Index: Consists of one- to 10-year governments, one- to 10-year corporate bonds, all mortgages and all asset-backed securities within the Aggregate Index.

Bloomberg Barclays Mortgage-Backed Securities Index: Covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid adjustable-rate mortgages) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

Bloomberg Barclays U.S. Aggregate Bond Index: Measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities.

Bloomberg Barclays U.S. Corporate Bond Index: Measures the investment grade, fixed-rate, taxable corporate bond market and includes U.S. dollar-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

Frequently used indexes (page 2 of 5)

Bloomberg Barclays U.S. Corporate High Yield Bond Index: Measures the U.S. dollar denominated, high yield, fixed-rate corporate bond market.

Bloomberg Barclays U.S. Municipal Bond Index: Measures the investment grade, U.S. dollar-denominated, fixed tax-exempt bond market. The index includes state and local general obligation, revenue, insured and pre-refunded bonds.

Bloomberg Barclays U.S. Treasury Index: Measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index: An unmanaged index includes all publicly issued, U.S. TIPS that have at least one year remaining to maturity, are rated investment grade, and have \$250 million or more of outstanding face value.

Cambridge U.S. Private Equity Index: This index is based on returns data compiled for U.S. private equity funds (including buyout, growth equity and mezzanine funds) that represent the majority of institutional capital raised by private equity partnerships formed since 1986. Returns may be delayed by up to six months. Quarterly performance is prorated based on the cube root for the months of the quarter.

Citigroup 3-Month Treasury Bills: An unmanaged index and represents monthly return equivalents of yield averages of the last three-month Treasury Bill issues.

Citigroup 6-Month Treasury Bills: An unmanaged index and represents monthly return equivalents of yield averages of the last six-month Treasury Bill issues.

Credit Suisse Leverage Loan Index: Represents tradable, senior-secured, U.S. dollar-denominated non-investment grade loans.

Dow Jones Industrial Average (DJIA): The price-weighted average of 30 significant U.S. stocks traded on the New York Stock Exchange and NASDAQ. The DJIA is the oldest and single most watched index in the world.

Dow Jones Select REIT Index: Measures the performance of publicly traded REITs and REIT-like securities in the U.S. and is a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate.

HFRI Indices: The Hedge Fund Research, Inc. (HFRI) indexes are a series of benchmarks designed to reflect hedge fund industry performance by constructing composites of constituent funds, as reported by the hedge fund managers listed within the HFR Database.

Frequently used indexes (page 3 of 5)

HFR Equity Hedge Total Index: Uses the HFR (Hedge Fund Research) database and consists only of equity hedge funds with a minimum of \$50 million assets under management or a 12-month track record and that reported assets in U.S. dollars.

HFR Relative Value Fixed Income Corporate Index: Uses the HFR (Hedge Fund Research) database and consists of only relative value fixed income corporate funds with a minimum of \$50 million assets under management or a 12-month track record and that reported assets in U.S. dollars.

ICE BofAML 1-3 Year Corporate Index: Tracks U.S. dollar-denominated investment grade public debt issued in the U.S. bond market with maturities of one to three years.

ICE BofAML 1-5 Year Corporate and Government Index: Tracks the performance of short-term U.S. investment grade government and corporate securities with maturities between one and five years.

ICE BofAML U.S. 7-10 Year Index: Tracks the performance of U.S. dollar denominated investment grade rated corporate debt publicly issued in the U.S. domestic market and includes all securities with a remaining term to maturity of greater than or equal to seven years and less than 10 years.

ICE BofAML Global Broad Market Index: Tracks the performance of investment grade public debt issued in the major domestic and Eurobond markets, including global bonds.

ICE BofAML U.S. High Yield Master II Index: Commonly used benchmark index for high yield corporate bonds and measures the broad high yield market.

J.P. Morgan Emerging Markets Bond Index Global (EMBI Global): Tracks total returns for traded external debt instruments in the emerging markets.

London Interbank Offered Rate (LIBOR) 3-months: The interest rate offered by a specific group of London banks for U.S. dollar deposits with a three-month maturity.

London Interbank Offered Rate (LIBOR) 9-months: The interest rate offered by a specific group of London banks for U.S. dollar deposits with a nine-month maturity.

