

**Nevada Public Agency Insurance Pool
Public Agency Compensation Trust**
201 S. Roop Street, Suite 102
Carson City, NV 89701-4779
Toll Free Phone (877) 883-7665
Telephone (775) 885-7475
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**Notice of Meetings and Agendas for the Joint Meeting of
the Board of Directors/Trustees and of the Executive Committees of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust**

Virtual Only

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Date: April 22, 2021 Time: 8:00 a.m.

JOINT BOARDS and EXECUTIVE COMMITTEES' AGENDA

Notices:

- 1. Items on the agenda may be taken out of order;**
- 2. Two or more items on the agenda may be combined for consideration**
- 3. Any item on the agenda may be removed or discussion may be delayed at any time**
- 4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken.**
- 5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.**

1. Introductions and Roll

2. Public Comment

3. **For Possible Action: Consent Agenda: Approve as a Whole Unless Moved From Consent Agenda**
 - a. **Approval of Minutes of Board:**
 - 1) **Joint Board Meeting April 17, 2020**
 - b. **Acceptance of Minutes of Committee Meetings.**
 - 1) **Joint Executive Committee Meeting of May 27, 2020**
 - 2) **Joint Executive Committee Meeting of September 28, 2020**
 - 3) **Joint Executive Committee Meeting of October 19, 2020**
 - 4) **Joint Executive Committee Meeting of December 7, 2020**
 - 5) **Joint Executive Committee Meeting of February 16, 2021**
 - 6) **Joint Executive Committee Meeting of April 5, 2021**
 - 7) **Loss Control Committee Meeting of July 13, 2020**
 - 8) **Loss Control Committee Meeting of September 17, 2020**
 - 9) **Loss Control Committee Meeting of December 15, 2020**
 - 10) **Loss Control Committee Meeting of March 16, 2021**
 - 11) **Human Resource Oversight Committee Meeting of June 5, 2020**
 - 12) **Human Resource Oversight Committee Meeting of September 11, 2020**
 - 13) **Human Resource Oversight Committee Meeting of December 4, 2020**
 - 14) **Human Resource Oversight Committee Meeting of March 5, 2021**
 - 15) **Audit Committee Meeting of October 19, 2020**
4. **For Possible Action: Acceptance of Investment Reports and Action on Recommendations:**
 - a. **NEAM Enterprise Risk Report**
 - b. **NEAM Investment Manager Report**
 - c. **Strategic Asset Alliance Investment Advisor Report**
5. **For Possible Action: Review and Approval of Changes to Investment Guidelines**
 - a. **PACT Investment Guidelines**
 - b. **POOL Investment Guidelines**
6. **For Possible Action: Employee Assistance Program Review and Approval of Extension of Joinder onto State of Nevada Contract with KEPRO**
7. **For Possible Action: Acceptance of Reports:**
 - 1) **Executive Director**
 - 2) **Chief Financial Officer**
 - a. **Public Risk Mutual Audit**
 - b. **Public Compensation Mutual Audit**
 - c. **Pooling Resources, Inc. Audit**
 - d. **Nevada Risk Pooling, Inc. Audit**
 - 3) **POOL/PACT HR General Manager**
 - 4) **Risk Manager**
 - 5) **ELearning Coordinator**
 - 6) **Willis Re Pooling Stewardship Report**
 - 7) **Davies Claims Solutions Stewardship Report and Claims Overview**
 - 8) **Legislative Update**
8. **Public Comment**
9. **Adjournment**

This Agenda was posted at the following locations and on the State's Website notice.nv.gov:

**N.P.A.I.P. / P.A.C.T.
201 S. Roop Street, Suite 102
Carson City, NV 89701**

**Carson City Courthouse
885 E. Musser Street
Carson City, NV 89701**

**Eureka County Courthouse
10 S. Main Street
Eureka, NV 89316**

**Churchill County Administration
155 North Taylor Street
Fallon, NV 89406**

NOTICE TO PERSONS WITH DISABILITIES

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Nevada Public Agency Insurance Pool or Public Agency Compensation Trust in writing at 201 S. Roop Street, Suite 102, Carson City, NV 89701, or by calling (775) 885-7475 at least three working days prior to the meeting.



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**Minutes of Meeting of the Board of Directors and of the Executive Committees of
Nevada Public Agency Insurance Pool and the Board of Trustees of
Public Agency Compensation Trust
Virtual Only**

Please click this URL to view meeting documents.

<https://zoom.us/j/458609986?pwd=em8zZUlvMTVscVAyZ1BMZmNDemg4dz09>

Password: 930859

Date: April 17, 2020 Time: 8:30 a.m.

1. Introductions and Roll

Roll was taken and a quorum determined to be present. Chair Minor called the meeting to order.

2. Public Comment

Chair Minor opened public comment and hearing none, closed the comment period.

3. For Possible Action: Consent Agenda: Approve as a Whole Unless Moved From Consent Agenda

a. Approval of Minutes of Board:

1) Joint Board Meeting April 16, 2019 – April 17, 2019

b. Acceptance of Minutes of Committee Meetings.

- 1) Joint Executive Committee Meeting of June 21, 2019**
- 2) Joint Executive Committee Meeting of September 6, 2019.**
- 3) Joint Executive Committee Meeting of November 4, 2019.**
- 4) Joint Executive Committee Meeting of March 11, 2020.**
- 5) Joint Executive Committee Meeting of April 6, 2020.**
- 6) Loss Control Committee Meeting of July 16, 2019.**
- 7) Loss Control Committee Meeting of September 9, 2019.**
- 8) Loss Control Committee Meeting of December 17, 2019.**
- 9) Loss Control Committee Meeting of April 7, 2020.**
- 10) Human Resource Oversight Committee Meeting of June 7, 2019**
- 11) Human Resource Oversight Committee Meeting of September 20, 2019.**
- 12) Human Resource Oversight Committee Meeting of December 13, 2019.**
- 13) Human Resource Oversight Committee Meeting of March 6, 2020.**
- 14) Audit Committee Meeting of October 29, 2019**

c. Acceptance of Reports:

- 1) Nevada Risk Pooling, Inc.**
- 2) Executive Director**
- 3) Chief Operations Officer**
- 4) Chief Financial Officer**
 - a. Public Risk Mutual Audit.**
 - b. Public Compensation Mutual Audit.**
 - c. PRI Financial Audit.**
- 5) POOL/PACT HR Accomplishments and Strategic Plan Update.**

- 6) Risk Management and Loss Control Services.
- 7) SpecialtyHealth Fit for Retirement Program and 24/7/365 Injury Call Service Report.
- 8) Willis Re Pooling Stewardship Report.
- 9) Davies Claims Solutions (formerly ASC) Claims Overview Reports.
- 10) Wells Fargo Fraud Prevention report.
- 11) eLearning Update.

On motion and second to approve the consent agenda items as a whole, the motion carried.

4. **For Possible Action: Acceptance of Investment Reports and Action on Recommendations:**
 - a. NEAM Enterprise Risk Report.
 - b. NEAM Investment Manager Report.
 - c. Strategic Asset Alliance Investment Advisor Report.

a. Mark Yu of NEAM presented their updated Enterprise Based Asset Allocation model to get a higher rate of return with the sale level of risk moving us along the Efficient Frontier. Prospective returns within enterprise risk limits offer some return opportunities of \$900,000 within POOL/PRM and \$1,700,000 within PACT/PCM by increased allocations to structured securities, high yield, bank loans and equities while maintaining the same level of risks with a slightly extended duration. NEAM presented Stress Testing to the portfolio related to Covid-19.

b. Kelly Sullivan of NEAM review the investment performance status of the current investment portfolios for POOL/PRM and for PACT/PCM noting that the long term investment policy strategies had helped avoid extreme volatility in the fixed income space.

c. Dan Smereck of SAA reviewed performance numbers for 2018 & 2019 by entity. Consolidated 2018 returns were -0.68% with -\$920,000 total income and real investment income paid was \$5,560,000. 2019 returns were +9.98%, total income of \$19,020,00 and real income of \$5,500,000. Please note that the income for both years were nearly the same at \$5.5M to support the programs and services.

On motion and second to accept the reports, the motion carried.

Chair Minor recessed the Joint meeting to allow the POOL Board to consider one matter due to time constraints of the presenter. Upon completion of that matter, Chair Minor reconvened the Joint Board meeting.

5. **For Possible Action: Review and Approval of Investment Guidelines**
 - a. PACT Investment Guidelines.
 - b. POOL Investment Guidelines.

Mike Rebaleati reviewed the proposed changes to the Investment Guidelines that had been reviewed and recommend by the Joint Executive Committee. The changes would authorize staff to approve certain waivers under the investment allocation guidelines as market conditions may require which the stipulation that any approved waivers be documented and provided to the Joint Executive Committees at their next meetings.

On motion and second to approve the revised investment guidelines for PACT and POOL, the motion carried.

6. **For Possible Action: Employee Assistance Program Review and Approval of Joinder onto State of Nevada Contract with KEPRO.**

Wayne Carlson commented that he and John Bates had spent time reviewing the EAP program options given service problems and pricing from the incumbent provider. The HR Oversight Committee and the Executive Committee both recommended a change. The State of Nevada conducted an RFP for EAP services and select KEPRO effective July 1, 2019 through July 1, 2021 with options to extend. That contract has a joinder provision and POOL/PACT was approved to joinder to that agreement. KEPRO indicated that they were willing to add providers to their network where identified gaps may exist. Wayne advised that the contract rate if POOL/PACT switches from Aetna Resources for Living to the State's contract with KEPRO would result in cost savings of 38% or \$60,000.

On motion and second to approve the joinder contract with KEPRO, the motion carried.

7. For Possible Action: Approval of POOL/PACT Grant to Pooling Resources, Inc.

Stacy Norbeck, General Manager of PRI, commented that she worked with Alan Kalt to develop the budget for the grant with a 4% increase in the annual grant cost for the first year, then 3% each subsequent year. The PRI Board approved that grant request. She reviewed the scope of services exhibit noting that while it was updated, there were no reductions in services. This was review with the POOL/PACT HR Oversight Committee which approved that scope of services.

On motion and second to approve the POOL/PACT Grant to Pooling Resources, Inc. for a five year term as presented, the motion carried.

8. Public Comment

Chair Minor opened public comment and hearing none, closed the comment period.

9. Adjournment

On motion and second to adjourn, the meeting adjourned at 9:46 a.m.

The Agenda was posted at the following locations and on the State's Website notice.nv.gov:

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**Minutes of Joint Meeting of
Executive Committees of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust
Date: Wednesday, May 27, 2020
10:00 AM**

Conference Call 1-888-537-7715 Passcode: 74305044 #

Minutes

1. **Roll:** The following Executive Committee members were present: Cash Minor, Paul Johnson, Geof Stark, Josh Foli, Ann Cyr, Mike Giles, Chris Mulkerns, and Cindy Hixenbaugh. Members Absent: Dan Murphy, Gerry Eick, Elizabeth Frances. Also present were Wayne Carlson, Mike Rebaleati, and Alan Kalt.

2. **Public Comment:** There were none.

3. **For Possible Action: Approval of minutes of Joint Executive Committee Meeting of April 6, 2020.**

On a motion by Mike Giles and a second by Josh Foli, the minutes of the Joint Executive Committee meeting held on April 6, 2020 were unanimously approved.

4. **For Possible Action: Approval of Prospective POOL and PACT Membership:**

a. POOL: Moapa Valley Fire Protection District

Executive Director Wayne Carlson reviewed the Moapa Valley Fire Protection District underwriting review form. He noted that they were previously covered by Clark County Fire Department now they are a separate entity. They have a paid Chief and 69 volunteers in their operations. There was no loss experience data as this is a newly formed entity. Josh Foli made a motion to accept Moapa Valley Fire Protection District into the POOL. Mike Giles seconded the motion which passed unanimously.

b. PACT:

1. Moapa Valley Fire Protection District

Executive Director Wayne Carlson reviewed the MVFPD prospective members underwriting review form for PACT. It was noted there was one chief and 69 volunteers to support their operations. They have a procedures manual, training programs, and safety program. Geof Stark made a motion to accept Moapa Valley Fire Protection District into PACT. Second by Mike Giles and approve unanimously.

2. Nye County Library Districts (Amargosa, Beatty, Pahrump, Smoky Valley, Tonopah)

Executive Director Carlson went over the Nye County Library Districts underwriting forms. It was noted that they were previously under EICON which non renewed them due to their size. PACT does not have any minimum premium so the Libraries could be rated separately. The entities are Amargosa, Beatty, Pahrump, Smoky Valley and Tonopah. The loss runs from Employers was included in the packet noting two libraries had claims. Carol Ingalls from A & H Insurance is the broker on this application. A motion by Josh Foli with a second by Paul Johnson to accept Nye County Library Districts Motion carried unanimously.

5. Public Comment

CFO Alan Kalt asked the Board members if their governing boards are going to be meeting at their meeting rooms or via Zoom in the upcoming month for the renewal presentations. Kalt noted that POOL/PACT will coordinate with the members to determine if the POOL/PACT personnel will be in the community or on ZOOM or phone for the meetings.

6. For Possible Action: Adjournment

The meeting adjourned at 10:25 am.



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**Minutes of
Executive Committees of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust
Date: September 28, 2020
10:00 AM
Zoom only**

1. **Roll:** The following Executive Committee members were present: Cash Minor, Paul Johnson, Geof Stark, Josh Foli, Ann Cyr, Mike Giles, Chris Mulkerns, Cindy Hixenbaugh, Dee Carey, and Dan Murphy. Also present were Wayne Carlson, Mike Rebaleati, Alan Kalt, Marshall Smith, Mike Van Houten, Debbie Connally, Stacy Norbeck, Mary Wray, Stephen Romero, Katherine Parks, Donna Squires, Margaret Malzahn, Chip Clark, Kelly Sullivan, and Dan Smereck. .
PACT Chairman Paul Johnson called the meeting to order at 10:06 am PST.
2. **Public Comment**
Chair Paul Johnson called for public comment. There was no public comment.
3. **For Possible Action: Approval of Minutes of Joint Executive Committee Meeting of May 27, 2020.**
On a motion by Cash Minor and a second by Ann Cyr, the minutes of the Joint Executive Committee meeting held on May 27, 2020 were unanimously approved.
4. **For Possible Action: Approve Revisions to Audit Committee Charter and Appoint Member(s).**
Executive Director Wayne Carlson explained to the board the reason for the changes to the NPAIP (POOL) and PACT Audit Committee Charter. Mr. Carlson explained the proposed changes will clarify that the Audit Committee will maintain at least three (3) members. Two of the members will be the Fiscal Officers of POOL and PACT and additional members which shall be appointed jointly by the Chairs of each Pool's Board from members of the Board. On motion by Cash Minor and second by Josh Foli, the proposed revisions to the POOL and PACT Audit Committee Charter were approved unanimously.
5. **For Discussion Only: Investment update report from NEAM and SAA.**
NEAM President Chip Clark and Account Manager Kelly Sullivan presented a detailed presentation on economic, capital market update and portfolio review. Mr. Clark gave a summary overview of the unprecedented period that the country has endured since the beginning of the COVID pandemic. In particular, the negative impact that the COVID pandemic crisis has caused to small businesses. Based on the fact that 57% of America businesses are under 500 employees, the bulk of the country's unemployed is coming from small businesses. He spoke of the U.S. GDP and employment conditions. With the unemployment rate at about 8.4% compared to the 3% pre- pandemic rate, there is considerable "ground" to be made up. He reviewed the policy response of the fiscal stimulus, Federal Reserve Balance Sheet expansion in the United States and the Global Policy response. Mr. Clark reviewed the Fed actions and programs have stabilized the credit markets. He reviewed the U.S. Treasury rates looking back as well as the forecast to 12-31-2020. A discussion was held on the potential long-term consequences of soaring budget deficits, debt levels, tax rates, saving rates and supply chain re-ordering and the

Central Bank Intervention in the markets. See charts and graphs within the NEAM presentation.

Account Manager Kelly Sullivan reviewed the portfolio and stressed that the POOL and PACT investment positions were well positioned before the COVID pandemic crisis, which enabled NEAM to take advantage of investment opportunities in March and April 2020. She emphasized the challenging reinvestment rates and low interest rates will be factors that all risk management type companies will have to contend with going forward. It was noted that the current portfolio has a significant book yield advantage over the low market yields. The estimated investment income is expected to be slightly over four million this fiscal year. The portfolios have been structured to produce stable and rising levels of investment income while generating competitive rates of total return over time. The total return YTD for PACT is 4.61%, 5.11% for POOL, 7.50% for PCM and 7.81% for PRM. Chief Financial Officer Alan Kalt asked Sullivan how the extended weighted average maturities would affect future returns in the current market. Sullivan stressed by extending the durations of several investments with increased spreads will have a positive impact on the yield as it has been "locked in".

6. **For Possible Action: Approve revisions to POOL and PACT investment guidelines.**

Chief Financial Officer Alan Kalt explained to the Board the proposed changes in section 8.D Investment Guidelines Performance Standards are to update the policies to include Fixed Income Benchmarks so the appropriate measurements are utilized to measure the investment performance over time. Dan Smereck emphasized that the word Index needed to be used instead of the phrase "Treasury Bond Fund". Kelly Sullivan indicated that the proposed changes to the investment guidelines will not alter the strategic asset allocation. On motion by Josh Foli and second by Cash Minor to approve the proposed changes with the suggested language change to use the word Index at the end of "Treasury Bond Fund", the motion passed unanimously.

7. **For Possible Action: Staff Reports on:**

a. **Review of Executive Director's 2020 meeting preparation notes.**

Executive Director Wayne Carlson presented a summary with several talking points which included Budget Cuts, Use of Surplus for credits/discounts to members, amortization reporting, net investment income expectations, PACT deductibles, renewal distribution timing, dollar value of risk management services, program cost comparisons, CTX distributions, CARES act funding, impact to school budgets, FEMA payments, cost benefits to special insurance coverages, workforce adjustments, worker compensation claims filings, future rates, and law enforcement and other local government legislative changes that may have impacts to POOL/PACT program. See supporting summary document for details.

b. **Virtual training initiatives in human resources and risk management**

PRI General Manager Stacy Norbeck gave a presentation on the considerable additions that her staff has made concerning virtual initiatives. These include meetings, trainings, and the HR Annual Conference. She indicated that ZOOM has increased our capabilities during meetings with members, allowing the sharing of documents and other information quickly and easily which we may not have had access to in an in-person meeting. The PRI Team has been busy "Zoomifying" our most requested compliance classes, certificate programs and courses/programs as needed by the members. She indicated that while nothing can replace in-person contact, our virtual initiatives seem to be well-received and meeting the goal of keeping our staff and members safe.

Similarly, Risk Manager Marshall Smith gave a presentation on the virtual initiatives in the area of risk management. It was noted that ZOOM has increased our capability during meetings with members, including member inspections and assessments. We have continued to schedule essential site/facility reviews for our members with ZOOM. We continue with enhancements and accomplishments for virtual webinars, site work, and meetings for aquatic facilities, law enforcement, safety plans, CPR/first aid, and schools. He noted that POOL/PACT was among the first to provide a series of 3 important webinars for our schools which focused on the *Continuity of Operations* considering the foreseeable operations impact of

COVID-19 restrictions. Timely training relating to *Response to Active Resistance* and *Duty to Intervene* webinars were provided to our law enforcement members and defense counsel. We continue to strive to provide effective risk management services to our members, their employees and community in which they serve.

c. Unemployment claims response

Chief Operations Officer Michael Rebaleati reported to the board on the fraudulent unemployment claim scheme that has affected the POOL membership. Based on extensive work, it became apparent that the employee information being used to file the fraudulent unemployment claims was coming from outside sources from past large national breaches. He explained that a service was established with AURA Identity Guard for a one-time fee of \$3,000 to enable a method for identity monitoring service for cyber security claims, members wanting to pay for identity monitoring services and individual employees of our members. The agreement allows all member's employees/retirees to obtain this service at our discounted annual rate of \$59. The POOL will continue to monitor the fraudulent unemployment claim scheme.

d. Legislative changes regarding law enforcement, COVID-19 immunity

This topic was covered in section "7.a." by Executive Director Wayne Carlson. A Legislative Update on SB4 of the Special Session was provided to our membership on August 10, 2020.

e. Review of survey to be issued early October.

Chief Operations Officer Michael Rebaleati presented sample survey questions. The intent of these survey questions is to measure the importance of risk management programs and services provided by POOL/PACT. The draft survey contained 5 sections to include Value of Services/Programs, Services provided by POOL/PACT administrative staff, Board and Committee Meetings, Transparency and Demographics. Geof Stark commented on the importance of keeping a survey concise in order for the respondent to complete the survey. He noted that providing the estimated time to complete the survey in the e-mail announcement would be beneficial needing to keep it under 15 minutes to complete. Board members suggested that the surveys could be split into three parts if necessary, to keep the survey time short to increase the response rate. Ann Cyr noted the 3 general survey categories could be focused on the POOL/PACT Brand, Customer satisfaction, and Risk Management product usage/value. Staff will work on developing a revised survey for the membership.

f. Amortization and restatement of POOL and PACT financials.

Chief Financial Officer Alan Kalt noted the change in the amortization of capitalization of funds to the captives at the Annual Meeting on April 17, 2020 wherein 100% of the transfer would be expensed in the year of the transfer effective retroactively to July 1, 2018. The fiscal impacts resulted in lowering the POOL's Net Position by \$11,351,444 and PACT's Net Position by \$22,733,971 in the beginning balances. He reminded the Board of PRM's Total Surplus of \$41.7M on 12-31-2019 and PCM's Total Surplus of \$77.8M.

g. Financial Impacts of Pandemic.

Chief Financial Officer Alan Kalt prepared a 12-page report on the fiscal impacts of the COVID Pandemic on Nevada's local governments. This comprehensive report included an overview of the CARES CRF funding, FEMA Emergency Relief Grants, COVID-19 Stimulus bills and grants, Nevada Local government response to the pandemic. The detailed report addressed major revenue resources for local governments including: Taxable Sales, CTX distributions, property taxes. It was noted that the rural entities were not as impacted as the urban centers were in the most recent economic data to June 30, 2020. Kalt noted that the fiscal impacts of the pandemic are difficult to project and will likely last several fiscal years. He indicated that Nevada local governments were quick to jump into budget mitigation mode and effectively using federal grants/stimulus to offset costs of dealing with the COVID-19 pandemic. It was noted that School District are the most impacted public entity with this pandemic.

h. "Listening Tour" plans.

Chief Operations Officer Michael Rebaleati explained to the board the intent of this plan is to visit the members' governing boards more than just at renewal time. During the 2020 renewal meetings, a couple of members expressed concern that the only time they see POOL/PACT representatives was at renewal time. POOL/PACT service providers and staff are at the members throughout the year providing trainings and services but the governing board members are not aware of all the staff interactions with our Programs. A program update and listening session on POOL/PACT issues and concerns would be beneficial with the Board. It was suggested to wait until after the elections and the new board members are in office to start these sessions in January. Members of Joint Executive expressed support of this proposal.

8. For Possible Action. Discuss POOL / PACT risk management programs and services. This agenda item is to give direction to staff about POOL/PACT services for fiscal year 2021-2022 including a cost-benefit review, delivery means (NRP/PRI or third party), scope of services and cost allocation.

Chief Financial Officer Alan Kalt prepared an eleven-page document related to the POOL Risk Management Program and Services. It starts with the program's Mission, Vision and Motto statements. Kalt asked the Executive Committee if these statements are still the cornerstone of the program or if they need to be re-evaluated by the full board. This comprehensive report included an overview of the POOL approved budget allocations looking specifically at risk management services and contracts, excess and special insurance, agent commissions, pooling and loss control fees, claims administration, member education and training, and administrative expenses. Kalt walked through a rural county historical POOL premium payment compared to their General Fund revenues, expenditures and changes in insured values. It was noted that the members growth in revenues and related expenditures increased at a larger rate than the POOL's premiums even though the total insured values increased substantially during this 15-year period of time. It is understood that POOL coverage is more than just the General Fund and the General Fund data was used in the analysis as it is more consistent year over year of the members financial activities for the various types of member entities (Counties, Cities, Towns, Schools, Hospitals and Special Districts). He showed the apportionment of \$1M in program savings using the 2020-21 premiums paid by the members. See report for details.

For the sake of time, Kalt did not review the similar analysis performed for the PACT program in a 13-page report that was included in the meeting packet.

There was no action taken on this item but there was considerable discussion related to this topic.

Member Cash Minor expressed concern about using fund equity to help finance some the risk management programs. Mr. Minor continued that he has less concern if the costs are incorporated in the rate structure. After reviewing a chart reflecting what a million-dollar rebate would mean to Elko County, he wasn't sure if it would make a substantial difference to their budget. However, member Ann Cyr expressed the viewpoint that any potential savings to Carson City School District would make a substantial difference to her entity. In fact, the difference could be enough to enable the district to stay in the POOL program. She noted that Carson City School District increased their deductible to mitigate against the increases in premiums. They could have challenges if they have more than 3 deductible losses in a year. Member Josh Foli added the importance of reviewing these programs and services and determining if substantial budget cuts, while difficult, may need to be addressed in the future. He understands the funding challenges of school districts and doesn't want to lose them from our programs. Non-essential programs may need to be cut. He does not support funding programs out of equity. Paul Johnson emphasized the importance of reviewing the operations budget and starting early in the process for next year. It is important to realize we as a Board get to guide this process rather than just getting a quote from an outside insurance company with no other viable options. This is a way for us to help each other out and keep the fiscal health of the POOL strong. After discussion by various board members, it was determined to have a Work Session on

program services, and insurance programs. This particular discussion will be continued on October 19, 2020 meeting, which will be dedicated to POOL/PACT programs.

9. For Possible Action: Discuss PACT deductible options for fiscal year 2021/2022.

Executive Director Wayne Carlson gave a presentation concerning deductible options for PACT that included Strategic interest in risks assumed; Regulatory approval requirements; Board underwriting policy authorization; Underwriting requirements for offering; Financial risks to PACT; Financial risks to Member; Management of claims by PACT'S TPA and not by Member; Minimum and maximum deductibles to be considered; Aggregate deductible offering if any; Retrospective Rating Plan as an alternative to a large deductible and PACT Coverage Form language. A discussion was held regarding this type of program and if it would be used to pick up new members and/or keep existing members. Carlson indicated that it could do both if properly designed. It was noted that a future work session may be considered on this topic. No formal action was taken.

10. For Possible Action:

a. NPAIP building improvement plan.