MSCI All Country World Index (ACWI): Designed to measure the equity market performance of developed and emerging markets.

Frequently used indexes (page 4 of 5)

Russell 2000 Value Index: Measures companies in the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index includes the 2,000 firms from the Russell 3000 Index with the smallest market capitalizations.

Russell 3000 Index: Measures the performance of the 3,000 largest U.S. securities based on total market capitalization.

Russell Midcap Index: Measures the 800 smallest companies in the Russell 3000 Index.

Russell Midcap Growth Index: Measures companies in the Russell Midcap Index having higher price-to-book ratios and higher forecasted growth values.

Russell Midcap Value Index: Measures companies in the Russell Midcap Index having lower price-to-book ratios and lower forecasted growth values.

MSCI All Country World ex-U.S. Index (ACWI, excluding United States): Tracks the performance of stocks representing developed and emerging markets around the world that collectively comprise most foreign stock markets. U.S. stocks are excluded from the index.

MSCI EAFE Index: Includes approximately 1,000 companies representing the stock markets of 21 countries in Europe, Australasia and the Far East.

MSCI Emerging Markets (EM) Index: Designed to measure equity market performance in global emerging markets.

MSCI World Index: Tracks equity market performance of developed markets through individual country indices.

NAREIT Index: Includes REITs (Real Estate Investment Trusts) listed on the New York Stock Exchange, NASDAQ and American Stock Exchange.

NASDAQ Composite Index: A market capitalization-weighted average of roughly 5,000 stocks that are electronically traded in the NASDAQ market.

NCREIF Property Index (NPI): Measures the investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only.

Russell 1000 Index: Measures the performance of the 1,000 largest companies in the Russell 3000 Index and is representative of the U.S. large capitalization securities market.

Frequently used indexes (page 5 of 5)

Russell 1000 Growth Index: Measures companies in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth values. It includes the largest 1,000 firms in the Russell 3000 Index.

Russell 1000 Value Index: Measures companies in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth values. It includes the largest 1,000 firms in the Russell 3000 Index.

Russell 2000 Index: Measures the performance of the 2,000 smallest companies in the Russell 3000 Index and is representative of the U.S. small capitalization securities market.

Russell 2000 Growth Index: Measures companies in the Russell 2000 Index having higher price-to-book ratios and higher forecasted growth values. and is representative of U.S. securities exhibiting growth characteristics. The Russell 2000 Index includes the 2,000 firms from the Russell 3000 Index with the smallest market capitalizations.

S&P 500 Index: Consists of 500 widely traded stocks that are considered to represent the performance of the U.S. stock market.

S&P Global ex-U.S. Property Index: Measures the investable universe of publicly traded property companies domiciled in developed and emerging markets excluding the United States. The companies included are engaged in real estate related activities such as property ownership, management, development, rental and investment.

S&P GSCI: A composite index of commodity sector returns, representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities.

S&P/Case-Shiller Home Price Indexes: A group of indexes that track changes in home prices throughout the United States. Case-Shiller produces indexes representing certain metropolitan statistical areas (MSA) as well as a national index.

Swiss Re Global Cat Bond Total Return Index: Tracks the aggregate performance of all U.S. dollar-denominated euros and Japanese yen-denominated catastrophe bonds, capturing all ratings, perils and triggers.

U.S. Dollar Index: Indicates the general international value of the U.S. dollar by averaging the exchange rates between the U.S. dollar and six major world currencies.

Wilshire 5000 Index: Composed of more than 6,700 publicly-traded U.S. companies and is designed to track the overall performance of the American stock markets.



2025-26

BUDGET REPORT

Robert Ooms
Director of Finance
Sedgwick



LEAGUE ASSOCIATION OF RISK MANAGEMENT
2025-26 Proposed Budget
9/10/2025

REVENUE DETAIL

Code	Description	2023-2024	2024-2025	2024-2025	2025-2026	Current vs Prior Budget:	
		Actual Budget	Projected Revenue	Approved Budget	Proposed Budget	Dollar Incr/(Decr)	Percent Incr/(Decr)
	Income						
1	Gross Earned Contribution	16,288,000	22,066,000	20,045,000	25,797,000	5,752,000	35.3%
2	Ceded Premiums	(6,021,000)	(6,912,000)	(7,675,000)	(8,757,000)	(1,082,000)	18.0%
3	Net Earned Contribution	10,267,000	15,154,000	12,370,000	17,040,000	4,670,000	45.5%
4	Investment Income (net of fees)	360,000	400,000	400,000	400,000	-	-
5	Other Income	80,000	30,000	30,000	30,000	-	-
	Total Revenue	10,707,000	15,584,000	12,800,000	17,470,000	4,670,000	43.6%

LEAGUE ASSOCIATION OF RISK MANAGEMENT
2025-26 Proposed Budget

EXPENDITURE DETAIL

Code	Description	2023-2024	2024-2025	2024-2025	2025-2026	Current vs Prior Budget:	
		Actual Budget	Projected Expenses	Approved Budget	Proposed Budget	Dollar Incr/(Decr)	Percent Incr/(Decr)
	Claim Losses and Loss Expenses						
6	Losses and Expenses	8,056,000	9,181,000	9,181,000	11,804,000	2,623,000	32.6%
7	Loss Adjustment Expense	1,008,000	1,149,000	1,149,000	1,478,000	329,000	32.6%
8	Ceded Losses	(2,686,000)	(3,061,000)	(3,061,000)	(3,936,000)	(875,000)	32.6%
9	Net Losses	<u>6,378,000</u>	<u>7,269,000</u>	<u>7,269,000</u>	<u>9,346,000</u>	<u>2,077,000</u>	<u>32.6%</u>
	Underwriting Expenses						
10	Actuarial Services	33,000	38,500	33,000	40,000	7,000	21.2%
11	Legal Services	72,047	50,000	100,000	100,000	-	-
12	Salary & Wages	845,176	904,100	904,100	936,000	31,900	3.5%
13	Employee Benefits	289,694	295,000	295,000	315,000	20,000	6.8%
14	Payroll Taxes	64,548	72,000	72,000	75,000	3,000	4.2%
15	Retirement Plan	89,357	81,000	81,000	84,000	3,000	3.7%
16	Mobile Phone	8,349	15,000	15,000	11,000	(4,000)	(26.7%)
17	Car & Field	21,189	78,000	78,000	78,000	-	-
18	Computer	66,318	70,000	70,000	70,000	-	-
19	Telecommunication / Network	7,563	10,000	10,000	10,000	-	-
20	Postage	775	3,000	3,000	3,000	-	-
21	Office Supplies	14,692	15,000	15,000	15,000	-	-
22	Dues & Publications	24,006	20,000	20,000	20,000	-	-
23	Miscellaneous	309	1,000	1,000	1,000	-	-
24	Conferences & Travel	39,464	35,000	60,000	60,000	-	-
25	Accounting & Financial Audit	38,725	47,000	47,000	47,000	-	-
26	Rent/Leases & Building Costs	75,850	120,000	108,000	80,000	(28,000)	(25.9%)
27	Third Party Administration	786,534	878,000	753,000	753,000	-	-
28	LNK Administrative Fee	328,353	425,000	401,000	516,000	115,000	28.7%
29	Advertising / Marketing / Printing	16,273	24,000	24,000	24,000	-	-
30	Appraisal Services	46,850	69,400	69,400	90,000	20,600	29.7%
31	Loss Control Services	27,133	52,500	52,500	55,000	2,500	4.8%
32	Safety Grant Program	35,331	40,000	60,000	60,000	-	-
33	Agent Commissions	954,013	1,400,000	1,120,000	1,812,000	692,000	61.8%
34	Consulting Services	26,000	24,000	24,000	-	(24,000)	n/a
35	Department of Insurance Audit	1,910	9,000	30,000	-	(30,000)	n/a
36	Bank Fees	6,013	6,000	6,000	6,000	-	-
37	Insurance	88,053	100,000	82,000	95,000	13,000	15.9%
38	Taxes & Licenses	151,111	180,000	163,000	212,000	49,000	30.1%
39	Total Underwriting Expenses	<u>4,158,636</u>	<u>5,062,500</u>	<u>4,697,000</u>	<u>5,568,000</u>	<u>871,000</u>	<u>18.5%</u>
	Total Expenditures	<u>10,536,636</u>	<u>12,331,500</u>	<u>11,966,000</u>	<u>14,914,000</u>	<u>2,948,000</u>	<u>24.6%</u>
40	Net Income	<u>170,364</u>	<u>3,252,500</u>	<u>834,000</u>	<u>2,556,000</u>	<u>1,722,000</u>	<u>206.5%</u>