Chief Operations Officer Michael Rebaleati reviewed the past history of the office space used by CCSMI on the second story and the need for improvements such as carpet and blinds replacement and painting. It was noted that CCSMI as increased the number of employees working in the space. It appears that the number of staff has nearly doubled and it has significantly increased the wear and tear on the high traffic areas. The carpet has rippled in some places due to the high volume of employees in this space. On motion by Dan Murphy and second by Geof Stark for staff to proceed with these improvements, the motion carried unanimously.

b. Approve lease agreement proposal for CCMSI.

Chief Operations Officer Michael Rebaleati reviewed the current lease agreement with CCSMI which is \$3,339 per month and the request from CCSMI for a reduce lease rate of \$3,150 per month. \$3,150 is the same rate as for the period of 2009 to 2017. On motion by Cindy Hixenbaugh and second by Dee Carey to approve the reduced rate of \$3,150 per month, the motion carried unanimously.

11. For Possible Action: Setting the date and time of the next Joint Executive Committee meeting in 2020.

No action was taken. After general discussion, Chief Operations Officer Michael Rebaleati determined that a Joint Executive Committee meeting will be held on October 19, 2020 from 10am -12 noon. This meeting will be a work session dedicated to the POOL/PACT risk management services and program(s) continuance.

12. Public Comment

Chair Paul Johnson called for public comment and there were no comments.

13. Adjournment

Chair Paul Johnson adjourned the meeting at 12:55 pm PST.

Approved 10/19/2020



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Facsimile (775) 883-7398

**Minutes of Joint Meeting of
Executive Committees of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust
Date: October 19, 2020
10:00 AM**

1. **Roll** The following Executive Committee members were present: Cash Minor, Paul Johnson, Geof Stark, Josh Foli, Ann Cyr, Mike Giles, Chris Mulkerns, Cindy Hixenbaugh, Dee Carey, Elizabeth Frances, Gina Rackley, and Dan Murphy. Also present were Wayne Carlson, Mike Rebaleati, Alan Kalt, Marshall Smith, Mike Van Houten, Debbie Connally, Stacy Norbeck, Mary Wray, Stephen Romero, Katherine Parks, and Donna Squires.
POOL Chairman Cash Minor called the meeting to order at 10:06 am PST.
2. **Public Comment**
Chair Cash Minor called for public comment. Chief Operations Officer Michael Rebaleati presented to the board a “white paper” concerning the Insurance Coverage changes that were effective 7/1/2020 concerning the COVID-19 pandemic. Mr. Rebaleati also informed the board of a November 5, 2020 Cyber Security Summit. No other public comments were received. Chair Minor closed the comment period.
3. **For Possible Action: Approval of Minutes of Joint Executive Committee Meeting of September 28, 2020.**
On a motion by Paul Johnson and a second by Josh Foli, the minutes of the Joint Executive Committee meeting held on September 28, 2020 were unanimously approved.
4. **Action Item: Acceptance of Auditor’s Report and Recommendations Regarding Public Agency Compensation Trust. This discussion includes an updated actuarial report.**
Chair Cash Minor stated that agenda item 4 and 5 will be addressed together.
Chief Financial Officer Alan Kalt reported to the board that the POOL/PACT audit committee met before this meeting. Independent auditor Michael Bertrand reviewed with the audit committee in detail the results of PACT audit. The POOL/PACT audit committee recommended to the Joint Executive Committee to approve the July 2020 PACT independent audit report. Kalt reviewed the financial results and benchmark analysis of the audit with a PowerPoint presentation to the Committee.
5. **Action Item: Acceptance of Audit: Public Agency Compensation Trust.**
On a motion by Josh Foli and a second by Paul Johnson to accept the Fiscal Year 2020 PACT audit and recommendations, the motion was unanimously approved.
6. **Action Item: Acceptance of Auditor’s Report and Recommendations Regarding Nevada Public Agency Insurance Pool. This discussion includes an updated actuarial report.**
Chair Cash Minor stated that agenda item 6 and 7 will be addressed together.
Chief Financial Officer Alan Kalt restated that the POOL/PACT audit committee met before this meeting. Independent auditor Michael Bertrand reviewed with the audit committee in detail the results of POOL audit. The POOL/PACT audit committee recommended to the Joint

Executive Committee to approve the July 2020 POOL independent audit report. Kalt reviewed the financial operations and benchmarks analysis of the audit with a PowerPoint presentation.

7. Action Item: Acceptance of Audit: Nevada Public Agency Insurance Pool

On a motion by Paul Johnson and a second by Dan Murphy to approve the fiscal year 2020 POOL audit, the motion was unanimously approved.

8. For Possible Action. Workshop to discuss POOL / PACT programs and services to give direction to staff about POOL/PACT Risk Management services for fiscal year 2021-2022 including survey process, budget scorecard, cost-benefit review, scope of services and cost allocation. Discussion may include the flexibility of allocating risk management funds to areas that create high claim expenses.

Chief Operations Officer Michael Rebaleati began the conversation by stressing the importance of a group conversation since this agenda item is designated as a workshop. Mr. Rebaleati pointed out that a "budget scorecard" file created by CFO Alan Kalt was delivered to the committee so a member can print this file. This way a member can keep a record of the workshop discussion if they want. This scorecard reference was previously used during the January 15, 2019 budget meeting.

Chief Financial Officer Alan Kalt began a review with the board of the POOL approved budget for Fiscal Year 2020-2021. Mr. Kalt explained the budgeted expense allocation where "Loss and Loss adjustments expense" is 32.2%, "Excess & Special Insurance" is 40.9 %, "Agent Commissions" is 6.9%, "Pooling & Loss Control Fees" is 2.6%, "Claims Administration is 3.8%, "Member Education & Training" is 8.3%, and "Administrative Expenses is 5.3%.

Mr. Kalt explained how the POOL's captive PRM is transferring \$475,000 to POOL to pay for Risk Management Services and PACT's captive PCM is transferring \$575,000 to PACT. These transfers are in-lieu of direct payment of Risk Management Services by the Captives. FYI: PRM 12-31-2019 Net Investment income was \$1,249,305 and PCM was \$2,218,272. These transfers represent 38.0% and 25.9% of PRM and PCM net investment income respectively.

The POOL has budgeted \$1,584,148 (8.3%) of the total budget for member education & training. This represents an increase of \$39,948 (2.6%) from Fiscal Year 2019-20. PACT has budgeted \$699,272 or a slight decrease of \$5,028 in FY 20-21 for member education. A chart showing the breakdown of the member education and training provided by the POOL indicating the vendor name, cost allocation within POOL and PACT, the contract amount, and notes associated with the services.

Pooling Resource Inc. Mr. Kalt began the workshop discussion concerning the risk management services provided by Pooling Resources, Inc. (PRI). PRI's funding is based on a grant from POOL/PACT on an allocation of 65% to POOL and 35% to PACT. The HR Oversight Committee monitors services delivery, scope and quality and recommends any changes to PRI Board directors who then make recommendations to the POOL/PACT board of directors. PRI is a stand-alone, non-profit organization and any financial savings stays within PRI. It is audited annually by Michael Bertrand & Associates independent auditors. Board discussion covered the importance of the HR specific risk management services provided by PRI. Member Geof Stark asked about the 65/35 percentage allocation methodology indicating it would appear that POOL should be paying more than 65%. Executive Director Wayne Carlson explained the rationale in the allocation and indicated this could be re-evaluated and changed by the Board if necessary. Member Josh Foli expressed the importance of saving money by trimming the staffing levels to enable savings on annual premiums. Member Dee Carey and Cindy Hixenbaugh expressed the importance of PRI's services to their entities and their desire to maintain the current level of support. Member Josh Foli stressed the emphasis on maintaining the existing services close to the current level and use the advancement of the POOL/PACT ELearning services to aid in providing the high-level service but with more expense efficiency. Member Paul Johnson noted the importance of keeping essential services that have a positive impact on reducing/preventing claims. He suggested looking at the utilization of those services and increasing participation and accountability of those essential

services to reduce claims which in turn should reduce our insurance cost. Mr. Foli agreed with Paul Johnson's comment that by addressing cost savings on insurance product expenses, more premium savings will be realized. PRI General Manager Stacy Norbeck added that PRI is down one staff member and currently assessing the situation. She explained that replacing this one staff position is not being pursued at this time. Member Ann Cyr was concerned about the cost increase of this program over the years. Wayne Carlson noted that the costs for PRI were around \$1.1 million in 2006 and there have been members added since then. Member Paul Johnson expressed the importance of continuing to right size programs and expenses. He also expressed the importance of making the entity's board to enforce overall usage of POOL/PACT programs in each entity. Member Dee Carey stressed the importance of the value of the availability of the service and the difficulty of putting a true value on a service when you cannot measure the value of a claim that was not filed because the entity did the right thing.

ELearning. Chief Operations Officer Michael Rebaleati reported to the committee the different aspects of the current ELearning management system. This contract is split 50/50 between POOL and PACT. Member support includes on-boarding, administrative support, system integration, and storage. Mike Van Houten is the ELearning Administrator and member contact support. Mr. Rebaleati reported that thousands of POOL/PACT covered employees have been enrolled in Absorb eLearning platform. CFO Alan Kalt added how important it is to continue to grow the number of members who use the Absorb eLearning platform. He also stressed that the importance of this program will continue to grow. Member Ann Cyr stated that she would like to see more funding for the ELearning to enhance the support. Member Elizabeth Frances expressed the importance of elected official board support to put enforcement mechanisms in place to ensure the usage of these trainings by their employees.

Cyber Security. COO Michael Rebaleati reported to the board the current state of the cyber security program. This program encompasses cyber security, cyber security training, KnowBe4 support, "dark web" scanning, and triage/response for incidents as they occur. POOL has been hosting an annual Cyber Summit since 2019 to educate and support members' IT and Cyber efforts. The POOL cyber security consultant Tony Rucci remains the main service provider and Gunderson Law Firm attorney John Funk remains the main legal counsel for cyber related issues. Although Passive Network Assessments are not being performed as much due to cost, these reports are still being used for benchmarks for improvements throughout the POOL membership. Member Elizabeth Frances stressed the importance of this process. Mr. Rebaleati completed his report by updating the board that \$138,059 has been paid for cyber related claims as of 10/8/2020. Member Dee Carey added how important it was to have expert recommendations from Mr. Rucci when dealing with IT personnel issues as well.

Target Solutions. COO Michael Rebaleati reported on the Target Solutions web based learning management system specifically for fire/EMS services. This contract is cost-shared 50/50 between POOL and PACT. Currently, there are 689 registered users from 24 different members. 398 courses and 1,111 custom activities were completed during 2019. Our Top 3 Members by usage are North Lake Tahoe Fire, Elko County Fire Department, and Central Lyon County Fire Protection District.

Risk Manager Marshall Smith reported on the following programs.

School Safety Operations Inc. Jeff Kaye provides the Hazard Vulnerability Assessments, updates Emergency Operations Plans, and related services for our 15 school districts, recently completing DCSD and planning on updates for Storey and Lyon Counties. Jeff also works assists POOL/PACT staff with coordination of statutorily required school safety systems (School Development Committee, School Safety Specialist, and SafeVoice). Jeff has provided significant assistance with forming the *Nevada Rural School District Collaborative*, which works together to obtain member Bureau of Justice Administration school safety grants and member wide training.

Aquatics Safety Research Group, Tom and Rachel Griffiths, perform comprehensive swimming facilities assessments of member facilities. These services are continuing a virtual basis. Explained the virtual assessment process. There are 26 aquatic facilities in the Pool divided into 4 quadrants with assessments every 4 years. Tom and Rachel assess each of these facilities every four years, followed by a comprehensive report with recommendations. The 2020 assessments were conducted virtually. Tom and Rachel also presented several webinars to our facilities directors, including *Continuity of Operations Plans* and the annual *Aquatics Risk Management Seminar* (this year conducted virtually).

LLRMI - Detention Facilities Assessments

Reviewed the history and status of the program. Steve Campbell: Steve is the primary author of all POOL/PACT Road and Jail Operations policies. Steve also personally conducts the detention facility assessments. His focus is on fifteen high risk/liability topics present in all detention facilities, including:

- Use of Force / Response to Resistance
- Classification of Prisoners
- Medical Screening and Care / Medications / Dental Needs
- Restraint Equipment, and
- Mail Correspondence

The assessments include an initial 2-day on-site visit, which includes 4 hours of Nevada POST training for detention facility staff. The initial visit is followed by (2) follow up visits to assess compliance with recommendations. We were on-track to have completed all jails by 2020, when the pandemic hit. We are continuing the assessments and follow-ups virtually and will complete all on-site assessments when cleared to do so.

EAP: Kepro

The new EAP provider, Kepro, is in place and providing information to our members at a reduced cost. The program covers 12,000 employees and 12 hours allocated to Critical Incident Stress Debriefings, and 24-hour access to on-line services. A concern was raised about Members paying for additional separate coverage at their own entity.

SpecialtyHealth:

24-7-365 Nurse Triage Program. This is a program which provides guidance and assistance to member managers and supervisors when faced with employee occupational injuries. If utilized, this program could significantly reduce WC claims by directing employees to seek first aid when appropriate, or when necessary, direct employees to contracted MCOs. Member Geof Stark encourage people to use this program. It appears this program is significantly underutilized at this time and perhaps we are not seeing the claim savings that this program was intended to provide. A review of this program is underway to evaluate the value, utilization, future of this program.

MSDS online

Explained status. OSHA required compliance program. Program has two programs, PPI (umbrella program for smaller entities) and HQ accounts (for larger entities). Provided review of renewal discussion for each HQ member. Trying to increase utilization.

SpecialtyHealth Wellness program.

Explained the *Fit for Retirement Program* addressing PP's heart lung liability claims. Still encountering resistance for full participation but once an entity understands the value, there is more utilization. The cost of this program was added into the Heart Lung Police Fire Classification rate in the current year. Previously this program has been paid from equity. Wayne Carlson indicated that the Actuary is looking at our classifications and rate relativity to determine if combining classifications in the future would be appropriate. The Actuary is

looking at combining the Police/Fire rate with the Heart Lung rate. It was noted that only Members with these classifications are paying for this program.

No formal action was taken on these items.

9. For Possible Action: Set the date and time of the next Joint Executive Committee meeting.

December 7 was the determined to be the date of the next Joint Executive Committee meeting from 10 am to 12 pm.

10. Public Comment

Chair Minor opened public comment and hearing none, closed the comment period.

11. Adjournment

Chair Cash Minor adjourned the meeting at 12:25 pm.



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Public Agency Compensation Trust
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**Minutes of Second Amended Agenda Meeting of
Executive Committees of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust**

Date: December 7, 2020

10:00 AM

Online meeting only via ZOOM

Join Zoom Meeting

<https://us02web.zoom.us/j/81317712675?pwd=ZzlvZHZoOUdXeGZwSkxvd0tmZXhWQT09>

Meeting ID: 813 1771 2675

Passcode: 948827

1. Roll

Members Present: Cash Minor, Paul Johnson, Mike Giles, Josh Foli, Chris Mulkerns, Cindy Hixenbaugh, Elizabeth Frances, Geof Stark, Dan Murphy, Gina Rackley, Ann Cyr

Members Absent: Dee Carey

Others Present: Wayne Carlson, Mike Rebaleati, Alan Kalt, Marshall Smith, Debbie Connally, Dan Smereck, Kelly Sullivan, Stephen Romero, Mary Wray, Stacy Norbeck, Donna Squires, Margaret Malzahn and Kathy Parks.

A quorum being present, Chair Johnson called the meeting to order.

2. Public Comment

Chair Johnson opened public comment and hearing none, closed the comment period.

3. For Possible Action: Approval of Minutes of Joint Executive Committee Meeting of October 19, 2020.

On motion to approve the minutes by Cash Minor , second by Dan Murphy, the motion carried.

4. For Possible Action: Investment and Financial Updates.

a. Investment Updates.

b. Financial Report as of October 31, 2020.

Alan Kalt provided a brief overview of the investment reports included in the packet. He notified the committee of the staff approval of an exception to the investment guidelines for maintaining a POOL/PACT position in a Disney bond that had been downgraded. Alan responded to a question about the policy regarding notification and confirmed it was required per board policy. He then highlighted the financial reports for POOL and PACT. Alan also mentioned that the captives had a position with First Energy (FE) that was liquidated due to its ongoing fraud investigation and subsequent downgrades. Kelly Sullivan and Dan Smereck commented on the FE Energy situation and confirmed that the position had been sold this morning and would be reinvested shortly.

No action was taken.

5. **Action Item: Approval of Two-year Extension of Lease with State of Nevada Sagebrush Ecosystem POOL Building Tenant.**

Wayne Carlson provided highlights of his written report regarding this lease noting that monthly rate has remained the same since 2012. He noted that while the state sought a reduction in amount without tenant improvements, the POOL was planning improvements and he recommended no change in the lease amount.

On motion by Dan Murphy and second by Geof Stark to extend the lease for two years at the current lease amount, the motion carried.

6. **Action Item: Consider Merging Certain PACT Classifications.**

Wayne Carlson reviewed his report about the rate relativities study conducted by the PACT actuary. During the study it was apparent that several class codes could be combined. The most significant potential combination under consideration was the merging of Code 9999 with the respective Codes 7720 and 7710. Code 9999 was established to develop funding for post-employment heart lung benefits following as court decision that led to lifetime benefits. The initial funding was accelerated, then slowed down once PACT had accumulated the minimum actuarial target funding level. It was possible the Legislature might amend the law to constrain the potential, but over time that has not happened except with respect to limiting benefits to medical only for retirees. During the last session, they expanded the coverage to include current and postemployment cancer benefits thus affecting both classifications. Given this, and the likelihood that future restrictive modifications would not occur, merging these codes makes sense. Currently code 9999 is not subject to experience rating while the other codes are. If merged, experience rating would apply. The effect of merging the code may be a reduction in the base rates given the limited losses so far post-employment depending upon the implementation period. Experience rating would impact members with high mods negatively while others could see a moderate change downward. Alan Kalt commented that the current code 9999 assessments were assumed for financial statement purposes to be 100% reserved for losses. He discussed the fiscal impact on certain high experience mod members. The report contained other classifications codes recommendations to be merged or eliminate due to limited assessments for those classifications. Most of the mergers were to the 9410 Government Employees classification. Alan recommended implementation of all of the proposed code mergers. Staff responded to questions regarding the impacts and benefits of the proposed merging.

On motion to authorize staff to proceed with having the actuary develop the final merged codes and rates by Josh Foli, second by Elizabeth Frances, the motion carried.

7. **Action Item: Approval of POOL building improvements/maintenance (lighting, flooring, painting).**

Mike Rebaleati reviewed the highlights of this summary of proposed building improvements and costs. The total estimated costs were \$72,109. These proposed improvements included \$15,013 in carpeting to common corridors and hallways, new flooring in the atrium area at an estimated amount of \$10,000, painting the main corridors for \$10,000, building lighting at \$30,396 and cleaning and color sealant to the tile in the bathrooms and main hallways for \$6,700. He responded to questions.

On motion to approve the proposal by Dan Murphy, second by Ann Cyr, the motion carried.

8. **Action Item: Approval of Prospective PACT Member Gardnerville Ranchos GID**

Wayne Carlson noted that Gardnerville Ranchos GID presently is a POOL Member. He reviewed their PACT application and loss experience. He commented on the credits given by their current insurer. He indicated that he had used a .95 experience mod for estimation purposes but would have the actuary prepare a final version. The estimated assessments would be about \$13,400.

On motion to approve for membership by Cash Minor, second by Josh Foli, the motion carried.

9. Public Comment

Mike Rebaleati discussed potential future date of the annual meeting and it was suggested for the week of April 19th 2021. No other public comment was received.

10. Adjournment

Chair Johnson adjourned the meeting at about 10:55 a.m.

**The Agenda was posted at the following locations and linked to the Official State Website
<https://notice.nv.gov>:**

**N.P.A.I.P.
201 S. Roop
Carson City, NV 89701**

**Carson City Courthouse
885 E. Musser Street
Carson City, NV 89701**

**Eureka County Courthouse
10 S. Main Street
Eureka, NV 89316**

**Churchill County Admin Complex
155 North Taylor Street
Fallon, NV 89406**



Nevada Public Agency Insurance Pool
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201 S. Roop Street, Suite 102
Carson City, NV 89701-4779
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Telephone (775) 885-7475
Facsimile (775) 883-7398

**Minutes of Joint Meeting of
Executive Committees of/
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust
Date: Tuesday, February 16, 2021
9:00 AM**

Please click the link below:

<https://us02web.zoom.us/j/87145577501?pwd=SS90cEVvUTdDS2J2WkhCUDhGTHBCUT09>

Passcode: 004456

Or Telephone:

US: +1 346 248 7799 or +1 669 900 6833 or +1 253 215 8782

Webinar ID: 871 4557 7501

1. Roll

Committee Members in attendance: Cash Minor, Paul Johnson, Ann Cyr, Chris Mulkerns, Dan Murphy, Geof Stark, Gina Rackley, Josh Foli, Mike Giles and Cindy Hixenbaugh.

Others in attendance: Wayne Carlson, Mike Rebaleati, Alan Kalt, Marshall Smith, Debbie Connally, Mike Van Houten, Stacy Norbeck, Kathy Parks, Chip Clark, Kelly Sullivan, Dan Smereck, Donna Squires, Margaret Malzahn, Mary Wray, Stephen Romero, and Tim Sutton.

Chair Minor confirmed a quorum was present and called the meeting to order.

2. Public Comment

Chair Minor opened public comment and hearing none, closed the comment period.

3. For Possible Action: Approval of minutes of Joint Executive Committee Meeting of December 7, 2020

On motion and second to approve the minutes, the motion carried.

4. Discussion Only: Report on PRM and PCM 2020 Annual Audits

Alan Kalt provided an overview of the annual audit results. He commented on the financial results and clean opinion from the auditors. No action taken.

5. For Possible Action: Review of Investment Performance

a. Investment Advisor SAA

b. Fixed Income Investment Manager NEAM

Chip Clark and Kelly Sullivan, representatives from NEAM, presented an overview of current market conditions and the expected affect on fixed income investment performance in the future. They noted that the positioning changes made in recent years has helped keep the investment portfolio performance steady but because of federal policies future returns likely

would be lower in the fixed income space. Dan Smereck from SAA added commentary about the investment outlook for risk assets affecting the captives. He highlighted the substantial gains that resulted from federal stimulus and that the federal regulators likely would maintain the inflation target at 2% but allow some float above that until employment conditions improve. Paul Johnson made a motion to accept the Investment Report. Ann Cyr second the motion which carried unanimously.

6. For Possible Action: Acceptance of Reports:

- a. Executive Director
- b. Chief Operations Officer
- c. Chief Financial Officer
- d. Risk Manager
- e. POOL/PACT Human Resources General Manager
- f. Davis Claims Solutions
- g. E-Learning/Web Master

Written reports were included in the packets and highlighted with oral presentations.

On motion by Geof Stark and second by Paul Johnson to accept the reports, the motion carried.

7. For Possible Action: Adopt Revisions to POOL and PACT Board Net Position Policies to Enable Flexibility in Retention Options

Wayne Carlson explained the rationale behind the proposed changes which was to enable flexibility in selection of the retention options. He explained that presently, certain options would not be available given the effect on the Net Position to Retention policy constraint of 20 times the retention. By adjusting to a minimum of 10 times with a goal of 20 times, additional options may be available for consideration. Discussion ensued about the risks to the respective pool's financial position.

On motion by Josh Foli and second by Paul Johnson to approve the proposed changes for POOL and PACT Net Position Policies, the motion carried.

8. For Possible Action: Review of Risk Management Programs, Insurance/Reinsurance Coverage, and Employee Assistance Program:

a. Review KEPRO Employee Assistance Program Joinder on State Contract.

Wayne Carlson commented that the KEPRO contract with the State of Nevada expires July 1, 2021 with an option to extend for two years. POOL/PACT joined onto this contract effective July 1, 2020. He said he asked KEPRO to confirm their extension and is awaiting a response. He asked for direction whether to pursue continuation of the joinder if KEPRO extends the contract. Stacy Norbeck commented about the increased utilization of services and administrative support.

On motion by Geof Stark and second by Gina Rackley to approve continuing to contract with KEPRO, the motion carried.

b. Review of POOL/PACT insurance/reinsurance coverage and risk management programs to determine what coverages and programs to offer for 2021/2022:

- i. Willis Pooling Report on the State of the Insurance Market
- ii. Review of POOL and PACT Rate Indications and PACT Class Code Relativities Adjustments.
- iii. Selection of Retention Options for NPAIP and PACT Renewal and Reinsurance Strategies.
- iv. Review of Ancillary Programs Including Student Accident, Pollution Legal Liability, and the TULIP Program.

i. Mary Wray of Willis Re Pooling explained the current reinsurance market conditions indicating that they remained difficult. She said the Lloyds underwriters indicated rate increases were expected but that because the POOL property loss experience was quite low, the POOL could expect an increase up to 5%. She is seeking a flat renewal rate, however. Mary also reviewed the likely increase in liability rates from CRL (plus 7.7%) and GEM (6%) with Brit and UE meetings to occur soon. For PACT an increase of 11% from CRL is expected.

ii. Wayne Carlson explained the class code relativities study and reminded the committee that they had requested an exhibit showing the effect of eliminating Code 9999 heart/lung and merging it into the law enforcement and firefighter classification codes. An exhibit showing the potential results of this was reviewed. Also reviewed were the basic principles of a class code relativities study which compares the rates and experience over time and adjusts rating loads between the various codes. In addition, several class codes were merged due to the low payroll and commonality with other classifications. Overall, merging the codes resulted in indicated reductions in many rates and reduced the increases for certain classifications significantly. Alan Kalt added that Class Code 9999 had not been subject to experience rating, but with the merger it would be. He commented that currently 10 members had experience modification factors over 1.0 including two with factors over 1.5. Other members with this code had factor below 1.0 so the change would be a positive one for most members. Both Wayne and Alan responded to questions.

On motion by Paul Johnson and second by Chris Mulkerns to direct the actuary to merge the codes as proposed, the motion carried.

iii. Wayne Carlson reviewed the spreadsheet included in the packet which showed the current retention for the pools and captives and how that affected the Net Position to SIR ratio. He indicated that several scenarios were being evaluated regarding altering the POOL retentions and reviewed one of those in which the liability retention was reduced but the property retention was increased shared between the POOL and PRM. The change resulted in a shift in the Net Position to SIR ratio. He indicated that further discussion at the next meeting would address which retention would make the most sense for the renewal after receipt of reinsurance pricing and actuarial funding recommendations. Similar evaluations were made for PACT but no changes were considered at this time.

iv. Mike Rebaleati made comments about the ancillary programs and renewal considerations. Stephen Romero commented about the student accident program indicating that the rates would be reduced by about 10% on renewal. Wayne Carlson noted that the TULIP program was not utilized much due to the pandemic but as conditions ease it likely would increase. He commented that Marshall Smith worked to develop a template for event center permits that referred to the TULIP program and Stephen Romero said that agents were sent additional information about the program availability.

c. Review Proposed 2021-2022 Budgets for POOL and PACT for Recommendation to the POOL and PACT Boards.