LEAGUE ASSOCIATION OF RISK MANAGEMENT
2025-26 Proposed Budget

SURPLUS DETAIL

Code	Description	2023-2024 Actual Budget	2024-2025 Projected Surplus	2024-2025 Approved Budget	2025-2026 Proposed Budget
	Surplus				
41	Beginning Surplus	8,430,656	9,308,430	8,601,020	12,560,930
42	Earned Surplus	170,364	3,252,500	834,000	2,556,000
43	Ending Surplus	<u>8,601,020</u>	<u>12,560,930</u>	<u>9,435,020</u>	<u>15,116,930</u>
44	Dividend Program	-	-	-	-
45	Total Surplus	<u>8,601,020</u>	<u>12,560,930</u>	<u>9,435,020</u>	<u>15,116,930</u>

Line #	Category	Description
1	Gross Earned Contribution	Estimated amount of contribution to be collected from members. Amount is derived from current year contributions with increases of 5% for casualty (5% rate, 23.7% exposure) , 26% property (21% exposure, 26% rate), and 5% for workers comp (5% rate, 21.2% exposure). Also includes \$350K in new business.
2	Ceded Premiums	Estimated premiums to be paid to reinsurers. Rate increases from the prior year: Casualty 10%, property 0%, and workers comp 5%. Figure includes \$155K cyber, \$34K pollution, \$27K deadly weapon response, \$32K mechanical breakdown, and \$35K broker fee on liability policy.
3	Net Earned Contribution	Gross earned contributions less ceded premiums.
4	Investment Income	TPA estimated earnings from funds invested during the fiscal year, net of investment management fees.
5	Other Income	Net income recognized for policies outsourced to reinsurers, less the reinsurer's premium. Flood, crime and liquor liability policies, for example. Also includes a projected dividend receipt of \$25K from NLC Mutual.
6	Claim Losses and Loss Expenses	Total of losses reserved on individual case files. Loss reserves are based on the best estimate of ultimate claim cost. Losses include awards and judgments paid to the plaintiff.
7	Loss Adjustment Expense	Expense associated with losses on Line #6, which includes cost of medical records, expert witness fees, independent medical exams, independent adjuster fees, Sedgwick claim handling fees, and court costs. Includes \$90K workers comp claim handling fees contracted to Sedgwick.
8	Ceded Losses	Loss in excess of self-insured retentions with reinsurers and excess carriers. This amount is expected to be reimbursed to LARM by reinsurers and excess carriers.
9	Net Losses	Losses and expenses, plus loss adjustment expenses, less ceded losses. (The sum of lines 6 through 8.) Actuary estimates of the actual amount of claims to be paid by LARM are obtained from By the Numbers Actuarial Consulting and reviewed by Sedgwick.
10	Actuarial Services	Fees paid to By the Numbers Actuarial Consulting, Inc. for actuarial services provided under contract. Services include the annual actuarial reserves opinion required by the Department of Insurance, assistance with development of the annual independent audit, quarterly reports to the Department of Insurance, rate analysis report, and other projects as assigned.
11	Legal Services	General counsel fees incurred that are not related to a claim. Examples may be advice on management, due process, review of coverage policies, DOI inquiries, employment and tax issues. Prior years have also included lobbying fees.
12	Salary & Wages	Salary and wages for eight staff members and 1/2 of IT manager. Includes a 3.5% salary increase for all staff.
13	Employee Benefits	Employee benefits for 8 1/2 staff members (1/2 is the IT manager shared with LONM) including health, HSA funding, dental, life and disability, as well as staff continuing education hours.
14	Payroll Taxes	Payroll taxes for staff, estimated to be 8% of salary & wages.
15	Retirement Plan	Retirement plan for staff, estimated at 9% of salary & wages once staff members are vested.
16	Mobile Phone	Costs related to cell phone contracts.
17	Car & Field	All vehicles and their related fuel and maintenance expenses. One new vehicle purchase is scheduled for the new year.
18	Computer	Software/hardware costs, technology service contract, hardware lease, website, etc.
19	Telecommunication / Network	Cost of Internet, cable, land line phones and related equipment.
20	Postage	Postage on all meeting packets, promotional calendars, letters, bills, loss control information, etc.
21	Office Supplies	Office supplies for the LARM office including general office supplies, small equipment, board packet materials, copies, and professional photos for website.
22	Dues & Publications	Membership dues, newspaper renewals, magazine subscriptions, etc.
23	Misc.	Cost of special awards, claim ex gratis payments, and any other office expenses that do not fall into another category.
24	Conferences & Travel	Conference and workshops for staff, NLC, AGRIP and PRIMA, including travel, accommodations, meals, etc. Also includes LARM meetings, Board of Directors travel expenses, and staff training.
25	Accounting & Audit	Accounting and auditing of filings required by the Department of Insurance, fees related to the independent audit of LARM's financial statements, and any required reports related to that audit. Also includes payroll service fees.
26	Rent/Leases & Building Costs	Rent for office space, utilities, copier lease, and office maintenance costs. Also includes new furniture for the new office building.
27	Third Party Administration	Fees paid to Sedgwick for monthly TPA services. Included is a 5% incentive payment on new business.
28	LNM Administrative Fee	Sponsorship fees paid to the League of Nebraska Municipalities. 2% of renewal contributions and new business is budgeted.
29	Advertising/Marketing/Printing	Direct advertising costs and enhanced marketing of LARM services to municipalities. Includes ads in trade magazines, design and printing costs for brochures and the LARM calendar, and promotional merchandise.
30	Appraisal Services	Cost of property appraisals and related expenses. Two appraisers for 2025-2026.
31	Loss Control Services	Fees related to the police professional training conducted by LLRMI and NIRMA/PATC, Online University, loss control safety marketing materials, membership publications, and claims software.
32	Grant Programs	Includes the \$500 per member "Lean on LARM" Safety Grant program and the \$700 per member Body Armor Grant. Prior years have also included the COVID-19 relief assistance program.
33	Agent Commissions	Commission paid on agent-produced business. This year's budget increase is due to increase in contributions.

Line #	Category	Description
34	Consulting Services	Consulting fees paid to brokers and consultants. (Broker fees paid to <i>reinsurers</i> are not included here, but are included in line 7 above.)
35	Department of Insurance Audit	Department of Insurance Audit. The audit typically occurs every three years, but can occur whenever the Department of Insurance determines.
36	Bank Fees	Fees for checking account services including the general operating account and the claim account. Services include Positive Pay fraud prevention.
37	Insurance	Premium paid for public officials liability insurance for the LARM Board of Directors and Officers, insurance for LARM vehicles, workers' compensation, general liability, inland marine, commercial umbrella, ERISA bond, employee dishonesty, and cyber policies.
38	Taxes & Licenses	Estimate of premium tax and fees paid to the Nebraska Department of Insurance in compliance with the Intergovernmental Risk Management Act. Current rate is 1% of net contribution (after deduction for ceded premiums) plus 1% of gross workers' comp contributions.
39	Total Underwriting Expenses	Total underwriting and miscellaneous expenses. Sum of lines 10 through 38.
40	Net Income	Total revenue minus total expenditures.
41	Beginning Surplus	Surplus shown on the financial statement at the beginning of the fiscal year.
42	Earned Surplus	Net income reported on financial statement.
43	Ending Surplus	Beginning surplus plus earned surplus.
44	Dividend Program	Potential member distribution program.
45	Total Surplus	Ending surplus minus dividend program.

IN THE NEBRASKA WORKERS' COMPENSATION COURT

BRYCE PREISTER,

Doc. 223 No. 1156

Plaintiff,

RELEASE OF LIABILITY
PURSUANT TO
NEB. REV. STAT. §48-139(3)

v.

CITY OF NORFOLK, NEBRASKA,

Defendant.

The plaintiff and defendant have entered into a lump-sum settlement in accordance with Neb. Rev. Stat. §48-139(1) for the injury of May 10, 2022, and submit this Release of Liability pursuant to Neb. Rev. Stat. §48-139(3).