Alan Kalt reviewed the preliminary budgets highlighting that several elements would be completed once the reinsurance quotes come in. Final proposed budgets would be submitted at the next committee meeting. He also discussed the budget priorities spreadsheet previously reviewed and invited input from the committee to assist with final budget preparations. No action taken.

9. For Possible Action: Approval of Proposed POOL Form Amendments/Endorsements for Fiscal Year 2021-2022 for Adoption by the POOL Board at its Annual Meeting.

Wayne Carlson commented that there were no expected changes to the POOL Form at this time. No action taken.

10. For Possible Action: Review of candidates for Executive Committee and Officers up for Election at the Annual Meeting.

Wayne Carlson reviewed the incumbents list for both pools noting the special districts/towns vacancy for the POOL Executive Committee for the 2020-2022 term. He asked whether the incumbents remained interested in continuing to serve and they expressed interest. No action taken.

11. For Possible Action: Review and Revise Drafts of Agendas Including Joint Board Agenda, POOL Board Agenda, and PACT Board Agenda for Annual Meeting on Thursday, April 22, 2021

Chair Minor opened this item and asked committee members to advise staff of any changes needed. No action taken.

12. For Possible Action: Approve Date for Next Joint Executive Committee Meeting on April 5, 2021

Chair Minor asked the committee if this date worked for them. On motion and second to approve April 5th as the date of the next committee meeting, the motion by Josh Foli and second by Paul Johnson motion carried.

13. Public Comment

Chair Minor called for public comment and upon hearing none, closed the comment period.

14. For Possible Action: Adjournment

On motion and second to adjourn, the meeting adjourned at noon.

The Agenda was posted at the following locations and linked to the Official State Website <https://notice.nv.gov>

N.P.A.I.P.
201 S. Roop
Carson City, NV 89701

Carson City Courthouse
885 E. Musser Street
Carson City, NV 89701

Eureka County Courthouse
10 S. Main Street
Eureka, NV 89316

Churchill County Courthouse
155 North Taylor Street
Fallon, NV 89406



**Nevada Public Agency Insurance Pool
Public Agency Compensation Trust**
201 S. Roop Street, Suite 102
Carson City, NV 89701-4779
Toll Free Phone (877) 883-7665
Telephone (775) 885-7475
Facsimile (775) 883-7398

**Minutes of Joint Meeting and Agenda of
Executive Committees of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust
Date: Monday, April 5, 2021
9:00 AM**

1. Roll

Committee Members in attendance: Cash Minor, Paul Johnson, Ann Cyr, Chris Mulkerns, Dan Murphy, Gina Rackley, Josh Foli, Mike Giles, Elizabeth Francis, and Cindy Hixenbaugh. Others in attendance: Wayne Carlson, Alan Kalt, Marshall Smith, Debbie Connally, Mike Van Houten, Stacy Norbeck, Neal Freitas, Kathy Parks, Kelly Sullivan, Patrick Sullivan, Dan Smereck, Donna Squires, Margaret Malzahn, Mary Wray, Stephen Romero, Amalia Lyons, Lorena Dillinger, Wendy Lang and Cynthia Gregory.

Chair Minor confirmed a quorum was present and called the meeting to order.

2. Public Comment

Chair Minor opened public comment and hearing none, closed the comment period.

3. For Possible Action: Approval of minutes of Joint Executive Committee Meeting of February 16, 2021

On motion by Paul Johnson and second by Josh Foli the minutes were approved.

4. For Possible Action: Review of Investment Reports and Approval of Enterprise Based Asset Allocation Recommendations

- a. Investment Advisor SAA**
- b. Fixed Income Investment Manager NEAM**

Dan Smereck from SAA walked the Committee through the ESG presentation. He noted that responsible/sustainable investing is not a separate asset class; rather, it refers generally to strategies that consider traditional financial analysis in combination with ESG factors weighted by each organizations' goals, values, and/or priorities. He noted that ESG investing, as defined, is NOT a political concept or construct. E is for Environment, S is for Social and G is for Governance. Mr. Smereck indicates that investment policy awareness and acknowledgement as well as ESG Integration into the portfolio for the POOL family of companies might be appropriate in the future.

Kelly Sullivan, NEAM, presented the preliminary results and implications of the Enterprise Based Asset Allocation (EBAA) which was included in the members' packet. She noted this is an integral part of the Investment Philosophy to take an integrated approach to move along the efficient frontier wherein we work towards getting higher risks with the same level of risks or go after the same level of return with a lower risk profile. They perform this technical analysis on an annual basis to make the investment portfolio optimal on a risk adjusted return basis.

The last couple of years, the adjustments have not been significant as they have been working towards this goal since NEAM became our investment advisors. The data indicated that prospective returns within enterprise risk limits offer some return opportunities for the POOL/PRM and PACT/PCM portfolio. The incremental return increase could occur if we increase allocations to US corporate bonds, taxable munis, and high yields. She says the movement could result in a potential book yield pick-up of 40 bps on POOL/PRM and 36 bps on PACT/PCM increasing potential income of \$370K in POOL/PRM and \$620K in PACT/PCM. It sets the strategic guidepost for the investment portfolio and the tactical direction as investments matures.

Paul Johnson made a motion to accept the investment reports. Gina Rackley seconded the motion which carried.

5. For Possible Action: Approval of Risk Management Programs, Insurance/Reinsurance Coverage, and Employee Assistance Program:

- a. Approval of POOL/PACT insurance/reinsurance coverage and risk management programs to determine what coverages and programs to offer for 2021/2022:**
 - i. Willis Pooling Report on the State of the Insurance Market**
 - ii. POOL and PACT Rate Indications and PACT Class Code Relativities Adjustments**
 - iii. Retention Options for NPAIP and PACT Renewal and Reinsurance Strategies**
 - iv. Ancillary Programs Including Student Accident, Pollution Legal Liability, and the TULIP Program**

Mary Wray from Willis Pooling provided a market overview which continues to be a seller's market or a hard market. The companies are rising rates, reducing capacity, and using very strict underwriting criteria in the renewals. The insurance marketplace has been difficult with another year of high losses due to named storms, California fires, and low fixed income investment returns. As such, the current renewal rate standard has been 30% across multiple lines of business. She reviewed the year over year quotations and market indications for both the POOL and PACT. It was noted that they are still working to complete the coverage layers with the market. They are receiving additional quotes for School coverage with new carriers since United Educators quote was a significant increase (18%) and is requiring changes such as increasing the SAM retentions, policy aggregate limits to \$12.5m or 5 full retention losses in any one year and exclude cyber coverage for schools. Willis is looking at the property coverage options including additional retention levels for the program. Wray continued to go over all programs including the Joint Purchase Insurance Programs and the participation within the NPAIP structure. It is likely that changes with options will be received in the next two weeks prior to the Annual Meeting before the final options and recommendations will be ready.

The PACT coverage quilt and programs were reviewed by Mary Wrey. These program costs are closer to being finalized than the POOL operations. After discussion, no action was taken until a future meeting.

b. Review Proposed 2021-2022 Budgets for POOL and PACT for Recommendation to the POOL and PACT Boards

CFO Alan Kalt went over the PACT Budget worksheet for FY 2021-2022. Noting that the budget reflects the adoption of the rate relativity study performed by our independent actuary for the assessments. He reviewed the Loss Fund & Insurance Expense from PCM noting that the worksheet values were at the 75% Confidence Level for the Claims loss expenses. The proposed program expenses show a slight increase with most of the increase in the Member Education and Services area. The Administrative expenses reflected the new apportionment of

the NRP contract on a 50/50 basis between POOL/PRM and PACT/PCM. Kalt went over the Rate Relativity and highlighted the eliminated classes, changes in the rate classes and the blended rates for Police/Fire to include the former class of 9999 for heart lung. He noted that the 9999 class would be eliminated, and the new blended rate would be subject to the x-mod rates as determined by the actuary. A brief discussion was held on the impacts of the rate relativity, the mod factors and eliminated classes.

An overview of the POOL budget was discussed. The budget worksheet provides two options for consideration. The first option was at the 75% CL and the second option at the 70% CL. There is still more work to be done to complete the budget based on completing the coverage and programs within the coverage quilt. Kalt went over the Loss Fund and Insurance Expenses, Program Expenses and Administrative Costs. The budget narrative document provided the changes between both options and the fiscal impact of funding levels. He noted that during the audit, the loss expense calculation is based on the 75%. So, if we fund at the 70% in the budget, it is likely that we could have an underwriting loss if claims develop above the projected amounts. Kalt discussed the funding of the cyber coverage and a contribution of \$250,000 for the POOL's cyber layer. He noted that there are entities within both POOL and PACT that provided notice that they are going to bid for coverage. After a discussion, Paul Johnson made a motion to accept the consolidation of the class code and the blending of the heart/lung rate into the Police/Fire rate as presented in the Rate Relativity Study. Gina Rackley second the motion which carried.

6. For Possible Action: Approve Amendment to SpecialtyHealth Contract to Extend Term to June 30, 2021 and Adjusted Fees from December 2020 through June 30, 2021 and to Recommend to the PACT Board a New Three-Year Contract from July 1, 2021.

Executive Director Wayne Carlson went over the Specialty Health program. It was indicated that significant amount of work has been done to review this program and negotiate an amendment to the existing contract. The existing contract expires May 18, 2021 and staff recommends extending the term to expire on June 30, 2021. The present fee for service arrangement will be amended to a fixed monthly not to exceed amount of \$46,650 for the period of December 2020 through June 30, 2021. All previous payments made and received are agreed upon by all parties as completed billing for services received up to December 2020. Staff will draft the appropriate contract amendment for approval.

Wayne Carlson went on to address the possible new contract to be brought forward for these services. A new three-year contract is proposed effective July 1, 2021 including a typical termination provision by each party. The new contract will be a fixed monthly fee not to exceed amount of \$51,250 monthly or \$615,000 annually. Staff will establish a staff operated Oversight Committee that will review the program scope, progress, and results with SpecialtyHealth consistent with the contract requirements. Staff will provide periodic reports from the Oversight Committee to the PACT Executive Committee and PACT Board about its regular (planned quarterly) meetings. The Oversight Committee and Specialty Health will establish performance standards and measurables for each year of the contract. SpecialtyHealth will commit 50 hours of subject matter expertise content to assist POOL/PACT with developing ELearning classes, podcasts, webinars, etc. which will be used by both parties to promote participation by individuals in the Fit for Retirement program. SpecialtyHealth will allow Fit for Retirement participants access to their portal that has participant medical records. PACT will not have access to this private medical information. Staff will draft a proposed new contract incorporating these provisions for approval at the annual board meeting. The proposed contract will be reviewed by Legal Counsel Kathy Parks before it is presented at the Annual Meeting.

Cash Minor lead a discussion on how you measure the success of this program. Wayne spoke to the anecdotal evidence of the program and some of the challenges of plan participants who

embrace the program and over a period their activities and participation levels diminished no different from the gyms being packed in January and by March the levels return to normal levels. Paul Johnson spoke on the ability of this program being available to others not within the Police/Fire section. Wayne Carlson indicated that those employees may be able to access the services through their health insurance program. He noted that it is focused on the Police/Fire. CFO Alan Kalt noted that the new contract has a provision for the development of e-learning, podcasts, and webinars to get the information at to employees outside the Police/Fire. He said the employees can get the blood draws and share that data with their doctors and take the initiative to make the necessary lifestyle changes. The educational products being developed will help all members.

Paul Johnson made a motion to approve the extension to the existing contract to June 30th and make a recommendation to the full board at the Annual Meeting to enter the new contract with Specialty Health with the provisions noted by staff upon approval by legal counsel. Dan Murphy seconded the motion which carried.

7. For Possible Action: Approval of Proposed POOL Coverage Form and POOL Cyber Risk Coverage Form Amendments/Endorsements for Fiscal Year 2021-2022 for Adoption by the POOL Board at its Annual Meeting

Wayne Carlson noted that there are no specific items that need to be changed in the POOL Form as it relates to Cyber at this time. If some issues surface in the next week, it will be addressed at the Annual Meeting. No action was taken.

8. For Possible Action: Notice of Withdrawal of Members

- a. PACT – Central Lyon Fire Protection District
- b. PACT – Nye County
- c. POOL – Carson City School District
- d. POOL – Douglas County
- e. POOL – Douglas County School District

Wayne Carlson noted that we received timely notification from these entities. They have met the requirements of the Interlocal Cooperation Agreement. POOL/PACT will be proposing and providing quotes to these members. These entities are doing their due diligence and going to bid as requested by their governing boards. Some early indications from one member shows that the POOL is very competitive in price and providing additional services. We will be doing our best to retain these members.

Member Ann Cyr indicated that they are looking at going self-insured at various SIR levels as requested by their School Board of Trustees. She indicated that the POOL is unique and no one else provides the same level of services and coverage levels. They intend to stay in the POOL and are very proud members for years and years. Wendy Lang from Douglas County indicated that they are doing their due diligence by going to bid as requested by their board. Lorina Dillinger from Nye County echoed the comments previously made and are doing their due diligence.

Paul Johnson made a motion to accept the Notice of Withdrawal of the members listed on the agenda. Motion was seconded by Dan Murphy and carried.

9. For Possible Action: Approval of Prospective Members

- a. POOL – Carson City

Wayne Carlson went through the underwriting information from Carson City. They were a member of POOL until 2010. They went self-insured and paid \$1,500 more for the Self-Insured Program with none of the support services provided by the POOL. The senior staff members involved in that decision in 2010 are no longer with the City. Their broker asked the POOL if we would be willing to provide a quote for Carson City. Senior POOL staff had a meeting with the Carson City Finance

Director and Risk Manager to discuss the POOL, POOL services and commitment of joining the POOL. Wayne emphasized the long-term commitment to be a member of the POOL and not jumping in and out of the POOL. Carson City understood the requested commitment and was not just shopping for coverage. Carlson explained the losses in the various classifications and retention. He indicated that Legal Counsel Kathy Parks served as defense counsel for their litigated claims with the POOL and continued to work with the city when they were self-insured. Member Ann Cyr asked that this item be tabled until we can get ground up losses on the claims as it appears it may be incomplete especially with the employment practices losses. Wayne reviewed the claims information specifically looking at the \$1.3M G/L claim. He asked the Board to take an action so that both parties could continue the due diligence to provide a quote. Member Josh Foli stated it is important to take action to move this forward so that a quote could be provided to them. Wayne Carlson addressed the new leadership at Carson City. Noting they have a new City Manager, District Attorney and Finance Director compared to staff in 2010. Kathy Parks indicated that the former DA and City Manager wanted to have control over the claims process which caused issues for the legal folks and the claims administrators. She continues to work with them and noted they have a positive approach today compared to the relationship in 2010. Member Elizabeth Francis asked if we would see the claims loss report in the level of detail as requested prior to submitting POOL's quote. Wayne indicated that we should receive all that information prior to finalizing our quote. Member Ann Cyr stated that she believes that we have not received all the information on employee practices claims over the past five years. Carlson indicated that the loss report in the packet was provided by their third party administrator from their claims database. Member Francis noted that the claims data presented does not provide information to exclude them from membership. Wayne Carlson noted that we will receive this information as our reinsurance partners need this information as well for pricing the risk. Josh Foli made a motion to approve the application from Carson City to provide a quote for POOL coverage. The motion was seconded by Elizabeth Francis and motion carried.

10. For Possible Action: Review Tracked Legislation

Wayne Carlson indicated that a legislative tracking document was provided in the packet. Wayne indicated their focus has been on diversity and equity as well as law enforcement as major themes during the session. Stacy Norbeck, PRI General Manager, gave a broad overview of the bills they are tracking. Wayne Carlson noted that there is likely to be significant fiscal impacts related to law enforcement changes in the legislation. Some of the provisions in the Law Enforcement bills, we are already in compliance with many of those provisions. He went on to talk about the changes in the PPD ratings and allow the injured workers to receive their Workers' Comp and work at a different job. This does not appear to be a permanent disability if they are able to work at a different job. Our legal counsel and worker comp adjusters on these proposed bills. This could have a significant impact on our claims. Margaret Malzahn discussed the fiscal impacts of the apportionment noting that it is typically a 50% reduction for previous injuries. Paul Johnson noted that perhaps we look to future legislation sessions to present bills on behalf of PACT by one of the member entities. An entity must be strong enough to address the issue and sponsor the bill to make changes to the Workers Compensation statutes. Perhaps, we work with the other self-insured groups to work on re-balance some of the imbalances within the laws today. Carlson noted that POOL/PACT does not receive request for Fiscal Notes from LCB for proposed legislation. He noted that this is very frustrating. No action was taken.

11. Public Comment

There was no Public Comment.

12. For Possible Action: Adjournment

Paul Johnson made a motion to adjourn the meeting. It was seconded by Dan Murphy, Meeting adjourned at 11:13 am.

N.P.A.I.P.
201 S. Roop
Carson City, NV 89701

Carson City Courthouse
885 E. Musser Street
Carson City, NV 89701

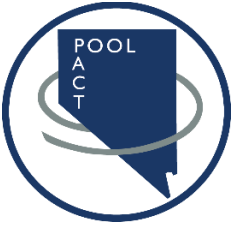
Eureka County Courthouse
10 S. Main Street
Eureka, NV 89316

Churchill County Courthouse
155 North Taylor Street
Fallon, NV 89406

NOTICE TO PERSONS WITH DISABILITIES

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Nevada Public Agency Insurance Pool in writing at 201 S. Roop Street, Suite 102, Carson City, NV 89701-4790, or by calling (775) 885-7475 at least three working days prior to the meeting.

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Public Agency Compensation Trust**
201 S. Roop Street, Suite 102
Carson City, NV 89701-4779
Toll Free Phone (877) 883-7665
Telephone (775) 885-7475

**Minutes of Meeting of the Loss Control Committee of
Nevada Public Agency Insurance Pool and Public Agency Compensation Trust**

Date: Monday, July 13, 2020

Time: 9:00 A.M.

Place: POOL/PACT Office, 201 S. Roop, Carson City NV and via Zoom and teleconference

1. Roll:

Members Present: Cash Minor (Chairman) Ann Cyr, Dan Murphy, Alicia Heiser
Members Absent: Geof Stark, John Dollar, Darren Wagner, Bryce Boldt
Others Present: Wayne Carlson, Mike Rebaleati, Alan Kalt, Donna Squires, Josh Wilson,
Margaret Malzahn, Mike Van Houten, Marshall Smith

2. Public Comment:

No public Comment

3. For Possible Action: Approval of Minutes of Committee Meeting of April 7, 2020.

A Motion was made by Ann Cyr and seconded Dan Murphy to approve the minutes. After discussion, the Motion carried.

4. For Discussion: Risk Management Report:

The Committee was presented with updates regarding:

- a. Pandemic preparedness Webinars/Information/Presentations (schools, detention facilities, aquatic facilities), assistance with BJA grant and development of the Nevada Rural School District Collaborative for threat assessment training funding.
- b. Development/deployment of Virtual Swimming Pool Inspections
- c. Summary of the status of the KnowBe4 cyber security program training, participation and 3-year contact for members.
- d. Review of the Modified Stryker Grant Program
- e. Review of the July 10, 2020 Annual Litigation Strategy Workshop

5. For Possible Action: Update on Governor's Directives on COVID-19 and Adjustments to Loss Control Services Delivery. Review of virtual audits/inspections being developed and implemented for schools, detention facilities, buildings for safety/security, and aquatic facilities. In person inspections/audits are difficult considering C19 restrictions and concerns. Virtual audits/inspections are, for the time being the new norm. Further refinement of the virtual inspections/audits will likely make all audits/inspections more effective.

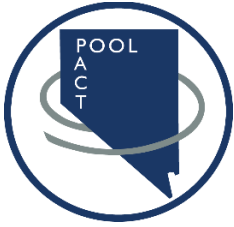
6. For Possible Action: (No item listed in Agenda)

7. For Possible Action: Public Comment

Ann Cyr requested status report of Loss Control Excellence Program and status of member renewals be presented at the next meeting.

8. For Possible Action: Adjournment

A Motion was made by Dan Murphy and seconded by Ann Cyr to adjourn the meeting. After discussion, the Motion carried.



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**Minutes of Meeting of the Loss Control Committee of
Nevada Public Agency Insurance Pool and Public Agency Compensation Trust**

Date: Tuesday, September 17, 2020

Time: 9:00 A.M.

Place: POOL/PACT Office, 201 S. Roop, Carson City NV and via Zoom and teleconference

1. Roll:

Members Present: Cash Minor (Chairman) Ann Cyr, Dan Murphy, Alicia Heiser, Bryce Boldt, Geof Stark, John Dollar
Members Absent: Darren Wagner
Others Present: Wayne Carlson, Donna Squires, Josh Wilson, Margaret Malzahn, Mike Van Houten, Paul Sikora, Marshall Smith

2. Public Comment:

No public Comment

3. For Possible Action: Approval of Minutes of Committee Meeting of July 13, 2020.

A Motion was made by Alicia Heiser and seconded Dan Murphy to approve the minutes. After discussion, a vote was taken and the Motion carried.

4. For Discussion: Risk Management Report:

The Committee was presented with updates regarding:

- a. Virtual Assessment Program
Swimming Pools – completed three virtual assessments: Carson Valley Swim Center, IVGID Aquatic Facility, Mason Valley Swim Center.
- b. CPR/AED Pilot Program
- c. Town of Tonopah (Willis Virtual Assessment of rodeo grounds)
- d. Jail Assessment Status
- e. Upcoming Webinars: School District Safety Specialists on September 30, 2020 with Jeff Kaye and Charles Russo (NDE).

For Possible Action: Consideration and approval of Risk Management Grant Application submitted by the City of Fernley for installation of (2) camera systems in two facility's owned and operated by the City of Fernley: City Hall to monitor employee and public parking areas, walkways, and entrances; Corporation Facility to monitor the area, stored equipment and other public well facilities located.

A Motion was made by Dan Murphy and seconded Geof Start to approve the grant, after discussion a vote was taken, and the Motion carried.

5. **For Possible Action:** Consideration and approval of Risk Management Grant Application submitted by the Lincoln County School District for removal and replacement of Pioche Elementary School playground equipment based on Site Safety Assessment.

A Motion was made by Alicia Heiser and seconded Ann Cyr to approve the grant, after discussion a vote was taken and the Motion carried.

6. **For Possible Action:** Consideration and approval of Risk Management Grant Application submitted by the East Fork Fire Protection District for Stryker Powerload. This application was submitted using the modified hydraulic grant application for a 50/50 contribution by POOL/PACT and the member.

A Motion was made by Dan Murphy and seconded by Bryce Boldt, after discussion a vote was taken and the Motion carried. Chairman Minor voted nay on the Motion.

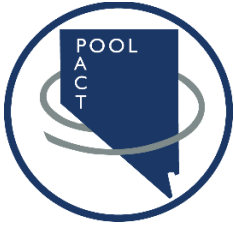
7. **For Possible Action:** Review of status and consideration of approval of updated Loss Control Excellence Program.

Marshall Smith presented the comprehensive changes to the LCEP and requested that each of the LCC members review and take each of the sections and report any recommendations, changes, or additions to POOL/PACT Risk Management, which will compile the recommendations and present to the full membership during the December meeting.

As no decision other than further discussion recommended, there was no action taken on this item.

8. **For Possible Action:** Adjournment

A Motion was made by Geof Stark seconded by Ann Cyr to adjourn the meeting. After discussion a vote was taken and the Motion carried.



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**Minutes of Meeting of the Loss Control Committee of
Nevada Public Agency Insurance Pool and Public Agency Compensation Trust**

Date: Tuesday, December 15, 2020

Time: 9:00 A.M.

Place: POOL/PACT Office, 201 S. Roop, Carson City NV and via Zoom and teleconference

1. Roll:

Members Present: Cash Minor (Chairman) Ann Cyr, Dan Murphy, Alicia Heiser, Paul Sikora, John Dollar
Members Absent: Darren Wagner, Geof Stark
Others Present: Wayne Carlson, Alan Kalt, Rick Hudson, Josh Wilson, Margaret Malzahn, Marshall Smith

2. Public Comment:

No public Comment

3. For Possible Action: Approval of Minutes of Committee Meeting of September 17, 2020.

A Motion was made by Dan Murphy and seconded Paul Sikora to approve the minutes. After discussion, a vote was taken and the Motion carried.

4. For Discussion: Risk Management Update:

- a. Jail Assessment Status
- b. MSDSONline Renewal Status
- c. Other staff items

The Committee was presented with an update relating to status of virtual detention facility assessments and follow ups and the new MSDSONline Renewal process to ascertain and confirm member utilization of the program.

5. For Possible Action: Recognition of new representative for Boulder City, Paul Sikora. Appreciation to Bryce Boldt for his efforts and contributions to the Loss Control Committee.

The Committee welcomed Paul Sikora and expressed its appreciation of the efforts of Bryce Boldt during his service on the Committee.

6. For Possible Action: Request for clarification of risk management staff grant approval authority as follows: (A) RM Grants with a total amount equal to or in excess of \$10,000, irrespective of amount to

be funded by POOL/PACT, will be reviewed by the Loss Control Committee; or (B) RM Grants with a total POOL/PACT funding amount of less than \$10,000, will be reviewed by Risk Management Staff.

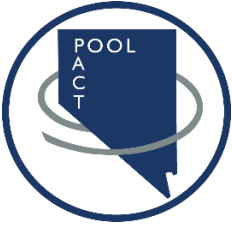
After consideration and discussion, a motion was made by Dan Murphy to approve option (B) with a request that an agenda item be added to the next Loss Control Meeting to consider increasing the Risk Management staff grant approval level. The Motion was seconded by Alicia Heizer. After discussion, a vote was taken and the Motion carried.

7. **For Possible Action:** Discussion, review, and consideration of approval of updated Loss Control Excellence Program.

The Committee was presented with a summary and analysis of the updated Loss Control Excellence as provided in the supplemental documentation. After discussion, Alicia Heizer made a Motion to approve the updated LCEP and instructed staff to prepare grant guidelines and to present the Loss Control Committee with any concerns and updates. The Motion was seconded by Dan Murphy. After discussion, a vote was taken, and the Motion carried.

8. **For Possible Action:** Adjournment

A Motion was made and seconded to adjourn. After discussion, discussion a vote was taken and the Motion carried.



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Draft

**Minutes of Meeting of the Loss Control Committee of
Nevada Public Agency Insurance Pool and Public Agency Compensation Trust**

Date: Tuesday, March 16, 2021

Time: 9:00 A.M.