The employer on the date of injury was:

City of Norfolk, Nebraska
309 N. 5th Street
Norfolk, NE 68701

I, Bryce Preister, plaintiff, understand and waive all rights under the Nebraska Workers' Compensation Act for the above-referenced injury(s), including, but not limited to:

- The right to receive weekly disability benefits, both temporary and permanent;
- The right to receive vocational rehabilitation services;
- The right to receive future medical, surgical, and hospital services as provided in § 48-120, unless such services are specifically excluded from this release; and
- The right to ask a judge of the compensation court to decide the parties' rights and obligations.

I, Bryce Preister, plaintiff, further attest and affirm that:

- I am not eligible for Medicare, am not a current Medicare beneficiary, and do not have a reasonable expectation of

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Ronald L. Brown	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. ☒ Individual/sole proprietor or single-member LLC ☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. ☐ Other (see instructions) ►	
4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ (Applies to accounts maintained outside the U.S.)	
5 Address (number, street, and apt. or suite no.) See instructions. 14707 California Street, Ste 9	Requester's name and address (optional)
6 City, state, and ZIP code Omaha, NE 68154	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

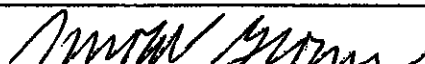
Social security number								
			-			-		
or								
Employer identification number								
8	3	-	3	2	1	8	5	6 1

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ► 	Date ► 1/13/25
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)
Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

- becoming eligible for Medicare within thirty (30) months after the date the settlement was executed;
- There are no medical, surgical, or hospital expenses incurred for treatment of the above-referenced injury(s) which have been paid by Medicaid and not reimbursed to Medicaid by the employer as part of the settlement; and
- There are no medical, surgical, or hospital expenses incurred for treatment of the above-referenced injury(s) that will remain unpaid after this settlement.

In consideration of payment of \$550,000.00, plaintiff agrees that the employer and its insurer are fully discharged from all further liability under the Nebraska Workers' Compensation Act on account of the above-referenced injury(s).


Bryce Preister

54549 823 Road, Humphrey, NE 68642
(Street Address, City, State and Postal
Code of Plaintiff)

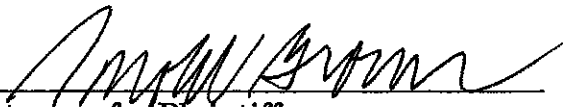
State of Nebraska)
County of Douglas)

The foregoing instrument was signed and acknowledged before me by the above-named individual this 26th day of June, 2025, either personally known to me or identified by me through satisfactory evidence as required by law.

Witness my hand and Notarial Seal the day and year last above written.




Notary Public



Attorney for Plaintiff
Ronald L. Brown, #15354
Attorney at Law
14707 California Street, Ste. 9
Omaha, NE 68154
(402) 932-7555
ron@rblawne.com

State of Nebraska)
)
County of Douglas)

The foregoing instrument was signed and acknowledged before me by the above-named individual this 26th day of June, 2025, either personally known to me or identified by me through satisfactory evidence as required by law.

Witness my hand and Notarial Seal the day and year last above written.





Notary Public

IN THE NEBRASKA WORKERS' COMPENSATION COURT

BRYCE PREISTER,

Doc. 223 No. 1156

Plaintiff,

v.

CITY OF NORFOLK,
NEBRASKA,

ADDENDUM TO
RELEASE OF LIABILITY
PURSUANT TO
NEB. REV. STAT. §48-139(3)

Defendant.

In addition to the settlement terms contained in the Release of Liability Pursuant to Neb. Rev. Stat. § 48-139(3), the parties agree as follows:

1. Plaintiff alleges that on or about May 10, 2022, he suffered an accident and injuries arising out of and in the course of his employment with Defendant.
2. Plaintiff alleges that on or about May 10, 2022, he injured his left eye, with resultant headaches, as a result of being struck in the face with a carabiner.
3. Plaintiff and Defendant were operating under and subject to the provisions of the Nebraska Workers' Compensation Act.

MEDICAL EXPENSES

4. There are no known medical, hospital or surgical expenses incurred for treatment of the above-referenced injuries that will remain unpaid after this settlement.

VOCATIONAL REHABILITATION

5. Plaintiff understands his rights to undergo vocational rehabilitation, but is waiving any further entitlement to vocational rehabilitation benefits.

DISABILITY COMPENSATION

6. Plaintiff waives his right to any further temporary or permanent disability benefits as set forth in the Release of Liability.

MISCELLANEOUS

7. Plaintiff is willing, based upon the uncertainty, delay and expense of litigation, to settle his claim for \$550,000.00 pursuant to the Nebraska workers compensation laws for all liability arising from the May 10, 2022 accident and injuries.
8. Plaintiff attests no past conditional payments have been made by Medicare, Medicaid, or any other related entity for medical expenses arising from the accident and injuries alleged in Paragraphs 1 and 2 above.
9. Plaintiff and Defendant attest they have considered Medicare's interest in future medical expenses, but do not believe a Medicare set-aside is necessary. The parties are not attempting to shift to the federal government the responsibility of future medical liability.
10. The parties incorporate herein the offset language set forth in Exhibit 1, attached hereto.

Dated this 30 day of June, 2025.

BRYCE PREISTER, Plaintiff

By:



Ronald L. Brown, #15354

Attorney at Law

14707 California Street, Ste. 9

Omaha, NE 68154

(402) 932-7555

ron@rblawne.com

CITY OF NORFOLK, NEBRASKA,
Defendant,

By:



Tyler C. Block, #24129

KUPER BLOCK & PAUMER, PC, LLO

13305 Birch Drive, Suite 101

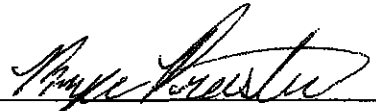
Omaha, NE 68164

(402) 391-4600

tyler@kbpfirm.com

STATE OF Nebraska)
) ss.
COUNTY OF Douglas)

Bryce Preister, being first duly sworn on oath, deposes and says that he is the Plaintiff in the above-entitled action; that he has read the above and foregoing Addendum, knows the contents thereof, and that the same are true.


Bryce Preister

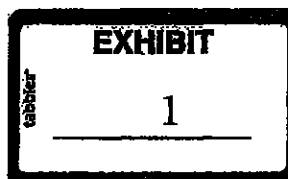
SUBSCRIBED and sworn to before me this 26th day of June, 2025.




Notary Public

SOCIAL SECURITY OFFSET CALCULATION

Plaintiff's injury is permanent and has resulted in loss of earning capacity over his lifetime. Plaintiff was born in 1981. Plaintiff's life expectancy as set forth in Addendum 2 to the rules of the Nebraska Workers' Compensation Court is 37.1 years, the equivalent of 445.2 months; and that after attorney's fees and expenses of \$185,358.98, the Plaintiff's net proceeds of \$364,641.02 could rightfully be allocated over his lifetime at \$819.05 per month for 445.2 months. Plaintiff has not applied for Social Security Disability, does not receive Medicare and has no reasonable expectation of Medicare enrollment within 30 months.



IN THE NEBRASKA WORKERS' COMPENSATION COURT

BRYCE PREISTER,	)	DOC: 223 NO: 1156
	)	
Plaintiff,	)	
	)	ORDER OF DISMISSAL
vs.	)	WITH PREJUDICE
	)	
CITY OF NORFOLK,	)	
NEBRASKA,	)	
	)	
Defendant.	)	

THIS MATTER comes before the Court pursuant to the Joint Stipulation to Dismiss with Prejudice filed on July 7, 2025, by the parties subsequent to the filing of a Release of Liability Pursuant to NEB. REV. STAT. § 48-139(3). The Court, being fully advised in the premises, finds the above-captioned matter should be dismissed with prejudice.

IT IS SO ORDERED.

Dated at Lincoln, Lancaster County, Nebraska, on this 10th day of July, 2025.

NEBRASKA WORKERS' COMPENSATION COURT



JUDGE DANIEL R. FRIDRICH

DOC: 223 NO: 1156

Page 2

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Order of Dismissal With Prejudice was sent by United States mail, first class postage prepaid, or email on this 10th day of July, 2025, addressed as shown below, to the following:

RONALD BROWN

ron@rblawne.com

TYLER BLOCK

tyler@kbpfirm.com

Kim Kozychi BS

Clerk, Nebraska Workers' Compensation Court

bs