Place: POOL/PACT Office, 201 S. Roop, Carson City NV and via Zoom and teleconference

1. Roll:

Members Present: Cash Minor (Chairman), Geof Stark, Dan Murphy, Alicia Heizer, John Dollar, Ann Cyr, Paul Sikora
Members Absent: Darren Wagner
Others Present: Wayne Carlson, Mike Rebaleati, Alan Kalt, Donna Squires, Margaret Malzahn, Rick Hudson, Josh Wilson, Mike Van Houten, Marshall Smith

2. Public Comment:

Chair Minor opened the public comment period and hearing none, closed the comment period.

3. For Possible Action: Approval of Minutes of Committee Meeting of December 15, 2020

A Motion was made by Ann Cyr and seconded Alicia Heizer to approve the minutes. After discussion, the Motion carried.

4. For Discussion: Risk Management Report:

The Committee was presented with updates regarding: Detention Facility Assessments, School District EOPs and HVAs, webinars presented (school district EOP and PTSD Awareness for First Responders), Member Safety Plan/Committee program review.

5. For Possible Action: Consideration and approval of Risk Management Grant Application submitted by Tahoe/Douglas Fire Protection District for exercise equipment and training for (5) stations.

After discussion relating to this item being a general capital budget item, no action was taken.

6. For Possible Action: Consideration and approval of Risk Management Grant Application submitted by Minden Gardnerville Sanitation District for installation of security fencing at the MG Sanitation District Wastewater Treatment plant facility.

After discussion relating to critical infrastructure concerns, Ann Cyr moved to approve the grant, which was seconded by Alicia Heizer and the Motion carried.

7. **For Possible Action:** Consideration and approval of Risk Management Grant Application submitted by Gardnerville Ranchos General Improvement District for installation of security fencing around the District's four well and pump houses

After discussion relating to critical infrastructure concerns regarding utility operations security, Ann Cyr moved to approve the grant, which was seconded by John Dollar and the Motion carried

8. **For Possible Action:** Consideration and approval of Risk Management Grant Application submitted by Town of Tonopah for funding for removal of existing concrete basketball court, resurfacing, repair of damaged concrete steps, replacement of perimeter fencing, new basketball stand and backboard for Jim Butler Park Basketball Court.

After discussion relating to the merits of this grant application and the possibility that funding for this type of project may be available through the American Recovery Act and committee members needed to know more about that, a motion was made to table the item by Ann Cyr and seconded by Alicia Heizer and the Motion carried.

9. **For Possible Action:** Consideration and approval of Risk Management Grant Application submitted by Lincoln County School District for purchase and installation of an Intercom System for Panaca Elementary School.

After discussion, and reviewing comments of support by Jeff Kaye and comments by Dan Murphy about the failure of such older systems, Dan Murphy made a Motion to approve the grant which was seconded by Ann Cyr and the Motion carried.

10. **For Possible Action:** Consideration and approval of recommendation that Incline Village General Improvement District to receive the Loss Control Excellence Program Award.

Risk Management staff detailed the amount of coordinated effort which was required achieve the Award by several department heads of IVGID. Several committee members commended IVGID for their achievements. After discussion Dan Murphy made a Motion to approve the Award which was seconded by Ann Cyr and the Motion carried.

11. **For Possible Action:** Public Comment.

Chair Minor opened the public comment period and hearing none, closed the comment period.

12. **For Possible Action:** Adjournment

A Motion was made by Dan Murphy and seconded by Alicia Heizer to adjourn the meeting, the Motion carried.



**APPROVED MINUTES OF THE
NEVADA PUBLIC AGENCY INSURANCE POOL AND
PUBLIC AGENCY COMPENSATION TRUST
HUMAN RESOURCES
OVERSIGHT COMMITTEE MEETING
Date: June 5, 2020 Time: 10:00 a.m.
Place: Virtual Meeting via Zoom**

1. Oversight Committee Roll Call

Members participating via Zoom: Chairman Curtis Calder; Scott Baker; Dee Carey; Jose Delfin; Abel del Real-Nava; Austin Osborne; Danelle Shamrell; Geof Stark. Members not participating: Dawn Huckaby; Cindy Hixenbaugh; Robert Quick. Pooling Resources, Inc. (PRI) Staff participating via Zoom: Stacy Norbeck; John Bates; Sandra Schooler. Risk Management Staff participating via Zoom: Wayne Carlson; Marshall Smith; Mike Rebaleati.

2. Item: Public comment

Chairman Curtis Calder opened public comment and hearing none, closed the public comment period.

3. For Possible Action: Approval of Minutes of Meeting March 6, 2020

On motion and second to approve the Minutes of March 6, 2020, the motion carried.

4. For Possible Action: Report on Current Activities

a. 19/20 Strategic Plan to date

Stacy Norbeck reviewed the 19/20 Strategic Plan as follows:

New Trainings — Four new classes were developed this year: *Taking Care of Conflict*, *Customer Service*, and *Performance Management* have been completed (all eLearning courses), and *Influential Leadership (IL)*, an instructor-led class, is at 90% complete.

Revisions — 14 training course revisions are complete. Six of these courses were revised for Zoom due to the pandemic: *Safe and Sober, Part I and Part II*; *You Can't Do That at Work (YCDTAW), Part I and Part II*; *So, You Want to be a Supervisor? (SYWTBAS)*; and *IL*.

Regional Trainings — 13 regional trainings were scheduled. *Essential Management Skills in the Public Sector (EMS)* was scheduled seven times, five have been taught (Pahrump, Hawthorne, Carson City, Elko, and Ely); sessions 1 and 2 have been taught in Carson City with sessions 3 and 4 postponed due to COVID; and the seventh training in Elko was also postponed. *Advanced Essential Management Skills in the Public Sector (AEMS)* was scheduled two times; one was taught in November and the session scheduled in April in Carson, was postponed due to COVID. *Human Resources Representative (HRR)* training was taught in February in Carson with 24 people in attendance. *Advanced Human Resources Representative (AHRR)* training was postponed due to COVID. *So, You Want to Be a Supervisor? (SYWTBAS)* was taught through Zoom on April

29, 2020, and April 30, 2020, as our very first class via Zoom and it went very well. A Zoom version of *IL* was held June 3 – 4, 2020, with approximately 21 participants.

Regional Training Workshops Utilizing Outside Resources — Two of three sessions of the *Negotiations/FLSA class* were completed; Boulder City was canceled due to low enrollment, and a webinar was live-streamed and recorded for the website.

New Briefings — Three new briefings were completed this year: *New Employee Orientation, Drugs and Alcohol in the Workplace, and Marijuana and the Workplace.*

Updated Briefings — 18 briefings were to be updated this year: 13 have already been completed; remaining five will be completed this fiscal year.

HR Briefing Videos — Four new HR briefing videos were completed this year: *Ethics, Job Descriptions, Meeting Management, and Time Management.* All are available on the website and on Torch.

Webinars — Four Employee Assistance Program (EAP) webinars were completed. Two HR webinars: *Negotiations, Overtime, and Legislation* and *Families First Coronavirus Response Act* were conducted.

Post Member Pay Plan/Scale on Website — These were added as received.

Sample Personnel Policy Annual Update — Updates will be completed by the end of the FY 19/20. We released two new policies during the pandemic: the Emergency Family Leave policy and the Emergency Paid Sick Leave policy.

Alerts — Eleven alerts were issued to date.

Trainings — As of May 29, 2020, 109 trainings were conducted with 1,921 participants, with 4.59 course content average; 4.8 instructor evaluation average. 15 members were interested in FRISK; 8 classes were conducted with 117 participants. 12 HR briefings were conducted with 395 participants.

Phase I HR Compliance Assessment Program — There were 11 rollovers left to complete from previous years; two completed this FY and one removed due to inactivity for three years by mutual agreement. There were eight interested members this FY; three were reassessments and all eight are in process. Storey County was conducted last month and is 50% complete.

Phase II HR Compliance Assessment Program — There were six rollovers left to complete from previous years; three (Nye County, Town of Pahrump, and Humboldt County) are nearly complete. Lincoln County School District is currently in process. Curtis thanked Stacy for being creative and completing our services via technology. Stacy said it was going very well and will consider continuing to offer virtual trainings in the months ahead even if we get back to “normal.” Curtis said it will open some doors for those that cannot travel due to budgetary constraint at the local government level.

b. Report on Employment-Related Claims

As of May 26, 2020, we had 30 claims, 26 of which are open. Twelve are EEO (discrimination/harassment and retaliation), one EMRB (gender, age, disability), one wrongful term, six administrative matters, one alleging due process violation in connection with employment, one disparate treatment, one retaliation for efforts to unionize, one whistleblower, two regarding elected officials, and four others. Of the 30, seventeen are from a county, two from a city, five are from schools, and six are from special districts.

c. Master Training Value Report

Stacy stated that per our discussion at the last meeting, we listed the last three fiscal years in three separate columns, with the current FY to date as of March 18, 2020. She said this is a change from the past few years since we previously included regional courses/programs and assessments/scholarships since inception, with all other training showing three FYs. Going forward the whole report will be a three-year report.

Curtis thanked Stacy for quantifying the information into a report as there is value in tracking it. Stacy said individual reports are provided during our service plan meetings with individual members and sometimes the insurance agent has asked for them to provide to the board. Curtis suggested this type of story be told when Wayne and his staff are doing renewals due to it being included in the premium for the renewal and premiums are going up. He stated there is so much value with the services that are provided and POOL/PACT HR is one part of it. Stacy said there has been discussion with Nevada Risk Pooling, Inc. about adding to this report in the future for some of the services that are provided on their side as well. Curtis said it will make sense to get a big picture view of the quantifiable value they receive being a pool member. Scott said he appreciated the valuation; it really helps put it into perspective for the trustees.

5. For Possible Action: General Manager Report

a. PRI 5-year Grant

Stacy reported the 5-year grant has been approved.

b. Pandemic Response

Internally – Stacy reported that planning for the possibility of telework began the first week of March 2020. Telework was implemented beginning March 19, 2020, with employees reporting to the office one day per week. All in-person trainings were canceled at least three weeks prior to the event and travel by employees was restricted. During Phase I of the governor’s plan, no changes were made to internal office schedules, although masks were required in common areas. No travel and no in-person trainings or meetings were allowed during this phase. Currently, during Phase II of the plan, employees are allowed to return to the office two days per week and day trips are allowed for meetings. If the individual is comfortable traveling and there is no overnight stay, we might allow this on a case by case soon. We are currently not doing in-person training, but this might change as well. Masks are still required. She said these restrictions may change soon. Service plans are currently being arranged via Zoom or phone.

Membership – Stacy reported on COVID communication with member organizations. *What Employers Should Know about COVID-19* was sent March 13, 2020; *Families First COVID-19 Response Act Alert* was sent March 19, 2020, with an update on March 25, 2020. *Families First Coronavirus Response Act Q & A* was created on March 23, 2020, and updated March 24, 27, 30, and 31, and on April 3, 6, and May 8. Dee Carey said she and her team have used these a great deal as a resource; it is a lot easier than the Department of Labor. Stacy said we also sent out an Unemployment Benefit (UI) notice which was created on March 26, 2020, and updated on March 30 and April 3. Multiple emails have been sent out notifying members of changes, in addition to assisting members via phone.

Regional Trainings – Stacy reported that EMS 3 and 4 from March had to be postponed due to COVID so those trainings are being set up as Zoom trainings and we will try to schedule any full day class over two days in the mornings. She anticipates those being ready by July 2020. As for fall and spring, she is hopeful these trainings will be available in person. Marshall has created a Facilities Use Agreement (training room policy)

that will restrict the upstairs training room to 17 people with the six-foot physical distancing requirement. If we are able to hold these classes, they will be restricted to 16 participants and one facilitator (keeping in mind that it is our intent to develop EMS online in addition to Zoom versions of *EMS*, *HRR*, *SYWTBAS*, and *IL*). She said there would also be an internal discussion on whether to do the advanced classes virtually since they are more workshop oriented.

Member Trainings – Stacy reported that virtual trainings (Zoom webinars) were presented for *Bullying in the Workplace*, *Safe and Sober*, and *You Can't Do That at Work!* She said there have been some streaming issues with videos, but overall it has gone well. She believes the Zoom trainings are a valuable option that can continue even when things get back to normal. Curtis asked if any of the rural communities are having trouble with their broadband connections. Stacy said they did have some problems with a couple of individuals who had difficulty with a Zoom link. She did not know if the issue was on the member's end or POOL/PACT's. POOL/PACT's phones were down the same day which made it difficult for members to report technical problems. Curtis said they have had some technical problems in Elko with GoToMeeting. He thinks it is based on internet/broadband speeds in the area.

c. FY 20/21 Strategic Plan/Scope of Services

The ethics training that was supposed to be a revision will now be a new class. Again, EMS will be revised for Zoom. Stacy said she sent out the Scope of Services to point out that the Zoom trainings are not on the Scope but could be considered as online services. She wants to make sure that is okay with the committee. Curtis said this might be temporary, but when we change the plan maybe it can be updated.

d. Conference

Stacy reported the annual conference is scheduled for October 21-22, 2020. She said we currently have 27 registered which is the same number we had at this time last year. We are still planning to hold it, and she and Ashley Creel are looking at what options would be available if we are unable to hold the conference due to restrictions from the governor. She asked if those on the committee would still attend if we are able to hold it in October. Committee members voiced their intention to attend the conference in person if held. Stacy stated the backup plan if we are unable to hold the conference, would still have the majority of the presenters offer their trainings via Zoom over time. To date the presenters include Nick Kittle: Innovation in Government; Round table by entity; Becky Bruch: Case law updates (survey sent); SHRM representative, John Decoteau: Skills gaps; Brett Simmons: Servant leadership/resourceful leadership; Kandi Porter: Learning and Development and legal topics that are part of our presentation schedule.

e. Newsletter

Stacy reported on the topics covered by the quarterly newsletters. The May newsletter included the Introduction to the New EMS program, new EAP, advertising the new Performance Management eLearning class as well as Zoom trainings, and registration for the conference. In addition, there were three other articles: Tips to Stay Mentally and Physically Fit while Teleworking; Supervising in the New Normal Workplace; and Ask POOL/PACT HR double feature on the FFCRA.

f. Eureka

Stacy gave an update regarding a discussion at the last meeting about Eureka County's decision to contract for services with a company out of Elko and Winnemucca: Pray and Company. Their HR representative, Kim, and DA, Ted, had concerns about the contractor. Stacy collaborated with Wayne, Marshall, and Neal to write

a letter to their HR representative and DA which shared concerns including the contractor's lack of public-sector experience, contractor charging for some of the services that are already provided by POOL/PACT HR, and the contract itself. They are having their board meeting today and we believe they are moving forward with the contract. We are hopeful they discuss some of the concerns that we shared with their HR.

6. Employee Assistance Program (EAP)

Stacy reported the board approved terminating the contract with Resources for Living (RFL). RFL was notified on March 13, 2020, and Kepro signed a contract on April 25, 2020. She said we will be transitioning to Kepro as of July 1, 2020. Stacy said RFL has been very supportive to ensure a smooth transition. She reviewed the RFL 1st quarter report, the utilization was 2.1% compared to last year at 2.8%. The presenting issues showed a rise in marital issues from 10.8% to 12.7%. Members also showed an increase in severe distress from 30 to 50%. According to the COVID-19 dashboard report through May 18, 2020, there were 26 total counseling cases in April and May including 5 COVID-19 counseling cases, 8 relationship, 9 stress/distress, and 3 depressed mood. Stacy said she believes there will be more of these cases as COVID-19 continues to affect individuals. The Kepro contract from 7/1/20 – 6/30/21 includes: employee count 12,000 at \$0.66 pepm at a cost of \$99,040 per year (as compared to RFL at \$160,000); Critical Incidence Stress Disorder 12 hours (\$275 in excess); Onsite services 24 hours allocated (\$250 in excess). Stacy said there will be an internal training on June 10, 2020, and member trainings on June 29, 2020, and June 30, 2020 (total of four webinars offered at 10 am and 2 pm). A toll-free number will be available to members the last week of June. Stacy also reported that members currently receiving counseling services through RFL will have 90 days to finish their free sessions. John Bates stated Kepro has been cooperative and they are very eager to begin their contract with us. We are notifying our members to be ready for the Zoom meeting with Kepro who is excited to work with the POOL/PACT members. Wayne added if there are any providers that are not included in the provider directory to let Kepro know and they will consider any member seeking admission. Curtis asked if they have seen the providers list since we started this process out in the rurals and is it about the same. Wayne said we have not seen a current updated providers list, but we did advise Kepro to the areas where we saw some discrepancies where it was not covered. They said they are actively working to get providers in those areas and if there are specific ones to be added, to let them know. Curtis said he appreciates Wayne and John working on this, thinks we are moving in a great direction, and that we are going to see a big improvement in the level of service that is offered through Kepro. Geof asked if the EAP online training through Absorb is going to be modified or taken down for a while. Stacy asked John and Wayne if Kepro is having an orientation online. John said they will meet with Kepro on Wednesday and ask them at that time. He also reported that in addition to their website, Kepro has an app. Wayne said we are working with them to develop an HR alert to describe the change and all the documentation factors once they are able to publish the actual call-in number. No action needed. Stacy said she appreciates John and Wayne taking the lead, they have done a phenomenal job.

7. For Possible Action: HR Assessment Grant Application

Stacy stated no new applications had been submitted for approval by the board.

8. For Possible Action: HR Scholarship Application Approval

Stacy stated no new applications had been submitted for approval by the board.

9. Item: For Possible Action: Schedule Next Regular Meeting for POOL/PACT Human Resources Oversight Committee

Next Meeting is scheduled for September 11, 2020, at 10:00 a.m., in Carson City and via Zoom (Virtual Meeting).

10. Item: Public Comment

Chairman Calder opened public comment and hearing none, closed the public comment period.

11. For Possible Action: Adjournment

Chairman Calder called the meeting adjourned at 10:52 a.m.



**APPROVED MINUTES OF THE
NEVADA PUBLIC AGENCY INSURANCE POOL AND
PUBLIC AGENCY COMPENSATION TRUST
HUMAN RESOURCES
OVERSIGHT COMMITTEE MEETING
Date: September 11, 2020 Time: 10:00 a.m.
Place: Virtual Meeting via Zoom**

1. Oversight Committee Roll Call

Members participating via Zoom: Chairman Curtis Calder; Austin Osborne; Scott Baker; Geof Stark; Dee Carey; Cindy Hixenbaugh; Dawn Huckaby; Jose Delfin; Abel del Real-Nava. Member(s) not participating: Robert Quick; Danelle Shamrell. Pooling Resources, Inc. (PRI) Staff participating via Zoom: Stacy Norbeck; Dora Moya. Risk Management Staff participating via Zoom: Wayne Carlson; Marshall Smith.

2. Item: Public comment

Chairman Curtis Calder opened public comment and hearing none, closed the public comment period.

3. For Possible Action: Approval of Minutes of Meeting June 5, 2020

Stacy Norbeck mentioned there was a numbering error on the minutes that will be corrected.

On motion and second to approve the Minutes of June 5, 2020 with numbering revisions, the motion carried.

4. For Possible Action: Report on Current Activities

a/b. 19/20 Strategic Plan to date and 19/20 Value of Services

Stacy Norbeck reviewed the 19/20 Value of Services report recently created for the Joint Executive Committee meeting. This report includes the services listed on the FY 19/20 Strategic Plan and comparable values. Comparable values are listed on the third page of the report.

Training Development: Three new online courses and one new facilitator-led course were created; six facilitator-led classes were revised; eight classes were revised to be conducted virtually via Zoom. Three new HR Briefings were created and 21 existing HR Briefings were updated. Four new HR Briefing videos were developed. Based on the comp rate of \$125 an hour, the total value of services was estimated to be \$137,000 plus.

Training Delivery: 116 different training sessions were presented with over 2,000 participants, including:

- Ten regional trainings:
 - Six *EMS* programs (Pahrump, Hawthorne, Carson City, Elko, and Ely)
 - Two sessions of the March Carson City training were postponed due to COVID
 - Elko program was postponed.
 - One session of *Advanced EMS* in the fall
 - Spring session was canceled due to COVID

- One *HRR Certificate Program*
- One *So, You Want to be a Supervisor*, via Zoom,
- One *Influential Leadership*, via Zoom.

Note: *Advanced HRR* was postponed due to COVID; rescheduled for November

- Eight F.R.I.S.K. with 117 participants.
- 12 HR Briefings with 395 participants.
- Three regional trainings: Negotiations, Overtime and Legislation with Charlie Cockerill and one of his staff members facilitated; two live and one was a webinar.
- Four EAP Webinars.
- Two HR Webinars: FFCRA by Becky Bruch, and Negotiations (mentioned previously).

In addition, 11,397 participants completed ten HR eLearning courses, many since April; and 71 participants attended the annual HR Conference.

Based on the comp rate of \$300 full day courses, \$150 for half-day and \$25 for eLearning, the total value of services was estimated to be \$679,000.

Alerts: 12 Alerts were created (listed on FY 19/20 Strategic Plan) with a total estimated value of \$10,000.

Salary Schedule: 47 members updated with a total estimated value of \$1,250.

Policies: All sample personnel policy manuals were updated and three new policies were created (Emergency Family and Medical Leave Policy; Emergency Paid Sick Leave Policy; Catastrophic Leave Policy) with a total estimated value of \$36,000.

Phase I Assessments: 21 in process, 3 completed last FY, with a total estimated value of \$38,500.

Phase II Assessments: 7 in process, 1 conducted last FY, with a total estimated value of \$6,750.

Coaching and Problem Solving: Each Business Partner averaged 10 hours per week consulting, with a total estimated value of \$425,000.

Other services: EAP request for proposals (RFP) and Service Plans; with a total estimated value of \$34,000.

Stacy stated the Total Value of Services for FY 19/20 was estimated at \$1,368,675.

She requested the committee's input and approval to apply this method to FY 18/19 (to reflect the impact of a legislative year) and FY 20/21. Dee stated it was good and concise, Curtis agreed.

Curtis Calder asked what the annual budget is for the whole organization. Stacy stated that the budget for 19/20 was \$1,248,000.

c. **Member Contact Tracking December 2019- June 2020**

Last December POOL/PACT HR reimplemented member contact tracking to help with determining member's needs and member specific trainings. The tracking contact numbers were reviewed. Stacy pointed out that 12% of total Business Partner's contacts were regarding the Families First Coronavirus Response Act (FFCRA); and was 18% for April, May, and June (one out of five contacts) and, 36% of contacts in April. Stacy also stated this year so far FFCRA is 19% of contacts for an average of 40 contacts per month.

d. 20/21 Strategic Plan to date

New Trainings – Three new courses will be developed this year: Two e-Learning *EMS* modules (not yet started), and a new *Ethics* facilitator-led course (25% completed).

Revisions – Seven courses have been revised, all of which are Zoom trainings: *Customer Service in the Public Sector*; *EMS - Sessions 1,2,3, and 4*; and *AHRR-Days 1 and 2*.

Regional Trainings – Ten regional trainings are scheduled this year. All fall sessions are being conducted via Zoom; Spring sessions are currently scheduled to be in person; decisions will be made as dates get closer.

Regional Training Workshops Utilizing Outside Resources – A Title IX policy webinar for schools was presented by Ann Alexander in August.

2020 Leadership Conference – The 2020 Conference will be virtual this year on the original dates, October 21-22, 2020, from 8:30 to 12:00.

New HR Briefings – Four new HR Briefings have been developed this FY. Three are complete: Drug and Alcohol Clearinghouse, and two Kepro EAP (one for employees and one for supervisors). One remains to be finalized: Catastrophic Leave program.

Reviewed and Updated Briefings – 27 Briefings to be updated this year: one has been completed and one is in process.

HR Briefing Videos – New HR Briefing Videos have not yet been identified.

Webinars – Four sessions of EAP were presented and a POOL/PACT 101 for Board Members session is planned to be held in January.

Legislative Tracking and Summary Report for the 32nd 2020 Special Session – Four bills were tracked and a summary report was released.

Post Member Pay Plan/Scale on Website – These are added as received.

Sample Personnel Policy Annual Update – Updates will be completed by the end of the FY 20/21. Currently on third year of three-year plan. Sections 7 through 12 will be reviewed, which include benefits, travel, expenses, employee separation, performance management, disciplinary actions, and dispute resolution.

Coaching and Problem Solving – This is an ongoing process.

Alerts – Three alerts were issued to date. Stacy mentioned there will be another one shortly as the Department of Labor (DOL) is releasing new FFCRA regulations due to a NY District court case which ruled on the work availability requirement; the definition of health care providers; intermittent leave use; and timing of required documentation. Jose asked when the new regulations were expected; Stacy stated it is unknown; the Society for Human Resource Management (SHRM) reported the DOL submitted the new regulations to the White House on the September 3, 2020.

Trainings – As of September 4, 2020, 9 trainings were conducted with 156 participants, with a 4.85 course content average; 5.0 instructor evaluation average. No F.R.I.S.K. classes conducted to date (a number of members are interested); and no HR Briefings conducted to date.

Phase I HR Compliance Assessment Program – 15 rollovers left from previous years; Walker River Irrigation turned in their last document this morning and will be marked as complete as of today; 8 are interested this year, 2 of which are reassessments and 3 are scheduled in October.

Phase II HR Compliance Assessment Program – 7 rollovers from previous years (Nye County, Town of Pahump, and Humboldt County are almost complete); 4 members interested this year (Eureka County, Lander County, Lyon County School District, and Walker Basin).

Bi-Annual Survey – The survey will be sent to key contacts after the conference. Stacy stated she would like to add the bi-annual survey to the Strategic Plan with the committee’s approval.

Curtis asked for a motion to add the bi-annual survey to the FY 20/21 Strategic Plan. On motion and second to approve adding the bi-annual survey to the FY 20/21 Strategic Plan.

Motion carried.

e. Report of Employment-Related Claims

Stacy stated there were 41 total claims last year, 26 of which are open. 20 were EEO (discrimination/harassment/retaliation), 7 administrative matters, 1 alleging due process violation in connection with employment, 1 disparate treatment, 1 retaliation for efforts to unionize, 1 whistleblower, 2 regarding elected officials, 1 possession of child pornography, and 7 others. Of the 41, 22 claims are from counties, 3 are from cities, 5 are from schools, and 9 are from special districts.

For this year so far, there are 5 total open claims: 4 are EEO. Of the 4 EEOs (2 are ADA, 1 sexual harassment, and 1 religious discrimination regarding wearing a facemask), and 1 wrongful termination. Of the 5, 2 are from counties, 2 are from schools, and 1 is from a special district.

Curtis asked in order to qualify as a claim, is it just simply an administrative claim to the agency that gets reported to the pool or is it an actual lawsuit that gets filed. Curtis stated sometimes people file a complaint at the agency level that gets resolved before it ever gets to a lawsuit and he asked if those were reflected in the numbers.

Stacy stated she thinks that is the case, but if counsel is assigned, it would be reported as a claim. She asked Wayne and Marshall if they had an answer to Curtis’ question. Marshall said he believes that is correct. Wayne responded in a chat message stating incidents and claims both are counted; claims and lawsuits claiming damages are both covered. Wayne further stated he is not aware of COVID 19 return-to-work claims so far, however, there are over 300 public safety and hospital workers’ compensation incidents.

Austin Osbourne asked if there are any claims that relate to employees that are being required to come back to work who say they should stay home because of COVID.

Stacy responded she was not aware of any. She said that would be a difficult claim, the only one received this year that is related to COVID is the religious discrimination for a face mask.

5. For Possible Action: General Manager Report

Staffing Update: Stacy stated that Adam Duffenbach gave his two-week notice on August 7, 2020, because his wife received a promotion job offer in Spokane, Washington which required them to move. Stacy stated she decided not to fill that position right away due to travel being down and it is a bad time to hire. She

stated she is going to reevaluate this as time goes on to ensure existing staff is not overloaded with one less Business Partner.

Teleworking: Stacy reported staff is continuing to telework 60% of the time. Everyone is in the office two days a week, and there is not more than four people in the office at one time (typically three people). Employees are required to wear a mask when they are around others or in common areas. If they are in their office by themselves, they can be mask-free but if they have somebody come in their office and are less than six feet apart, they have to wear their mask.

Travel: Required travel is allowable again; however, Zoom trainings and Zoom meetings are preferred whenever possible to keep staff and members' staff safe.

Membership: 19% of contacts this FY has been FFCRA/COVID related, an average of 40 contacts per month. The FFCRA Q&A has been updated three more times and will be updated again with the new FFCRA regs and the updated EEOC guidance.

Eureka County did not hire the contract company; instead, they hired an HR Director, Heidi Whimple. Heidi is from Grover C. Dils and will start on the 21st of this month.

Newsletter: The quarterly newsletter in August announced the conference is going virtual, and included articles on Managing Anxiety in the Workplace, Taking Advantage of POOL/PACT HR Virtual interactive trainings, the new *Ethics* class, and a Dear POOL/PACT HR double feature on COVID and FFCRA.

Onsite Training Agreement: An Onsite Training Agreement was created for onsite trainings or meetings based on the same concept used for outside agencies using the upstairs training room for their purposes. The Agreement requires the member to agree to certain standards.

Curtis stated it sounds reasonable and did not see any issues with it. Geof agreed.

6. For Possible Action: 2020 Special Session Summary of Approved HR-Legislation

Stacy reviewed the four HR-related bills and advised the summary is available on the website.

AB 3: Allows people who are not being arrested or in custody to record law enforcement activities; prohibits choke holds or otherwise compressing an airway; and requires law enforcement to monitor any person for signs of stress, to intervene and report if they see another officer using unjustifiable force. It also requires each agency to adopt a written policy.

SB 2: Essentially eliminated the 2019 bill SB 242 regarding peace officer bill of rights.

SB 3: Expands the unemployment insurance rights to include people who make less than one and one-half times the amount they would receive on unemployment.

SB 4: Revised NRS 41 to provide limited immunity from liability against civil claims due to someone claiming they were exposed to COVID at a workplace; liability will be limited immunity if that employer can show that they complied with the health standards. Both hospitals and school districts are excluded.

Curtis commented to Wayne that he appreciated the email stating the insurance pool reiterating the Governor's directives and some of the special restrictions that are being placed on some counties and not others.

Geof mentioned that their district attorney's office is taking a proactive measure to protect the County by having all departments adopt a policy that outlines the requirements and having each employee sign off as they have some elected officials who are not enforcing some of the physical distancing and masking requirements.

Stacy mentioned that they have internally adopted similar policies and offered to share them. Curtis asked Stacy to email those out to the Board Members.

7. For Possible Action: Employee Assistance Program (EAP) Utilization

Curtis mentioned this is the first chance they have had to look at the new EAP contractor and he is curious to hear the results.

Stacy mentioned that Kepro will be providing quarterly reports. Veronica Morrow (Kepro's Executive Director, Workplace Services) was able to provide information for the first 60 days. In July and August, there was one EAP Orientation for Managers and four EAP Orientations for Employees, and they helped update the EAP HR Briefings. There were 96 calls for services and 36 EAP cases authorized, and the primary clinical concerns were grief, relationships, depression, stress, and anxiety. They had 465 logins from members on their website; the most frequently viewed pages were "Balancing" which includes mental health and relationships, and "Living" which includes Legal Ready Docs and Legal General. They also provide webinars on their website which five members attended.

Curtis asked Stacy if she had heard any feedback from participating entities regarding the rollout of the information. He asked if it appeared that everybody got the information out to their employees and posted on the bulletin boards and that the old provider material got pulled down. Stacy stated she has not heard yes or no on that but has received requests for brochures. She stated she has not received any feedback about someone calling the old number and getting frustrated.

Curtis stated that is positive because anytime you make a big transition there is always something that is going to slip through the cracks.

8. For Possible Action: Future Open Oversight Committee Seat

Stacy mentioned a future open OSC seat: Danelle Shamrell from Nye County is retiring on January 7, 2021, and is recommending Elona Goldner to fill her seat. Elona is currently the HR Generalist, but she has not been officially appointed to the HR Director position. Stacy asked if they want to wait until she has been appointed or do they want to consider looking at the HR departments at other large counties.

Curtis suggested waiting and seeing what happens as there are enough people to conduct business for the December meeting. He stated he thinks whomever she recommends, if it is for her replacement, would make a lot of sense.

Dee asked Stacy if the replacement is intending on applying for the position. Stacy stated that is her understanding. Dee stated she always likes promoting within and would not have a problem.

Chief Scott Baker stated he concurs and as someone who came through that process, it has been a great experience.

9. For Possible Action: Possible Addition of Payroll Certification to HR Scholarship

Stacy mentioned a request was received to add a payroll certification to the scholarship program. Eight different programs are currently supported: three HRCI (PHR, SPHR and aPHR), SHRM (CP and SCP), IPMA (CP and SCP), and the CLRP. Thirty-eight scholarships have been provided to date, twenty-four of those have passed, three did not pass, six of those left the employer, and one returned the funds; there are four outstanding right now. Two of them are planning to take their test this month or next month and the other two are currently unknown. The average scholarship is \$1,466. Stacy stated the payroll certification may be a good addition to the program because while Fair Labor Standards Act (FLSA) is a topic covered in POOL/PACT HR trainings, payroll itself is not. The payroll certification requires people to complete a course and then they take and pass the exam. The course is presented by the National Bookkeepers Association (NBA), a certified agency. The self-study class is \$499 and the cost of the exam is \$100 or \$150 depending on membership. There is also an online course from Ashworth College, not a self-study program like what the NBA offers, that costs \$674 with the exam. Stacy also stated POOL/PACT HR has been looking at ways to provide some sort of payroll class for members, and this might be a solution.

Geof mentioned that he is not an expert on payroll and does not know how this certification is accepted nationally. SHRM and HRCI are pretty well known, and he pulled up the American Payroll Association which has their own exam too. He does not know what the difference is between one or the other.

Dee stated she did not know specifically about this, but is happy to see that something like this is out there. She stated she has been trying to get their payroll coordinator her certification as one of her goals. It benefits them and also her back up for the HR Department. This would be something great, payroll does interface with them quite a bit especially during these times.

Austin stated they pretty much have the same with their payroll department in the controller's office. This has been pushed over there for the payroll person in that office, and not necessarily having the full range of HR, but more of the payroll functions.

Stacy mentioned this request came from Storey County.

Cindy stated they are always looking for a professional growth opportunity; this is something she would have their new payroll person look into.

Stacy asked if this is something that POOL/PACT HR should support as a scholarship program. Members discussed whether to add a payroll certification to the scholarship program or to support it as an "other" certification program as already listed as an option of the scholarship application. Specially, Curtis suggested not including a specific payroll certification program, but consider payroll certifications on a case-by-case basis. It was further discussed on requiring all "other" certifications to be nationally recognized. A motion and second was made to approve adding "other" certifications to be nationally recognized.

Motion carried.

10. For Possible Action: HR Scholarship Application

Stacy stated Sabrina Ludvigsen, Storey County, is asking for \$674 for the Payroll Certification; she is also applying for a PHR scholarship. Stacy stated no one has asked for two scholarships at one time before, but the Committee has approved a second and even a third one later. Stacy stated, Sabrina is requesting \$824 for the PHR and the total amount requested for both certifications is \$1,500, which is still in line with the

average scholarship, but added studying for a PHR and Payroll certification might be a lot as they only have 12 months to complete certification or refund the scholarship funds.

Geof suggested approving one certification at a time, and let her apply for the second once she has completed the first.

Abel agreed with Geof and suggested clarifying that for the future, only one program will be approved at a time; an exception could be made for somebody who has a great track record of getting a scholarship and passing them.

Chief Baker, Dee, and Curtis concurred.

Curtis asked Austin if he knows which one Sabrina would preferred to have first. Austin stated the payroll would be the primary.

Geof stated Sabrina may not meet the requirements for the PHR; Austin agreed. Dee asked if she is going for an aPHR or the PHR. Stacy answered she submitted it for the PHR.

Austin made a motion to approve Sabrina's application for the payroll certification; Abel seconded. Motion carried.

Stacy stated Vanessa Cohen, Boulder City is applying for a scholarship for the aPHR for \$690 which includes the application fee, exam fee, aPHR preparation course and materials. In addition, Hunter Bolanos, Mt. Grant General Hospital, is asking for \$1,100, which includes the application/exam fees and prep course, and \$250 for test insurance, and \$100 for two practice exams. Stacy stated that in the past, the committee has not approved funds to cover test insurance and practice exams.

Abel stated he thinks it would be fair for whoever is taking the test that they choose to pay for the test insurance. Geof asked what does the insurance test cover. Abel answered that if you fail, you get to have the opportunity to retake it without paying the full price.

Curtis stated that we are pretty generous in giving out these scholarships and thinks it is imperative upon the applicants to be prepared to take the risk of not passing the test because if they do not put in the work they may not pass the test. He does not think we need to pay for the test insurance, and stated he is not in favor of test insurance and some of those other add-ons sound a little questionable. He stated he thinks a typical scholarship for that exam would be appropriate and that is about it.

Stacy mentioned typically we pay for the application/exam fees and any prep course or study materials.

Curtis stated that whatever we typically pay for is what we should do, and we should hold the line on whatever the typical expense is with regards to that type of a test.

Geof and Dee agreed.

Geof made a motion to approve the normal fees for Hunter's application, but not pay for the practice test or the test insurance. Stacy stated that would make Hunter's total \$750 and Vanessa's \$690. Jose seconded. Motion carried.

11. For Possible Action: HR Assessment Grant Application Approval

Nevada Rural Housing Authority for \$500 grant.

Stacy stated this is a reassessment. It was agreed in a past meeting that reassessments would be eligible for a grant of up to half of the current rate, which is \$1,000 for the organizational grant and \$500 for an individual grant. Stacy stated the application should have come before the OSC in June as it was received in May. The application requested \$500 for hand sanitizers and the wall mounts, the cost of purchasing Virtual Private Network (VPN) licenses, and the mailing cost of care packages to staff. The application included the receipts and reasoning for the request.

Curtis stated it seems reasonable and if she qualifies for the \$250 individual, he certainly encourages a motion to that effect.

Jose asked if since this was filed pretty early on this year, if the CARES Act helped any of these costs.

Stacy stated she did not know, but it is a special district and would have had to get funds distributed from Carson City. They would not have received funds directly.

Dawn moved to approve the organizational and individual grants. Dee 2nd. Motion carried.

12. For Possible Action: Schedule Next Regular Meeting for POOL/PACT Human Resources Oversight Committee

Next Meeting is scheduled for Friday, December 4, 2020, at 10:00 a.m., via Zoom (Virtual Meeting).

13. Item: Public Comment

Chairman Calder opened public comment

Geof mentioned they received two letters from OSHA already about people not masking up in the workplace, stating they are not going to send someone out to investigate, but they wanted them to respond and fix it, and those both were reported by employees. Their DA office wrote a letter back saying that there is an exemption for law enforcement. The other one was another department and they will see how to respond to that one, but just be aware that employees are aware of the mandates and they are giving OSHA a call.

Curtis mentioned along those same lines, he had to deal with business and industry quite a bit over the last couple of weeks due to special events and things of that nature and stated the folks on that league committee and some of the OSHA representatives provided wrong information. He recommended everyone review Phase II guidance documents because they get revised.

Abel mentioned some employees have raised concerns that they are not able to do anything so their annual leave is accumulating and it will be well past the maximum amount per statute, so they want to know if they have the ability to extend the statutory cut off. He stated he reached out to a labor counselor to ask that, but unfortunately there is no flexibility for counties. This is unfortunate because the maximum was extended for State employees in the special session, but it was not extended to counties.

Stacy mentioned she was looking if the CDC updated their guidelines on returning to work, so it is still ten days after symptoms and three days after a fever, but they now say if you had it in the last three months, then you don't have to quarantine.

Geof stated the State still counts that second test as another positive.

Dee mentioned they had an employee who tested positive and tested positive again seven or eight days later and was not allowed to return to work for another 14 days.

Geof stated they are no longer having employees retest.

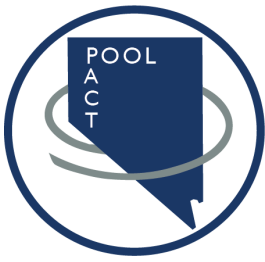
Dee stated this employee did it on his own.

Stacy mentioned that other entities had that same problem though the CDC does not recommend getting a negative test to return to work. There have been some employees upset that the employer is not requiring that negative tests, which is presenting problems for employers as well.

Curtis asked if there are any other further public comment. Hearing none, closed the public comment period.

14. For Possible Action: Adjournment

Chairman Calder called the meeting adjourned at 11:32 a.m.



**APPROVED MINUTES OF THE
NEVADA PUBLIC AGENCY INSURANCE POOL AND
PUBLIC AGENCY COMPENSATION TRUST
HUMAN RESOURCES
OVERSIGHT COMMITTEE MEETING
Date: December 4, 2020 Time: 10:00 a.m.
Place: Virtual Meeting via Zoom**

1. Oversight Committee Roll Call

Members participating via Zoom: Chairman Curtis Calder; Scott Baker; Jose Delfin; Abel Del Real-Nava; Cindy Hixenbaugh; Dawn Huckaby; Robert Quick; Austin Osborne; Danelle Shamrell. Member(s) not participating: Dee Carey; Geof Stark. Pooling Resources, Inc. (PRI) Staff participating via Zoom: Stacy Norbeck; Jeff Coulam; Sandra Schooler. Risk Management Staff participating via Zoom: Wayne Carlson; Alan Kalt; Mike Rebaleati; Marshall Smith.

2. Item: Public comment

Chairman Curtis Calder opened public comment and hearing none, closed the public comment period.

3. For Possible Action: Approval of Minutes of Meeting September 11, 2020

On motion and second to approve the Minutes of September 11, 2020, the motion carried.

4. For Possible Action: Report on Current Activities

a. 20/21 Strategic Plan to date

Stacy Norbeck reviewed the 20/21 Strategic Plan as follows:

New Trainings and Revisions — Three new online courses to be developed this year: two *Essential Management Skills in the Public Sector (EMS) Online Modules* (not yet started) and a new *Ethics in the Workplace*. Twelve courses have either been revised or are being revised for Zoom so far this year: *Customer Service in the Public Sector*, *EMS Sessions 1-4*, *Advanced Human Resources Representative (AHRR) Days 1-2*, and *Human Resources Representative (HRR) Sessions 1-5*.

Regional Trainings — 12 regional trainings are scheduled. *Families First Coronavirus Response Act (FFCRA) for Schools* webinar has been conducted. *EMS* is scheduled five times; two have been taught via Zoom, one is scheduled for January via Zoom, one is scheduled for March in Carson City, and one is scheduled for Elko in June. The March training may be moved from in-person to Zoom. *HRR* is scheduled for February 3 - March 4, 2021, via Zoom. *AHRR* was taught in November via Zoom. *Influential Leadership* is scheduled two times, one via Zoom in December, and one in June in Carson City. *So, You Want to be a Supervisor?* is scheduled one time in April in Carson City.

Regional Training Workshops Utilizing Outside Resources — Ann Alexander conducted one session of the *Title IX Policy Webinar* on August 7, 2020.

New Briefings — Four new briefings have been completed this year, *Catastrophic Leave Sharing Program*, *DOT Drug & Alcohol Clearinghouse*, *Employee Assistance Program (EAP) for Employees (Kepro)*, and *Employee Assistance Program (EAP) for Managers and Supervisors (Kepro)*.

Updated Briefings — 27 briefings will be updated this year; three have been completed and a fourth is in process.

HR Briefing Videos — TBD

Webinars — Two sessions of the EAP Overview (Kepro Orientation) have been completed. Four additional EAP webinars are scheduled; one has been completed. *POOL/PACT 101 for Governing Board Members* is scheduled for January 5, 2021.

Legislative Tracking and Summary Report — The 32nd (2020) Legislative Special Session was tracked, and a summary report produced. The 81st (2021) Legislative Session will be tracked beginning the first quarter of 2021.

Post Member Pay Plan/Scale on Website — These are being added as received.

Sample Personnel Policy Annual Update — Personnel policies will be reviewed and revised, including any legislative updates. The policies will include Part 3 of the three-year plan to refine the manual including sections 7-12 (benefits, travel expenses, employee separation, performance management, disciplinary action, and dispute resolution).

Alerts — Five alerts have been issued to date.

Trainings — As of November 20, 2020, 22 trainings have been conducted with 364 participants with 4.58 course content average; 4.80 instructor evaluation average. 13 members are interested in FRISK; no classes have been conducted. No HR Briefings have been conducted.

Phase I Assessments — There are eight interested members this FY; two are reassessments and three are in process. There are 15 rollovers left to complete from previous years and three completed so far this FY.

Phase II Assessments — There are four interested members this FY and seven rollovers from previous years.

Curtis asked how many COVID-19 related calls are being received by members. He also asked if other entities are contacting POOL/PACT HR regarding COVID-19 management issues with regard to quarantining, testing, returning to work, interpretation of the directives, and meeting protocols. Stacy reported 15% of POOL/PACT HR's calls are COVID-19 related; it is one of the top three contacts currently. She said her assigned members are usually calling about Emergency Paid Sick Leave or Emergency Family and Medical Leave Act issues. Jeff agreed; he also reported he gets questions on what to do when someone tests positive for COVID-19 and he walks them through the Frequently Asked Questions on our website.

Jose Delfin asked Stacy if she had further insight on whether COVID-19 leave will be extended beyond the end of 2020. Stacy reported she has been tracking it daily and the current status is a \$908 billion bipartisan bill that is being discussed this week. An Alert will be sent out once more is known.

Curtis said entities in his area struggle with the inconsistencies in the interpretation of the (governor's) directives. He is concerned that not all entities have the same legal resources to assist with interpretation. He asked if POOL/PACT HR had any desire to provide guidance or is that something the insurance pool side would get involved with going forward. Stacy said we have received questions regarding the directive,

however, she did not think that is where the focus is for POOL/PACT HR. She asked if that is an aspect the Committee would like them to pursue since POOL/PACT HR takes direction from the OSC. Wayne responded via chat that the State COVID-19 coordinator should interpret the State's guidelines. Stacy said the insurance pool put out a bulletin that addressed the directives. Curtis stated that it would be helpful for the insurance pool to send out another bulletin reiterating what the insurance pool's position is on the directives and the compliance with those going forward. Mike Rebaleati said the information on the flyer will be updated and reissued.

b. Report on Employment-Related Claims

As of October 31, 2020, there were eight claims, seven of which are open. Four are EEO (two ADA, one sexual harassment, one religious discrimination regarding a facemask which is closed, one wrongful termination, and one ethics). Of the eight, two are from a county, four are from schools, and two are from special districts.

5. For Possible Action: General Manager Report

Stacy reported POOL/PACT HR staff is currently teleworking full-time due to the governor's request on November 10, 2020, and the directive issued November 22, 2020. She said staff is not restricted from working in the office, but if they do choose to do so, she is limiting it to two people in the office at one time. Facemasks are required at all times in the office when around other people regardless of physical distance.

a. Member Contact Tracking

Stacy reported we continue to track our member contacts. Through the end of October 2020, there were 800 contacts. The top categories include Other Contacts (program planning, service plans, assessments, checking in, and training) at 36%; FFCRA at 15%; Personnel Administration (policies, job descriptions, record keeping) at 12%.

b. 2020 Conference Recap Presentation

Stacy reported the Virtual HR Conference was held on October 20-21, 2020, with 89 participants registered, not including staff. She stated the attendance was the highest in the last four years and may have been partially due to the virtual aspect which enabled participants to attend from more rural areas. She said we also saw more representation from all parts of the state. All speakers were rated on a 5-star scale (1 being poor and 5 being excellent) with the average speaker rating being 4.53. She reported that planning is underway for next year's conference and we are hopeful it will be in-person at the Atlantis in either October or the first week of November. She stated we are also considering a hybrid model for the conference.

Curtis said he liked the idea of a hybrid. He said the people who otherwise would not participate due to travel expense would be more likely to attend. Chief Baker and Austin Osborne both agreed with Curtis' comments.

Stacy reported since roundtables were the second most highly rated aspect of the conference and have been throughout the years, a pilot program of a virtual quarterly roundtable by entity type will begin tentatively in the first quarter of 2021. John Bates will be leading that effort and more information will be forthcoming.

Stacy said the latest quarterly newsletter included articles on Leadership Tips to Help Your Team Members Succeed; New Division of Industrial Relations Forms; Strategies for Supporting Employees During the

Pandemic, Striving for “Withitness,” and Dear POOL/PACT HR. We also listed and congratulated our newly certified scholarship recipients and our most recent Phase I Assessment completions.

6. For Possible Action: Employee Assistance Program (EAP) Update

Stacy reviewed the quarterly Kepro EAP report. She stated the utilization rate was 2.4% (individuals accessing services) and the overall rate is 3.7% which accounts for all services (an individual may have received multiple services). She said she is quite sure the overall rate is the one Resources for Living (RFL) used, noting the RFL 2019 report showed a 2.8% overall utilization, and the first quarter (January-March) of this year was 2.1%. Next, she reported the Kepro report provides utilization by institution with more than 100 employees where RFL provided utilization by entity type. She said this is a very useful tool because it enables us to reach out directly to each member. The report also included Utilization Highlights and Legal/Financial Complications. The demographic information indicates most calls were from employees; 42% got their information from HR and 90% self-referred to the EAP. Twenty-four hours of training is in the contract and four of those hours have been used so far. Four EAP webinars have been scheduled. Two critical incidents occurred. Website Utilization recorded 2500 hits.

Curtis said he liked the report and the way it was broken down. He asked if they have been able to bolster their rural provider network. Stacy said she would look into it and would reach out to Kepro for more information.

7. For Possible Action: Biannual Survey

Jeff Coulam, Senior HR Business Partner and Training Manager with POOL/PACT HR, reported the highlights of the biannual survey results. He reported the survey was sent to 258 HR contacts on October 26, 2020, and three additional reminders were sent. Thirty-eight individuals responded which is a 14.73 response rate. Of those, a majority were from special districts, several from school districts, and some public safety, counties, and cities and towns; and most were from organizations that had 50 or more employees. Jeff said the majority were HR representatives, and some executive directors, department heads, and an individual in finance. The respondents rated our current services at 3.42 out of 4.0 which is between Pretty Good and Awesome on the rating scale used. The Phase I and Phase II Assessments rated the highest at 3.9 out of 4.0. The onsite trainings rated the lowest at 3.2 out of 4.0, which is still above the Pretty Good range. He reviewed several comments worth noting. The respondents rated the accessibility of web-based services at 3.75 out of 4.0 which is between Can Access but Difficult to Find and It’s So Easy. The website and virtual classes were rated the highest at 3.9 out of 4.0. The eLearning training courses were rated 3.4 which is between Can Access but Difficult to Find and It’s So Easy Rating. Several comments regarding web-based services worth noting were reviewed. The respondents rated training topics at 3.81 out of 4.0, which is between the categories of Somewhat Important and Very Important. Effective Management Skills, Legal Compliance, Employee Relations, and Leadership Skills rated the highest at 3.9 out of 4.0. FRISK Documentation Model was rated at 3.4 which is between Somewhat Important and Very Important. Comments were positive. Respondents rated POOL/PACT HR Staff at 3.9 out of 4.0 which is between Pretty Good and They’re Awesome.

Jeff reported respondents rated how they felt about our services during the pandemic at 4.65 out of 5.0, which is between Pretty Much and Absolutely. Staff Makes My Needs a Priority was rated 4.8 out of 5.0 and Virtual Trainings was rated 4.5 out of 5.0. Respondents were also asked to list any additional services they would like to see in the future from POOL/PACT HR. Their suggestions included possibly twice a year

providing a roundtable session; a training on Succession Planning; more virtual learning events after the pandemic; and possibly a class on Compensation. Additional comments included a suggestion to offer more courses or refresh the leadership courses to include updated guidelines for information. Another participant suggested looking at lowering premiums if they are not using certain services.

In closing, Jeff stated the survey is conducted every two years with the next one scheduled for Fall 2022.

Curtis said the survey results seemed to be a representative sample of the members that use the services. He stated the value that POOL/PACT HR brings to the insurance pool is tremendous and that the money spent on POOL/PACT HR has paid for itself time and time again by preventing problems from occurring. He said he did not see a need to look for creative cost saving measures at the POOL/PACT HR level because he thinks they are already there. He said it has been a challenging year and to receive such good survey results in the current environment is impressive.

8. For Possible Action: Future OSC Open Seats

Stacy reported that both Danelle Shamrell (Nye County) and Chief Scott Baker (Tahoe Douglas Fire Protection District) are retiring. Danelle highly recommended Elona Goldner as her replacement on the Committee. Danelle said Elona is qualified and will bring a fresh mindset to the OSC. Stacy said she has worked with Elona a number of times throughout the years and thinks she will make a good addition. Chief Baker recommended his replacement, Scott Lindgren from Cal Fire, the El Dorado Unit, who will start on December 14, 2020. Chief Baker said Scott will bring a fresh perspective along with knowledge of both California and Nevada needs. Curtis said he would concur with those recommendations and accept a motion to have both of those individuals, Elona Goldner and Scott Lindgren, in those seats as soon as they are officially vacated.

A motion and second was made to approve the appointment of Elona Goldner and Scott Lindgren to the Oversight Committee. Motion carried.

Curtis and Stacy thanked Danelle and Scott for their service.

9. For Possible Action: HR Scholarship Application Approval

Stacy reported that Aspen Wilkins, the new HR Director at Grover C. Dils Medical Center, is requesting \$685 for her aPHR; Bonnie Jungen at Nevada Rural Housing Authority is requesting \$749 for her aPHR; Brenda Slusser, the new HR Director at Nye County School District is requesting \$1,070 for her SHRM-SCP; and Sherri Ranstrom-Wood at Nevada Rural Housing is requesting \$1,490 for her PHR. Stacy said she had no reservations about any of the four receiving the requested scholarships.

Curtis said he was open to a motion to approve all four at the requested amounts. A motion and second was made to approve all four scholarship applications. Motion carried.

10. For Possible Action: HR Assessment Grant Application Approval

Stacy reported Fernley Swimming Pool District (FSPD) finished the Phase I Assessment and is eligible for the organization excellence award of \$1000 and the individual excellence award of \$500. Patrick Daniel, FSPD Director, is requesting to use all the funds to obtain his personal certifications in public management and Certified Public Official (CPO). She said in the past we have approved the organizational grants to support the organization and HR, and not personal professional development. Curtis asked if the CPO class qualifies under the other exemption or for the other category on the scholarship. Stacy said in the past we have not provided scholarships for CPO, but members have access to the Education Grants through Risk Management.

Abel Del Real-Nava asked if that is something the organization would pay for since it is training related to one's position. He said he knows that in Humboldt County they are open to paying for some of those trainings for him because it was directly in line with the position and reduced risk for the county. Curtis stated he would be more comfortable giving the \$1000 to the organization to buy what they need rather than paying for an education program that is available through another source. Robert Quick said he agreed with Curtis. Stacy said she could notify Patrick to resubmit for the \$1000 organizational grant and provide him information on how to apply for the education grant.

Stacy suggested a motion to approve the individual grant. Curtis agreed that would be an appropriate motion. A motion and second was made to approve the individual grant application. Motion carried.

11. For Possible Action: Schedule Next Regular Meeting for POOL/PACT Human Resources Oversight Committee

Next Meeting is scheduled for Friday, March 5, 2021, at 10:00 a.m., via Zoom (Virtual Meeting) with the possibility of a hybrid version or in-person meeting.

12. Item: Public Comment

Chairman Calder opened public comment.

Chief Baker added an additional thank you to everyone. Curtis said it was a pleasure working with both Chief Baker and Danelle and enjoyed getting to know them. He wished them the best on their retirements.

13. For Possible Action: Adjournment

Chairman Calder called the meeting adjourned at 11:10 a.m.



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**UNAPPROVED MINUTES OF THE
NEVADA PUBLIC AGENCY INSURANCE POOL AND
PUBLIC AGENCY COMPENSATION TRUST
HUMAN RESOURCES
OVERSIGHT COMMITTEE MEETING
Date: March 5, 2021 Time: 10:00 a.m.
Place: Virtual Meeting via Zoom**

1. Oversight Committee (OSC) Roll Call

Members participating via Zoom: Chairman Curtis Calder; Abel Del Real-Nava; Jose Delfin; Erin Feore; Elona Goldner; Dawn Huckaby; Scott Lindgren; Austin Osborne; Robert Quick; Geof Stark. Member(s) not participating: Cindy Hixenbaugh. Pooling Resources, Inc. (PRI) Staff participating via Zoom: Stacy Norbeck; Jeff Coulam; Neal Freitas; Sandra Schooler. Risk Management Staff participating via Zoom: Wayne Carlson; Marshall Smith.

2. Item: Public comment

Chairman Curtis Calder opened public comment. Jeff Coulam, Senior HR Business Partner and Training Manager for POOL/PACT HR, said that today is Employee Appreciation Day, and he took the opportunity to voice appreciation for our staff, especially our support staff, Sharon Gesick, Dora Moya, and Sandy Schooler, who work tirelessly behind the scenes. Curtis said as board members they appreciate the entire staff at POOL/PACT HR for keeping things moving forward during the pandemic. He knows it has been a real challenge with working from home and delivering remote trainings. He also expressed appreciation for everyone at POOL/PACT in general but POOL/PACT HR specifically.

Curtis closed the public comment period.

3. For Possible Action: Approval of Minutes of Meeting December 4, 2020

On motion and second to approve the Minutes of December 4, 2020, the motion carried.

4. Open OSC Seat

Stacy Norbeck announced Dee Carey left Incline Village General Improvement District (IVGID) back in January to take a private-sector position closer to home. Dee recommended Erin Feore, Acting Interim HR Director, as her replacement. Stacy asked if the OSC would consider an interim employee on the committee. Curtis asked Erin if she is applying for the full-time HR manager position at IVGID. Erin said she is vetting out the position; it is her intention to make IVGID her forever "home." Curtis asked Erin what the time frame was for filling the position. Erin said she anticipates in the next two to three months there will be a finite decision. Curtis asked for the board's recommendations regarding appointing Erin in an interim capacity.

After discussion, a motion and second was made to approve the appointment of Erin Feore to the open seat on the OSC, the motion carried.

5. For Possible Action: Report on Current Activities

a. 2021 Strategic Plan to date

Stacy reviewed the 20/21 Strategic Plan as follows:

New Trainings — Three new classes to be developed this year: Two online *Essential Management Skills in the Public Sector (EMS)* modules as online eLearning versions are not yet started, and *Ethics in the Workplace* (rewrite of original course) is at 50%. Stacy reported that Jeff has revised 14 classes; most of which are full day. She is hopeful that one of the *EMS* online modules will be done this year.

Revisions — 14 classes have been revised.

Regional Trainings — 11 regional trainings are scheduled. *EMS* is scheduled five times, three have been taught and one to two more are scheduled. *Advanced Human Resources Representative (AHRR)* was scheduled one time and is complete. *Influential Leadership (IL)* is scheduled two times, one has been taught and one is scheduled for June 2-3, 2021, via Zoom. *Human Resources Representative (HRR)* was scheduled one time and is complete. *Advanced Essential Management Skills in the Public Sector (AEMS)* is scheduled for April 7-8 and 14-15, 2021. *So You Want to be a Supervisor? (SYWTBAS)* is scheduled for April 28-29, 2021.

Regional Training Workshops Utilizing Outside Resources — Ann Alexander conducted a webinar on Title IX policy compliance for schools on August 7, 2020.

2020 HR Leadership Conference — The annual leadership conference was held virtually October 21-22, 2020.

New Briefings — Four new briefings have been completed this year: *Catastrophic Leave*, *DOT Drug & Alcohol Clearinghouse*, *Employee Assistance Program (EAP) for Employees (Kepro)*, and *Employee Assistance Program (EAP) for Managers and Supervisors (Kepro)*.

Updated Briefings — 29 briefings will be updated this year: seven completed and three in process. The remainder will be completed by the end of FY 20/21.

HR Briefing Videos — TBD

Webinars — Five Employee Assistance Program (EAP) webinars are scheduled; three have been conducted. Two HR webinars, Families First Coronavirus Response Act (FFCRA) 101 for Schools and POOL/PACT 101, have been conducted.

Legislative Tracking — The 32nd Special Legislative Session was tracked, and a summary report was completed on August 14, 2020. Tracking for the 81st Legislative Session is in progress.

Post Member Pay Plan/Scale on Website — These are being added as received.

Sample Personnel Policy Update — Updates will be completed and out to members by the end of June 2021. Currently on Part 2 of our three-year plan: Sections 7-12 will be reviewed this year, including benefits, travel expenses, employee separation, performance management, disciplinary action, and dispute resolution. The usual review, revisions, and legislative revisions will also be completed.

Alerts — Seven alerts have been issued to date, the most recent being the *Stimulus Bill Does NOT Mandate Continuation of EPSL and EFMLA (12/8/20)* and *2021 HR-Related Legislation Tracking (2/1/21)*.

Trainings — As of March 2, 2021, 43 trainings have been conducted with 728 participants, with 4.61 course content average; 4.8 instructor evaluation average. 12 members are interested in FRISK; one class has been conducted with six participants. One HR Briefing has been conducted with 14 participants.

Phase I HR Compliance Assessment Program — There are eight interested members this FY; two are reassessments, three are in process, and one is complete. There are 15 rollovers from previous years; five completed this year.

Phase II HR Compliance Assessment Program — There are four interested members this FY (Eureka County, Lander County, Lyon County School District, and Walker Basin); one is in process (Eureka County) at 50%. There are seven rollovers from previous years (Nye County and Town of Pahrump are nearly complete).

Robert Quick asked what the response has been to the online trainings. Stacy said there has been an increase in enrollment numbers since online classes can accommodate more participants. POOL/PACT HR has made a big effort to ensure the online trainings are interactive so participation can be solicited. Stacy said a member recently commented that she enjoyed the Zoom classes and felt her staff was participating more via Zoom than they would in person due to the comfort level; that is, they may type in chat rather than speak up in front of a group.

b. Report on Employment Related Claims

As of January 31, 2021, there were 13 claims, 11 of which are open. Nine are EEO (four ADA, one race, one discrimination in hiring, one dissemination/retaliation, and one sexual harassment (closed)), one religious discrimination regarding face mask (closed), one wrongful termination, two open meeting law violations, and one ethics complaint. Of the 13, three are from a county, two from a city, six are from schools, and two are from special districts.

c. Member Usage Report

Stacy stated this report was originally requested by Pat Whitten to be provided on an annual basis to the OSC. She reported it tracks member organizations and number of employees, last date policies updated and whether they are using POOL/PACT HR sample policies, assessment status, FRISK adoption, last date held facilitator-led harassment and drug/alcohol trainings including the number of participants, number of EMS and HRR graduates since inception, and the number of claims in the past three years with their associated costs.

She summarized the findings as follows: 61% of members are using POOL/PACT HR sample policies. In addition, 76 members have had Phase I Assessments, 52 (68%) of those have completed or are in process; 24 (32%) were removed due to inactivity; 87 total assessments conducted over time including 13 reassessments. 25 members have had Phase II Assessments, 22 (91%) have completed or are in process, 2 removed due to inactivity, 1 reassessment. 36 members have adopted FRISK; 3,352 participants attended harassment trainings; and (not on report) 6,398 have taken harassment and 2,465 have taken misconduct trainings through our online portal (since July 1, 2018). 1,655 have taken the drugs and alcohol training and

3,495 have taken the online version the last three fiscal years. 1,510 have completed *EMS* and 237 have completed *HRR* (plus 22 grads from March 17, 2021).

The total number of claims since 2018 was 86. Total indemnity costs were \$435,500 and defense costs were \$844,327.62.

Curtis asked if there have been policy items that have come up due to the pandemic that might prompt us to change some of the template policies, specifically the working from home remotely issue. Stacy said a teleworking policy was created.

Curtis asked whether the policy regarding being able to communicate the content of the investigation with other employees had been revised. Stacy stated the policy was updated by removing any statement about requesting or requiring. Stacy said she will give Becky Bruch the sample policy for review. Geof said they are doing the same thing with their policies and are separating everything that has to do with investigations into a separate chapter altogether. He said they also worked with Becky and it was helpful.

Curtis asked if the members of the committee still find the Member Usage Report helpful stating it is a lot of work for Stacy and her staff to put it together. Stacy said it is quite labor intensive and said in place of the Member Usage report, the OSC could be provided the separate reports that are already being maintained along with the Training Value Report summary.

Austin said he believes it is a good barometer of where everything is currently but does not understand the amount of labor required for staff to put it together. He said he likes where the OSC is going with trimming it down a bit.

Curtis said it is great information but thinks the OSC may have reached the point of diminishing returns and are putting a lot of effort into an exercise that is only giving us an additional amount of information. He said knowing that time and resources are valuable, he would be in favor of not doing this report in the future and maybe replacing with a report that is not as intensive.

On motion and second to approve discontinuing the Member Usage Report and replacing with a report or reports that can be easily assembled, the motion carried.

6. For Possible Action: General Manager Report

Stacy reported staff is still mainly working from home but going into the office for periods of time. All staff have office phones in their homes and support staff is able to transfer calls to homes just as in the office. She was hopeful the office will be the main location by the end of summer. Curtis asked Stacy if her staff is wanting vaccines. Stacy said she has not asked each employee. She thinks the majority would like to receive it, but POOL/PACT HR is not mandating it.

a. Pandemic Response

The latest Stimulus Bill, the American Rescue Plan Act, passed the House last Saturday along party lines, 219-212, and advanced to the Senate on Thursday. The goal is to have it signed by President Biden by March 14, 2021, before the current unemployment benefit ends. The minimum wage increase to \$15 was removed from the bill, but does include \$160 billion for vaccines, \$350 billion for state and local governments, \$10

billion for critical infrastructure including broadband, \$130 billion for schools, increases unemployment benefit to \$400 (currently \$300), and it provides health care coverage to laid off workers. It does not mandate, as far as she can tell, continuation of the FFCRA Leave. It seems that it will be the same as December 2020 (offering tax credits to employers who elect to continue it), but it does not look like it is going to be mandated as it was in March 2020. An Alert will be sent out when and if it impacts members.

b. Member Contact Tracking

Stacy reported they continue to track member contacts. Through the end of January 2021, there were 1,283 total contacts. The top three categories include Other Contacts (program planning, service plans, assessments, checking in, and training) at 36%; FFCRA at 13%; and Employer Relations/Fair Employment Practices (e.g., Title VII, ADA) at 14%.

c. 2021 Legislative Tracking

Stacy reviewed the HR-related Assembly and Senate bills being tracked as of March 1, 2021. A summary spreadsheet with links to each bill was included in the packet for reference. She reported POOL/PACT HR staff was currently tracking 44 bills. The report is updated and posted to the POOL/PACT HR website each week.

Austin asked what bill referred to public records. Stacy said it was AB 39. Geoff and Dawn expressed concerns about the bill that makes confidential certain notes and internal correspondence that is back and forth between people (not memos, but personal notes).

Geof asked about clarification on AB 183 regarding open meetings. He understood it to be referring to negotiations but wanted to know if they were referring to any meeting between an employer and an employee. Stacy looked at the bill and noted they did strike out all references to negotiations.

Robert said he really appreciated Stacy and her staff for bringing together the legislative reports. Curtis agreed.

d. Virtual Essential Management Skills Pre/Post Test Results

Stacy said they have conducted pre- and post-tests since inception of *EMS* in 2006 to ensure participants were learning. She said the difference between the pre- and post-test scores was visibly lower for the virtual sessions conducted in full this year than the previous years' in-person sessions. In September, the average increase in learning was 8.56% compared to two fiscal years prior where the average increase was 19.28% (ranging from 11.15% to 26.11% increase). She wanted to ensure that the smaller increase was statistically significant as compared to the prior years, so she contracted with Monica Miller, PhD, JD who works for the University of Nevada, Reno as a full professor of both social psychology and criminal justice, to conduct an analysis. Dr. Miller concluded the test scores for all three years was statistically significant at a 95% confidence level which means there is a 5% or less chance that it was based on chance. She reported the change for the two classes so far this year, which is a very small sample size, was smaller than the two previous years, but they were still statistically the same. Even so, the conclusion is the group is still learning.

POOL/PACT HR has implemented changes to attempt to increase learning in the virtual format, including:

- Participants were asked to turn their cameras on during the January sessions; about 1/3 of the participants did.
- Language was included in the registration email for the upcoming March session, stating, “Virtual environments can be susceptible to distractions. We request that all participants limit distractions on their end in order to participate in the program and get the most out of it as possible.”

Stacy said they had considered a pass/fail post-test only design, but that change has not been implemented.

Robert said he attended *EMS* for a refresher. He said it is really difficult to make it to Carson City for training and wondered if POOL/PACT HR had ever asked if more people are able to attend the Zoom. Stacy answered more are and have attended the Zoom trainings. She does not believe they will have hybrid Zoom regionals but will still offer it live. Robert said it is very helpful for his people to be able to attend virtually because of the distance. Jeff agreed with Stacy and said they are looking at offering both online for those who cannot travel and in-person regionals for those who can so they can better meet the needs of our membership. Curtis said he agrees with Robert. He noted that there were more participants at the virtual Leadership Conference than at the in-person conferences. Curtis said POOL/PACT HR should feel good that, despite the pandemic learning environment this past year, our efforts are still having a positive effect.

e. Employee Assistance Program Utilization

Stacy reviewed the quarterly Kepro EAP report. She stated the individual utilization rate was 1.8% which was down from 2.4% the first quarter; the year-to-date was 2.1%. The overall utilization rate which accounts for individuals who may have access to multiple services was 2.7% for the quarter and 3.2% year-to-date. The report also lists utilization by entities who have at least 100 employees; Boulder City was the highest at 10.6% for the quarter. There were no new critical incidents this quarter. There were 1,687 pages viewed on their website using POOL/PACT’s login. For the total year, they have recorded over 4,192 total views. The utilization report contains more detailed information about the services.

Geof said he appreciated having the breakdown by entity. Curtis asked if Kepro had been successful in signing up more Licensed Clinical Social Workers (LCSW) in the rural areas and getting a better provider list as they have gotten more exposure to the state contract. Stacy reached out to them after the last OSC meeting, and she said they were doing it as they come across them. Wayne said he had not heard from Kepro regarding the renewal with the State so he will have to follow-up.

7. For Possible Action: Discussion of Potential Updates to Scope of Services

Stacy referred the committee to the handout containing the recommended changes to the Scope of Services. She said it currently pertains specifically to onsite trainings and needs to address that many are now offered virtually. Curtis said the proposed changes make sense and provide the flexibility POOL/PACT HR will need going forward. Both Geof and Erin agreed.

On motion and second to approve the recommended changes, the motion carried.

8. For Possible Action: Approval of 21/22 Strategic Plan

Stacy Norbeck reviewed the 21/22 Strategic Plan as follows:

New Courses — Develop two new facilitator-led courses including *EMS* Online Modules with topics to be determined and a *Diversity and Inclusion* training.

Update and revise three courses annually — Update and revise *Title IX/Misconduct*, and *Safe and Sober* trainings. Trainings will also be updated with legislative changes.

Regional Trainings — Nine regional trainings scheduled including three *EMS*, two *AEMS*, one *AHRR*, one *HRR*, one *SYWTBAS*, and one *IL* are scheduled to be taught throughout the fiscal year.

Regional Training Workshops Utilizing Outside Resources — Offer an Investigations training.

2021 HR Leadership Conference — Will be offered as a hybrid version. October 21-22, 2021, at the Atlantis in Reno.

New Briefings — Topics to be determined.

Updated Briefings — 16 currently on 21/22 Strategic Plan to be updated. Some updates may be prompted by legislation changes.

Webinars — Topics to be determined.

Post Member Pay Plan/Scale on Website — Added as received.

Sample Personnel Policy Update — Reviewed/Revised by end of fiscal year.

Alerts — As needed.

Assessments and FRISK — Interested members to be determined.

On motion and second to approve the 21/22 Strategic Plan, motion carried.

9. For Possible Action: Discussion of Assessment Completion Guidelines

Stacy stated when an assessment report is complete, the member has the opportunity to accept or reject the recommendations. The completion of the recommendations they accept are then tracked. The question is, at what point is the assessment complete? If the member HR contact makes the policy changes, but the board is slow to adopt them, is that enough for it to be considered complete, or is the board adoption the requirement? Neal Freitas, Senior Business Partner with POOL/PACT HR, explained the assessment process indicating he felt the HR contact should receive credit.

A discussion of allowing the HR contact to attain the individual grant when the work is complete, and the organizational grant be contingent upon board approval ensued.

A motion and second was made to separate the grants as discussed, motion carried.

Neal thanked the committee.

10. For Possible Action: HR Scholarship Application Approval

Humboldt County: Abel del Real-Nava. Requesting \$1,225 for SHRM-SCP (\$375 test/application fee and \$859 for SHRM learning system).

On motion to approve application as presented, the motion carried.

11. For Possible Action: HR Assessment Grant Application Approval

Nevada Tahoe Conservation District: Dana Olson. Completed reassessment for Phase I. Eligible for \$500 organization grant and \$250 individual grant. Requesting \$500 towards a second monitor for the HR computer, document totes, and a new printer for scanning documents.

On motion to approve application as presented, the motion carried.

East Fork Swimming Pool District: Shannon Harris. Completed reassessment for Phase I. Eligible for \$500 and \$250. Requesting \$500 towards a laptop for training and eLearning.

On motion to approve application as presented, the motion carried.

12. For Possible Action: Schedule Next Regular Meeting for POOL/PACT Human Resources Oversight Committee

Next meeting is scheduled for June 25, 2021, via Zoom and possibly in-person (Carson City).

13. Item: Public Comment

Stacy asked if Elona Goldner and Scott Lindgren would like to introduce themselves. Scott introduced himself and said the meeting was very informative and hopes to meet everyone in person at the next meeting. He is new to Tahoe Douglas Fire Protection District; he came from Cal Fire in California and has a vast experience with these topics but more from the California side which is quite a bit different in some areas. Elona said her last five years have been in public sector with Nye County and she is looking forward to her work with the OSC. She said she has offices in both Pahrump and Tonopah, with most of her time spent in Pahrump. Curtis encouraged them both to reach out to Stacy if they have any questions.

14. For Possible Action: Adjournment

Meeting adjourned at 12:00 p.m.



**Nevada Public Agency Insurance Pool
Public Agency Compensation Trust**
201 S. Roop Street, Suite 102
Carson City, NV 89701-4779
Toll Free Phone (877) 883-7665
Telephone (775) 885-7475
Facsimile (775) 883-7398

**Minutes of Meeting of the
Audit Committee of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust
Date: October 19, 2020 Time: 9:00 A.M.
Place: ZOOM and telephonic**

AGENDA

Notices:

- 1. Items on the agenda may be taken out of order;**
- 2. Two or more items on the agenda may be combined for consideration**
- 3. Any item on the agenda may be removed or discussion may be delayed at any time**
- 4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken.**
- 5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.**

1. Roll

Committee Members present: Josh Foli, Gina Rackley, Cash Minor
Others present: Michael Bertrand, CPA, Alan Kalt, Wayne Carlson, Mike Rebaleati, Debra Connally,
Melissa Mack

2. Public comment

Chair Foli opened public comment period and hearing none, closed the comment period.

3. Action Item: Approval of Minutes of Meeting of October 29, 2019

On motion and second to approve the minutes, the motion carried.

4. Action Item: Acceptance of Auditor's Report and Recommendations Regarding Public Agency Compensation Trust

Michael Bertrand, CPA presented his report and recommendations regarding the audit. He noted that the audit went very well with no exceptions. He recommended enhancements to the program by developing a reconciling schedule for the allocation of assessments and updating current policies and procedures to further document processes. He thanked staff for their diligence in preparing for the audit.

5. Action Item: Acceptance of Audit: Public Agency Compensation Trust

Alan Kalt reviewed the financial statements and related financial benchmarks. On motion by Cash Minor and second by Gina Rackley to accept the audit and to recommended acceptance to the Joint Executive Committee, the motion carried.

6. Action Item: Acceptance of Auditor’s Report and Recommendations Regarding Nevada Public Agency Insurance Pool

Michael Bertrand, CPA presented his report and recommendations regarding the audit. He noted that the audit went very well with no exceptions. He recommended updating current policies and procedures to further document processes. He thanked staff for their diligence in preparing for the audit.

7. Action Item: Acceptance of Audit: Nevada Public Agency Insurance Pool

Alan Kalt reviewed the financial statements and related financial benchmarks. On motion by Josh Foli and second by Cash Minor to accept the audit and to recommended acceptance to the Joint Executive Committee, the motion carried.

8. Public comment

Chair Rackley opened public comment period and hearing none, closed the comment period.

9. Action Item: Adjournment

Chair Rackley adjourned the meeting at about 9:42 a.m.

The Agenda was posted at the following locations:

**N.P.A.I.P./ P.A.C.T.
201 S. Roop Street, Suite 102
Carson City, NV 89701**

**Carson City Courthouse
885 E. Musser Street
Carson City, NV 89701**

**Eureka County Courthouse
10 S. Main Street
Eureka, NV 89316**

**Churchill County Administrative Complex
155 North Taylor Street
Fallon, NV 89406**



Partnership at Work®



Annual Meeting *Investment Review & EBAA Results*

April 22, 2021

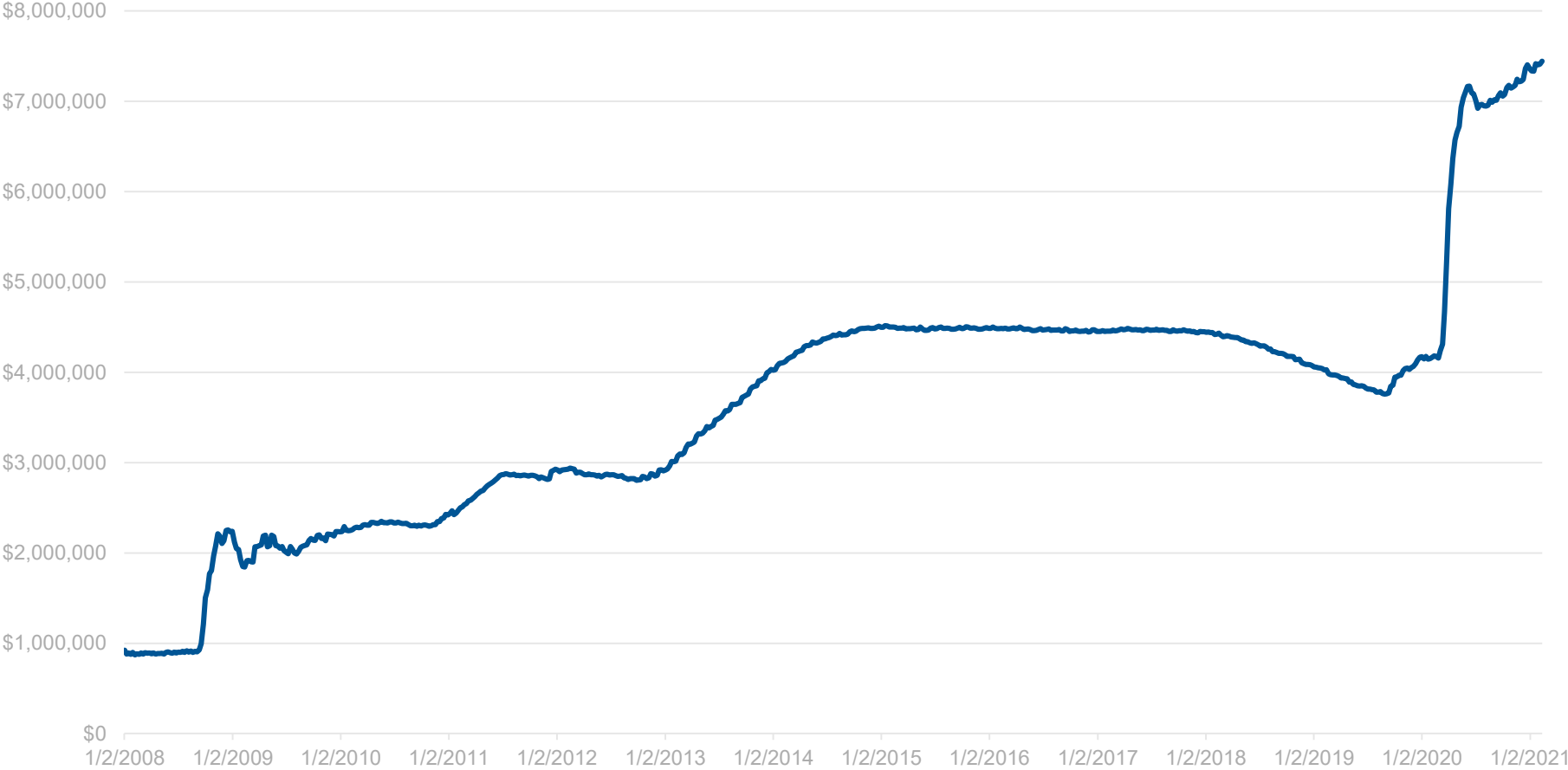


Economic & Capital Market Overview

Monetary Policy Response

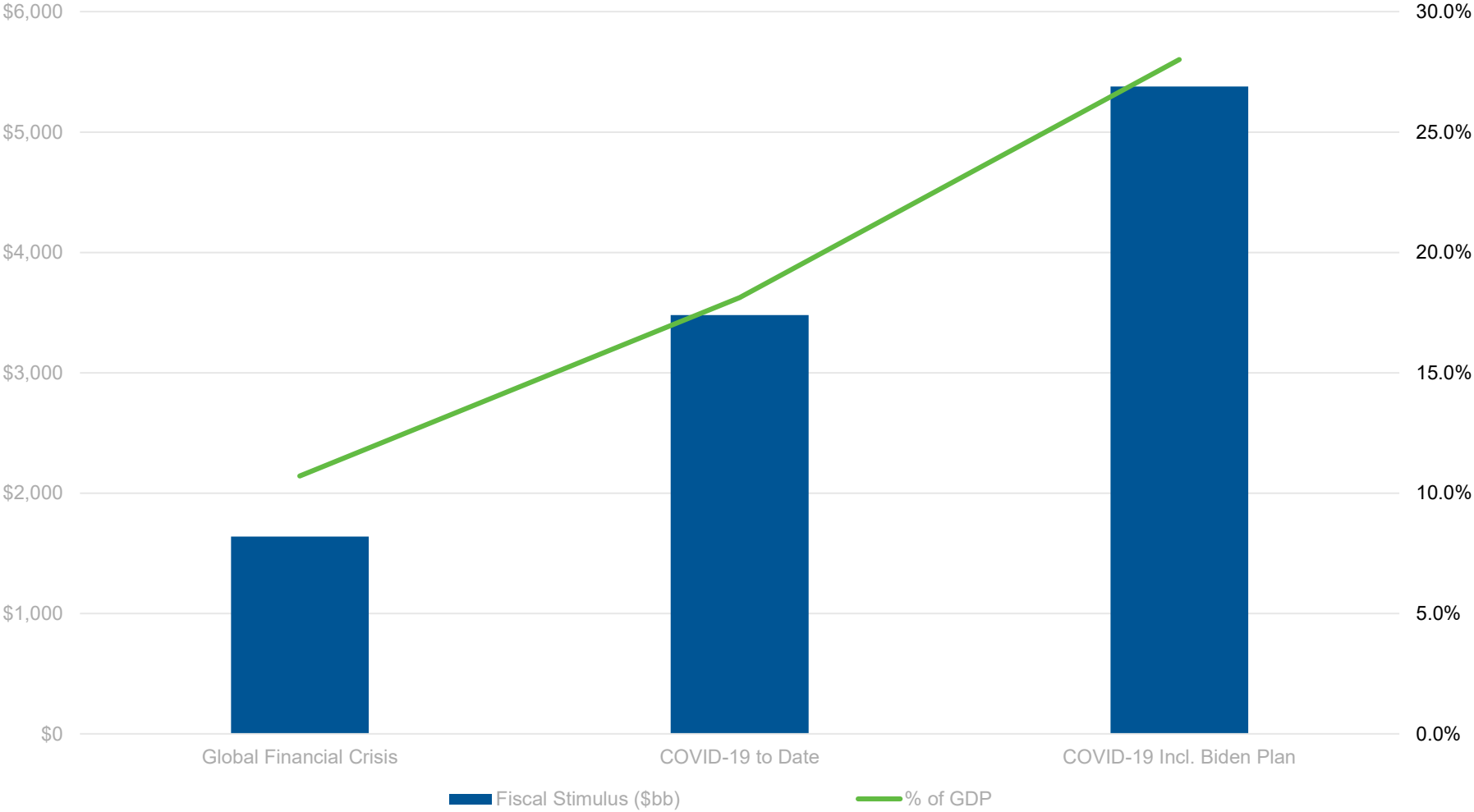


U.S. Federal Reserve Balance Sheet (\$mm)



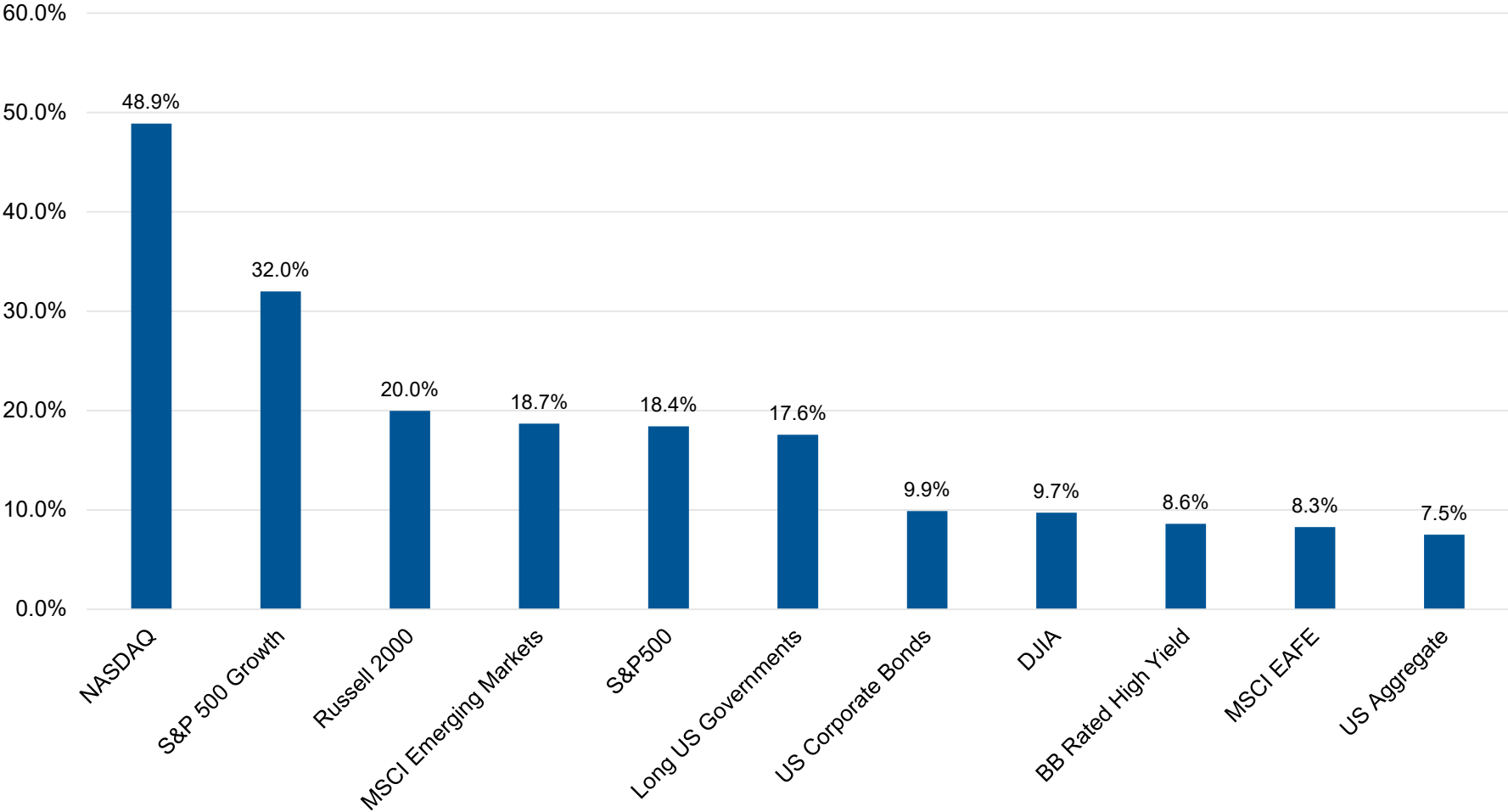
Source: Federal Reserve Bank of St. Louis, NEAM

Fiscal Response



Source: Cornerstone Macro, Peter G. Peterson Foundation, NEAM

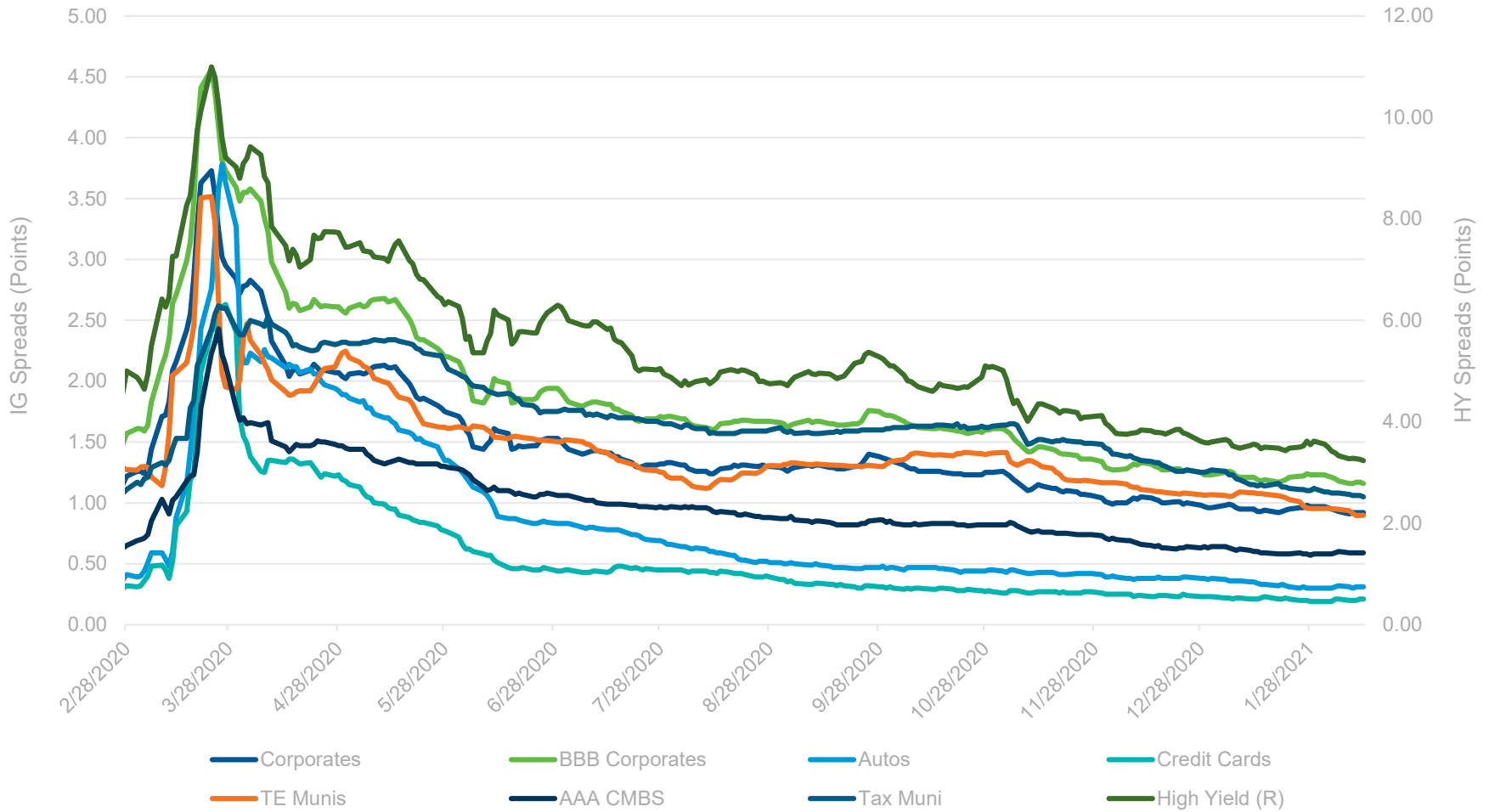
2020 Financial Market Total Returns



Source: Bloomberg, MSCI, Russell, S&P, Dow Jones

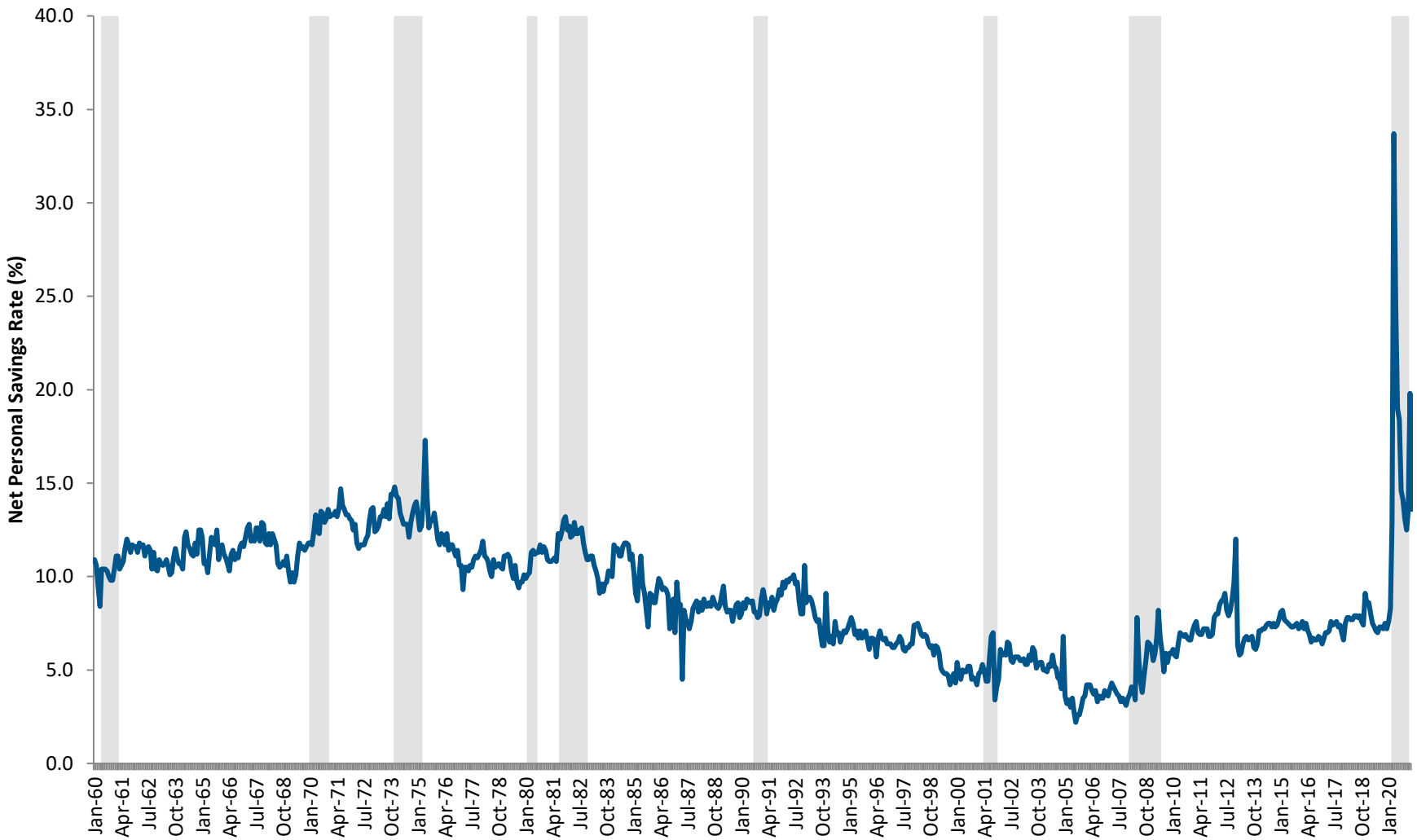
Fixed Income Spread Compression

Fixed Income Spreads



Source: Bloomberg, NEAM

Savings Rate



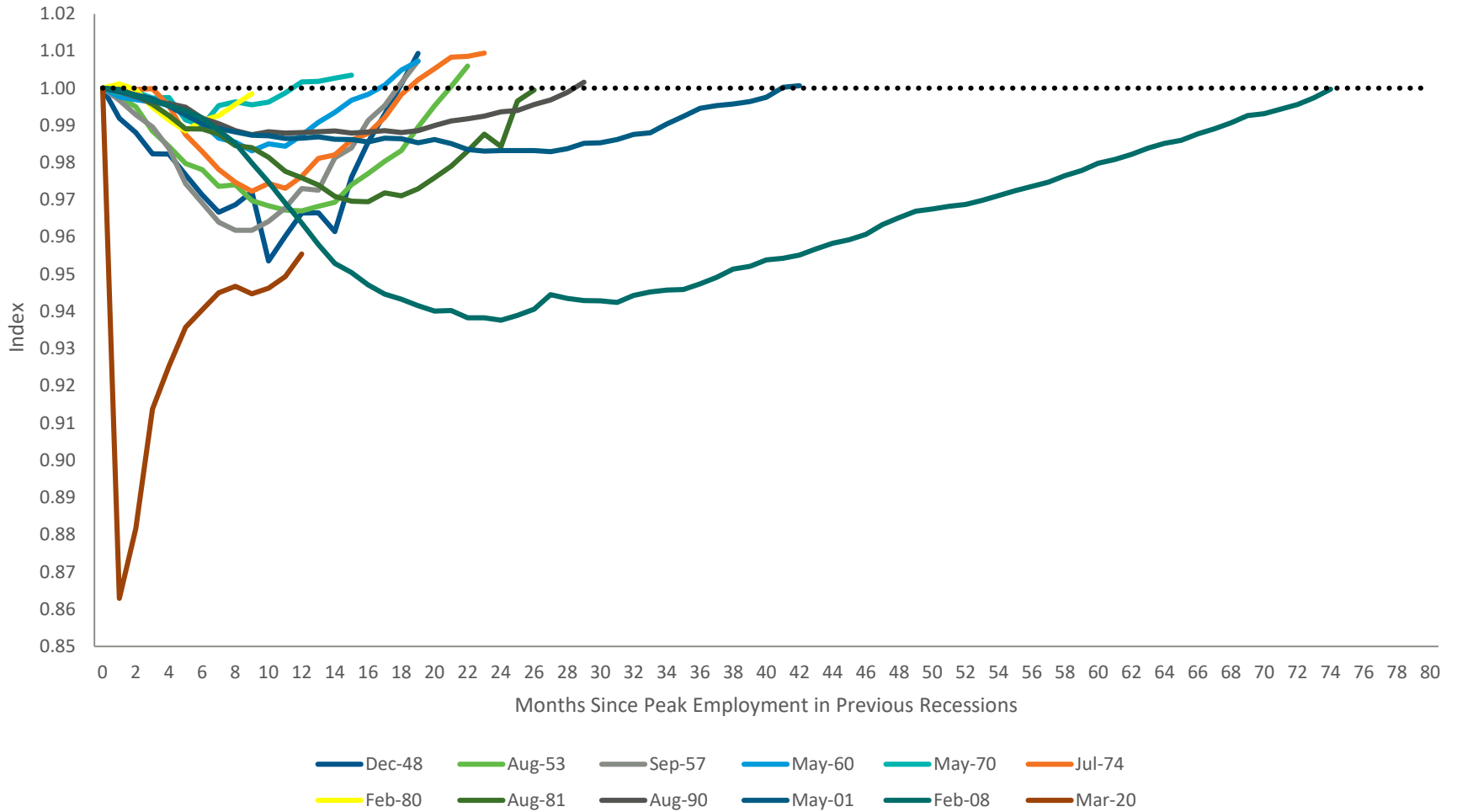
Source: BEA, Haver, NEAM

Inflation Expectations



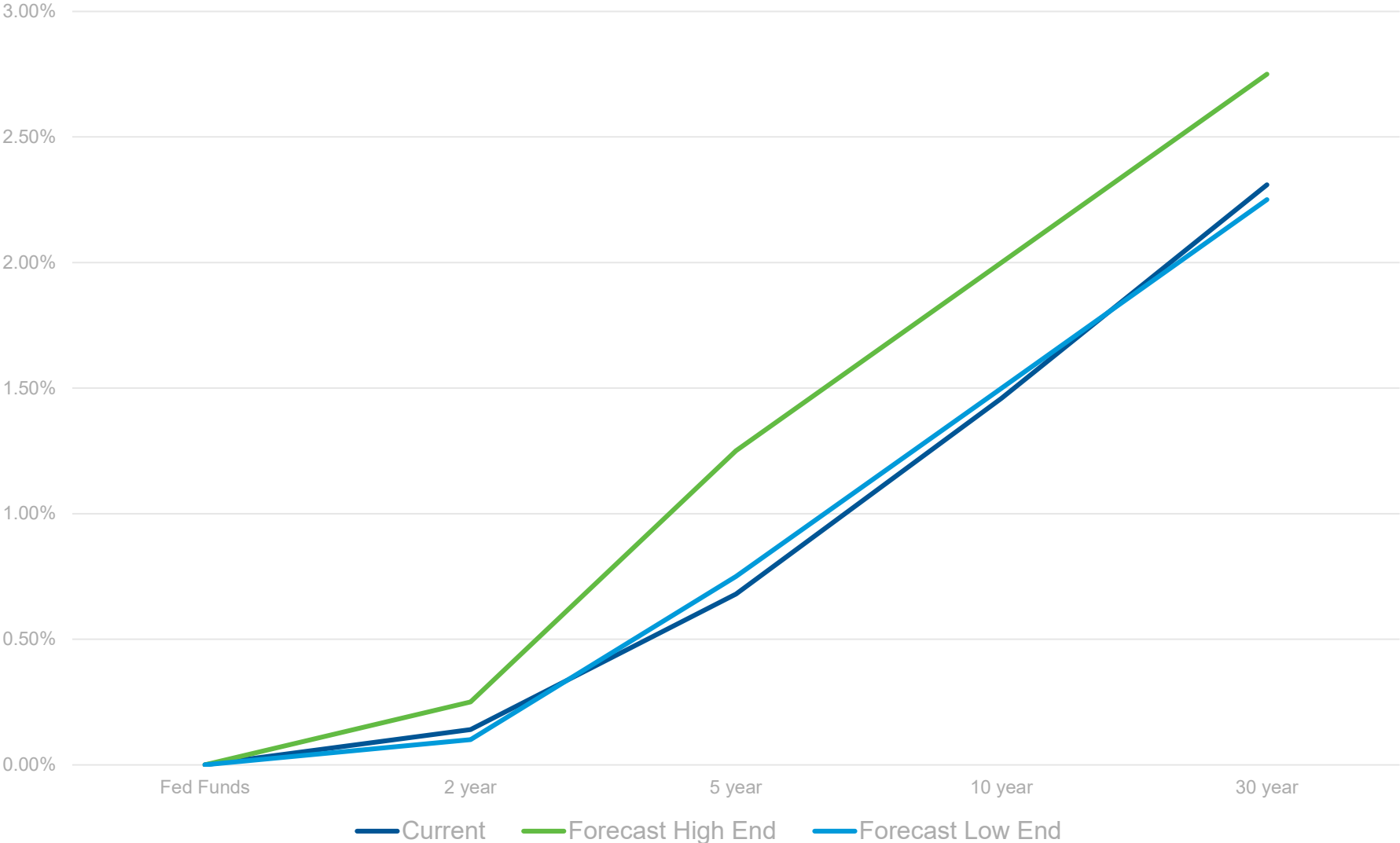
Source: Bloomberg, NEAM

Index of NFP since Peak Employment in Previous Recessions



Source: BLS, Haver, NEAM

Interest Rate Forecast – 2021



- Consider appropriate allocation to “risk assets” for yield enhancement.
- Maximize yield in fixed income portfolio at risk level. Every basis point counts.
- Maintain duration in the spread sectors.
- Focus on high quality issuers. Security selection will be even more important.
- Proactively manage risks. Stress testing of vulnerable assets is key to understanding potential ratings pressure and downside risks.
- Be prepared to take advantage of volatility.

The image features a decorative background with two overlapping wavy lines. The lower line is a dark blue color, and the upper line is a vibrant green color. They meet at a central point, creating a smooth transition between the two colors.

Investment Review

Consolidated Portfolio Comparison (incl. risk assets)

As of 3/31/2021



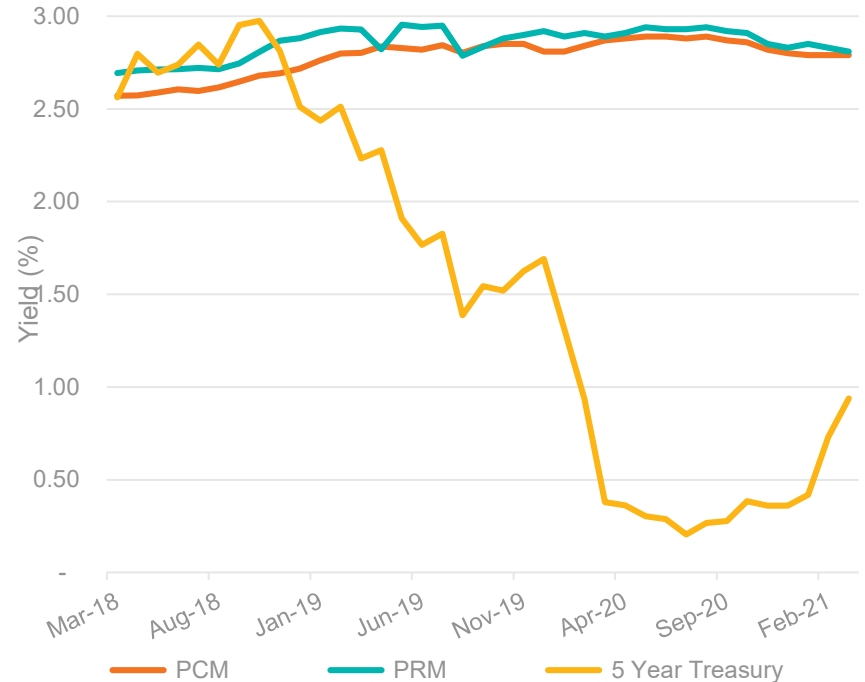
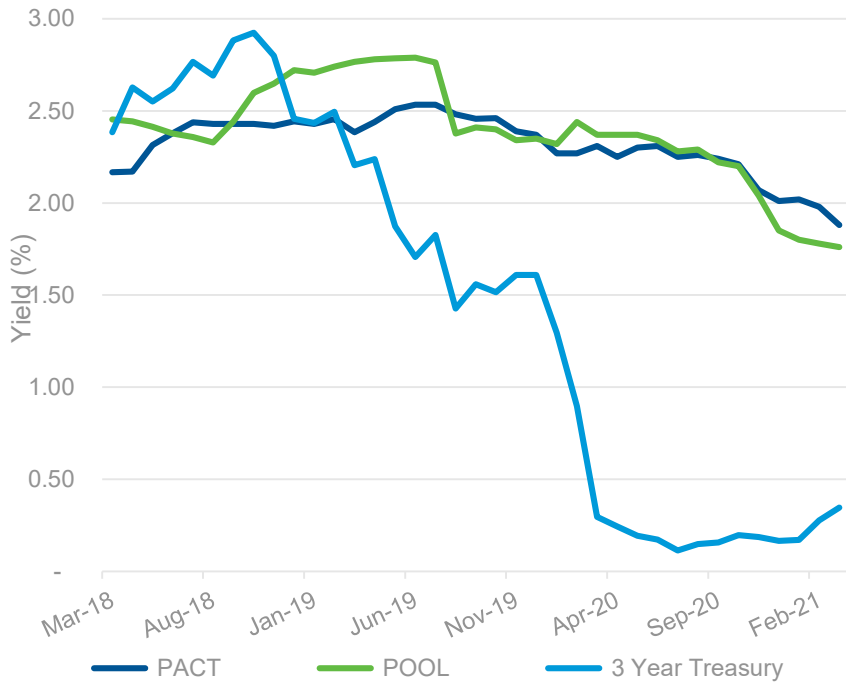
(000's Omitted)	Total	PACT	POOL	PCM	PRM	PRI	NRP
Portfolio Overview							
Book Value	214,088	56,966	28,463	82,832	44,171	1,149	508
Market Value	230,982	57,866	28,843	92,846	49,688	1,205	533
Total Unrealized Gain/Loss	16,893	901	380	10,014	5,517	56	25
Annualized Book Income	5,306	1,073	501	2,412	1,296	18	6
Asset Types							
Cash	4%	10%	5%	1%	1%	17%	38%
Fixed Income	73%	90%	95%	64%	62%	-	-
Common Stock	23%	-	-	36%	37%	83%	62%
Fixed Income Analytics							
Book Yield	2.48%	1.88%	1.76%	2.91%	2.93%	1.59%	1.21%
Market Yield	1.61%	1.07%	1.07%	1.93%	1.97%	1.55%	1.18%
Average Duration	4.14	2.97	3.45	5.03	5.30	0.08	0.08
Average Quality	AA	AA+	AA	AA-	AA-	AAA	AAA
Fixed Income Allocation							
Short Term	5%	10%	5%	1%	2%	100%	100%
Treasury / Agency	8%	19%	12%	-	-	-	-
Corporate	34%	17%	17%	49%	48%	-	-
MBS / CMO	31%	51%	60%	11%	9%	-	-
ABS / CMBS	12%	3%	6%	19%	21%	-	-
Taxable Muni	10%	-	-	20%	20%	-	-
Quality							
AAA	16%	10%	5%	22%	23%	100%	100%
AA	50%	75%	80%	26%	26%	-	-
A	24%	15%	13%	33%	33%	-	-
BBB	10%	-	2%	19%	18%	-	-
BB	< 1%	-	-	< 1%	< 1%	-	-
Average Quality	AA	AA+	AA	AA-	AA-	AAA	AAA

Fixed Income Book Yield Advantage Over Market Yields



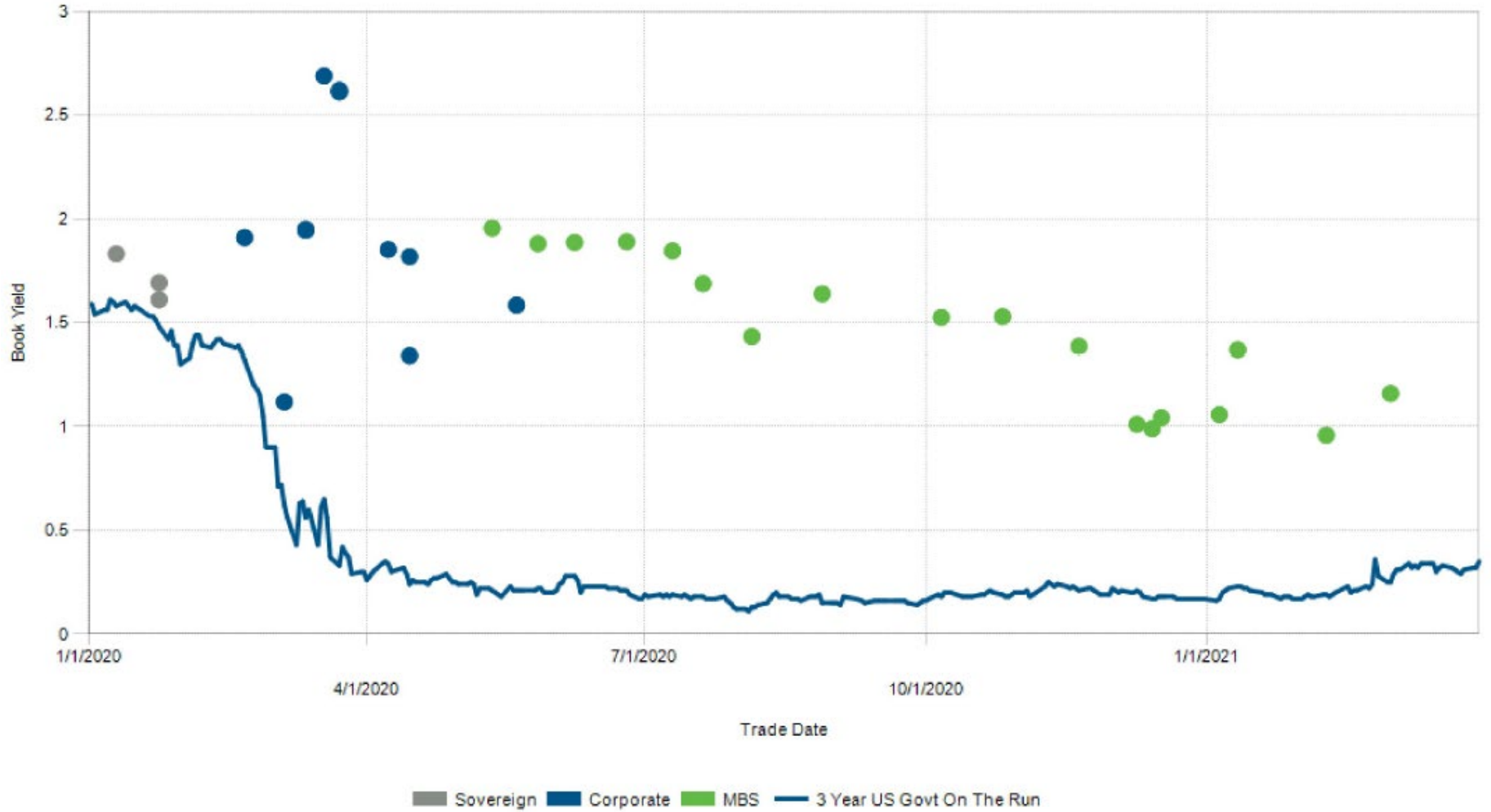
	PACT	POOL	PCM	PRM
Book Yield	1.88%	1.76%	2.79%	2.81%
Market Yield	1.07%	1.07%	1.62%	1.66%
3 Year Treasury		0.35%	--	--
5 Year Treasury		--	0.94%	--

POOL/PACT Fixed Income Book Yield vs. Treasury Yield



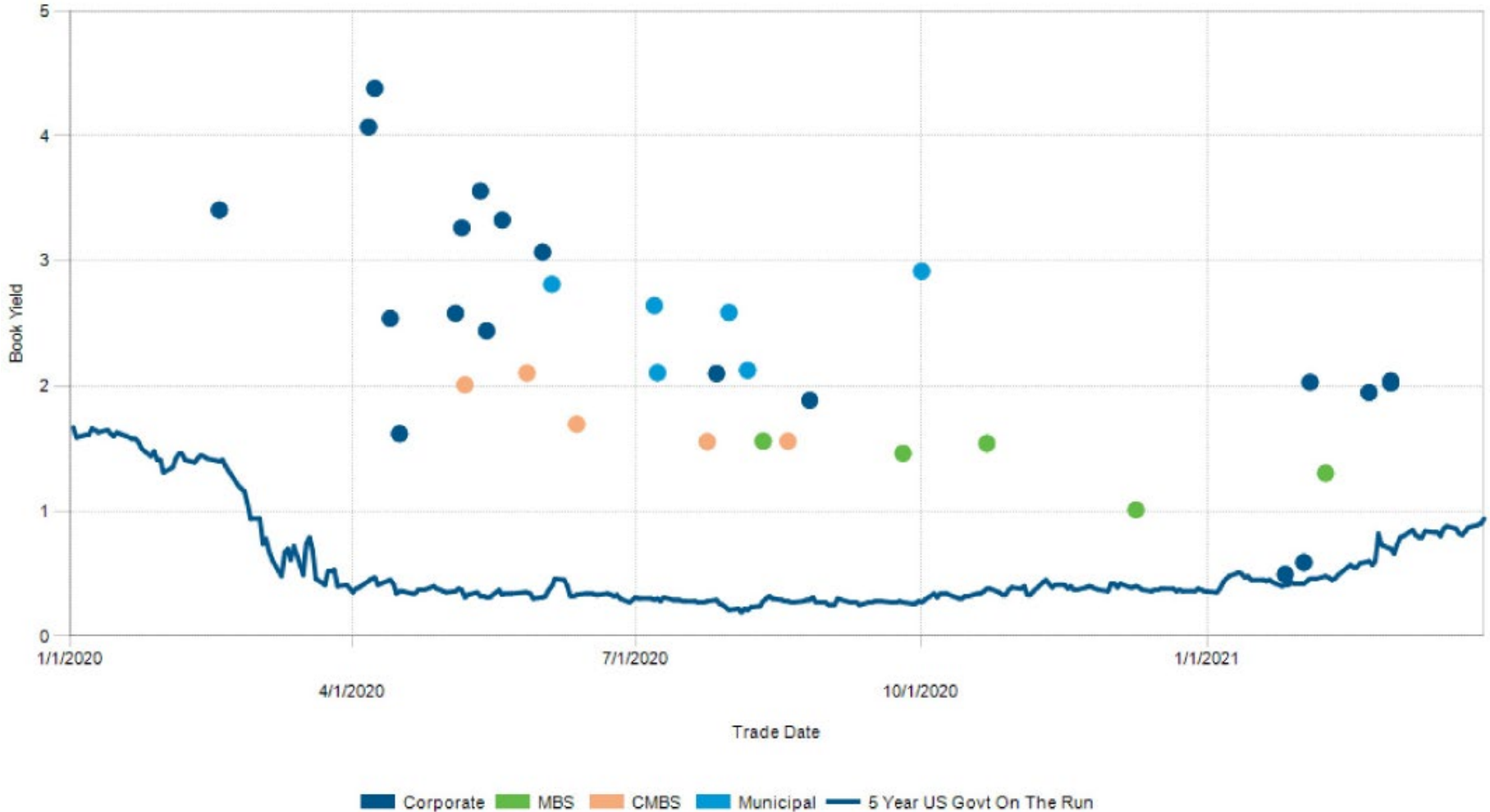
Purchases – POOL & PACT

From 1/1/2020 to 3/31/2021



Purchases – PRM & PCM

From 1/1/2020 to 3/31/2021



Fixed Income Performance – 2020 & 2021 YTD



	2020			
	<u>PACT</u>	<u>POOL</u>	<u>PCM</u>	<u>PRM</u>
Total Return	4.76%	5.24%	8.37%	8.64%
Price Return	2.27%	2.60%	5.31%	5.57%
Income Return	2.49%	2.64%	3.06%	3.07%

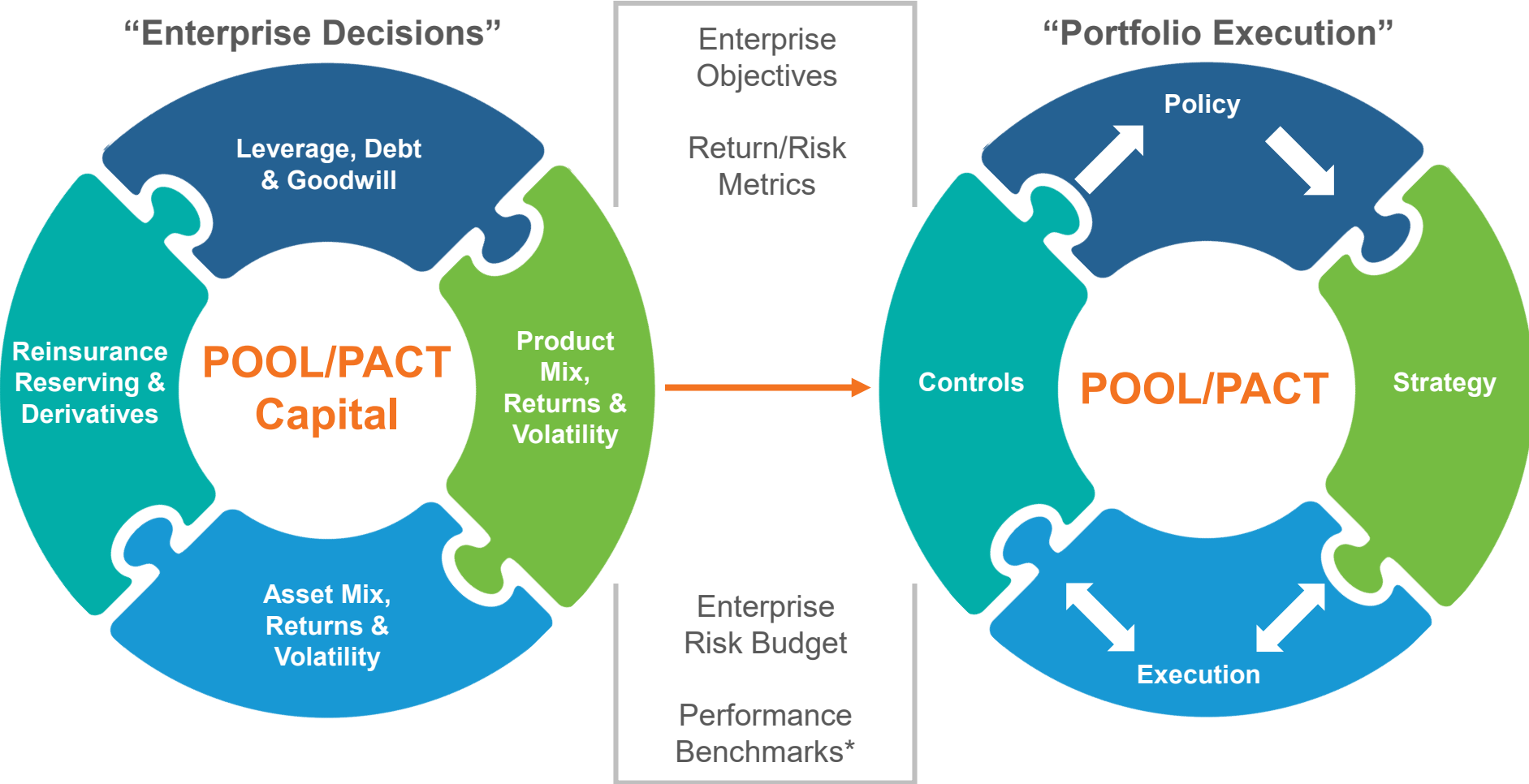
	2021 YTD			
	<u>PACT</u>	<u>POOL</u>	<u>PCM</u>	<u>PRM</u>
Total Return	-1.21%	-1.52%	-2.82%	-2.99%
Price Return	-1.79%	-2.09%	-3.48%	-3.68%
Income Return	0.58%	0.57%	0.66%	0.69%

- **Declining Treasury yields and tightening credit spreads resulted in strong total returns for the POOL/PACT portfolios in 2020, albeit pressuring reinvestment rates going forward**
- **2021 has been characterized by rising Treasury yields and generally stable credit spreads at tight levels which has resulted in negative total returns, but still positive income returns**
- **Stability of income returns over time ties back to POOL/PACT's primary investment objective of maximizing investment income**



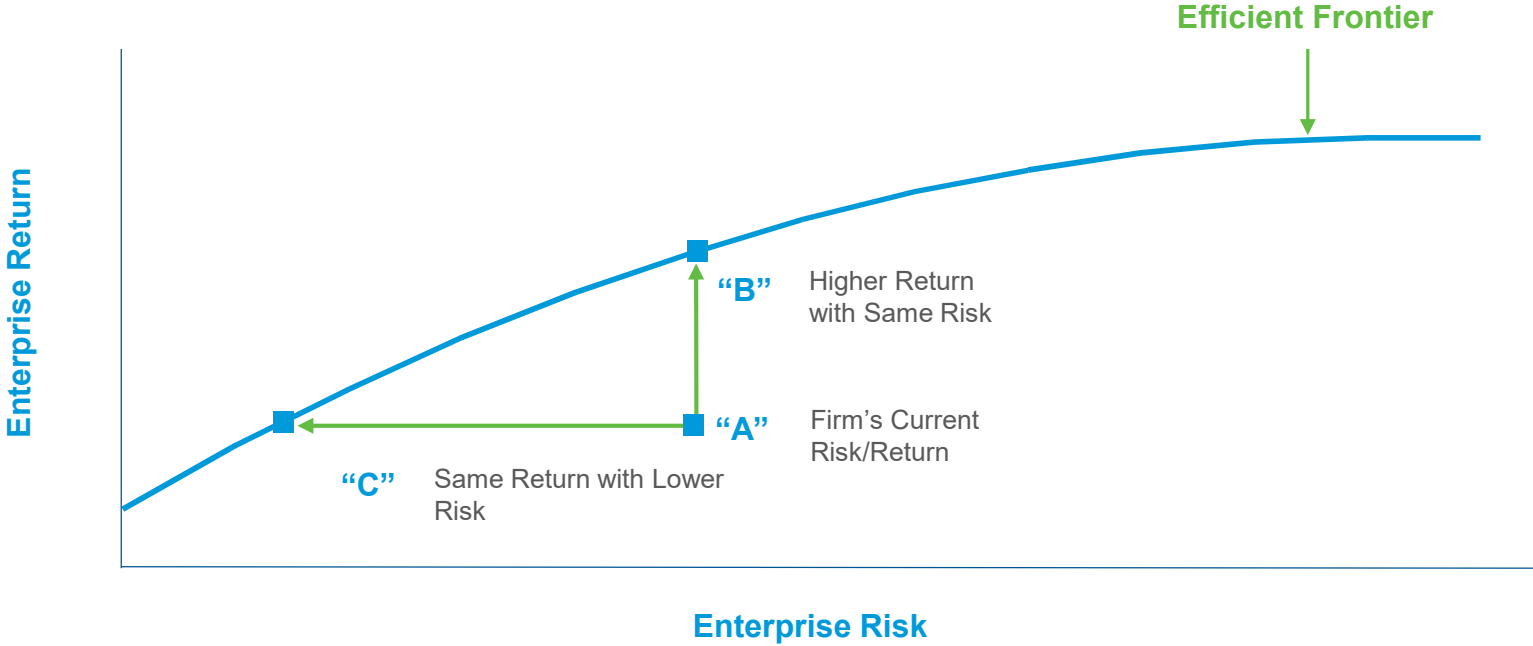
Enterprise Based Asset Allocation (EBAA) Results

Investment Philosophy: *An Integrated Approach*



* Customization to Investment Policy Statement constraints and portfolio cash flows.

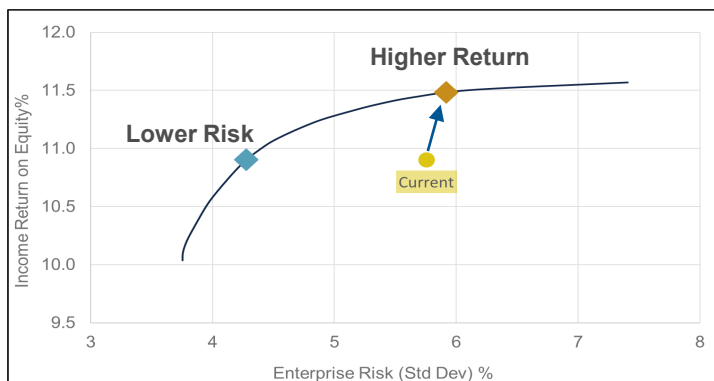
Enterprise Based Asset Allocation™ Efficient Frontier



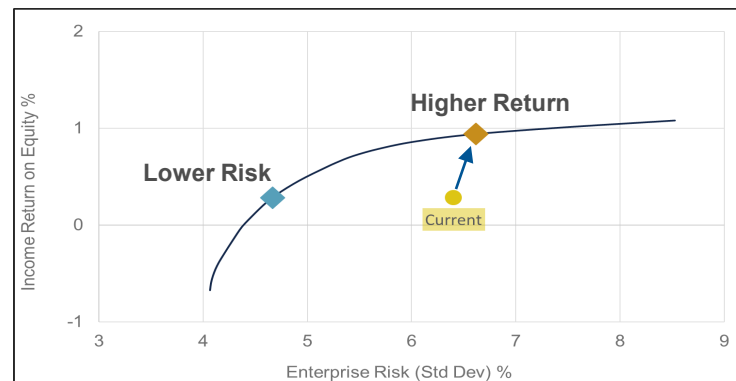
POOL/PACT EBAA Results (by Entity & Combined)



Enterprise Efficient Frontier



POOL / PRM



PACT / PCM

Results	Current			Higher Return			Current			Higher Return		
	POOL	PRM	Combined	POOL	PRM	Combined	PACT	PCM	Combined	PACT	PCM	Combined
Add. Return/Risk Metrics												
Book Yield (FI)	1.88	3.09	2.55	2.16	3.56	2.95	2.03	3.05	2.58	2.11	3.59	2.94
Market Yield (OAY FI)	0.67	1.63	1.20	0.72	2.53	1.74	0.60	1.58	1.13	0.59	2.53	1.68
Duration (OAD)	2.8	5.2	4.1	2.8	7.6	5.6	2.3	4.8	3.6	2.0	7.2	4.9
Average Rating	AA	A	AA-	AA	A-	A+	AA	A	AA-	AA	A-	A+
BBB (%)	2.3	11.4	8.0	0.9	10.8	7.1	0.0	12.0	7.3	0.0	16.2	9.9
<BBB (%)	0.0	8.5	5.4	0.0	13.7	8.6	0.0	8.2	5.0	0.0	14.5	8.9
Non-FI (%)	0.0	26.7	16.7	0.0	22.7	14.2	0.0	25.9	15.9	0.0	18.6	11.4
Sector Distribution												
ST/Govt/Agency	17.3	1.5	7.4	12.7	0.0	4.8	30.1	2.3	13.1	25.8	0.0	10.0
Invest Grd US Corp	15.6	30.0	24.6	19.9	35.1	29.4	13.7	30.3	23.8	20.0	34.7	29.0
Muni-Tax	0.0	12.3	7.7	0.0	20.0	12.5	0.0	12.7	7.8	0.0	19.9	12.2
Structured Sec.	67.2	21.0	38.2	67.4	8.5	30.5	56.2	20.6	34.4	54.2	12.3	28.6
High Yield / Bank Loans	0.0	8.5	5.4	0.0	13.7	8.6	0.0	8.2	5.0	0.0	14.5	8.9
Equity (US & Intl)	0.0	26.7	16.7	0.0	22.7	14.2	0.0	25.9	15.9	0.0	18.6	11.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Capital & Invested Assets												
Invested Assets (\$M)	29.8	50.0	79.8	29.8	50.0	79.8	59.2	93.0	152.1	59.2	93.0	152.1
Equity Capital (\$M)	18.2	47.0	65.2	18.2	47.0	65.2	10.4	85.1	95.5	10.4	85.1	95.5
Risk Assets % of IA	0.0	35.2	22.1	0.0	36.4	22.8	0.0	34.1	20.8	0.0	33.1	20.3
Risk Assets % of Captive Cptl	0.0	37.5	37.5	0.0	38.7	38.7	0.0	37.3	37.3	0.0	36.2	36.2

- The results show that the **POOL/PACT portfolios are relatively efficient**, with some opportunities to improve income return while maintaining the current risk profile
- Most of the proposed **reallocations occur within the Captives (PRM & PCM)**
 - Reduction of Equities in favor of ...
 - Increased High Yield allocation
- This **rotation in risk assets drives the overall book yield pick-up**
- **POOL & PACT allocations remain relatively unchanged**
 - Reflecting the specific investment requirements per the Nevada Revised Statutes
- On an ongoing basis, we continue to **pursue tactical opportunities consistent with POOL/PACT's investment guidelines and primary objective of maximizing investment income**



Investment Program Review As of December 31st, 2020

April 22, 2021

Dan Smereck

Managing Director



STRATEGIC ASSET ALLIANCE
THE INSURANCE INVESTMENT SPECIALIST

Investments Support the POOL/PACT Mission

Member Contributions (\$)



Investment Portfolio (\$)
INVEST & PROTECT

FLOAT

Claims Payments (\$)





PERFORMANCE REVIEW – YEAR 2020



	<u>2019</u>	<u>2020</u>
● POOL	+4.97%	+5.08%
● PRM	+13.71%	+8.64%
● TOTAL	+10.53%	+7.61%



	<u>2019</u>	<u>2020</u>
● PACT	+5.32%	+4.62%
● PCM	+13.03%	+9.35%
● TOTAL	+9.75%	+7.36%

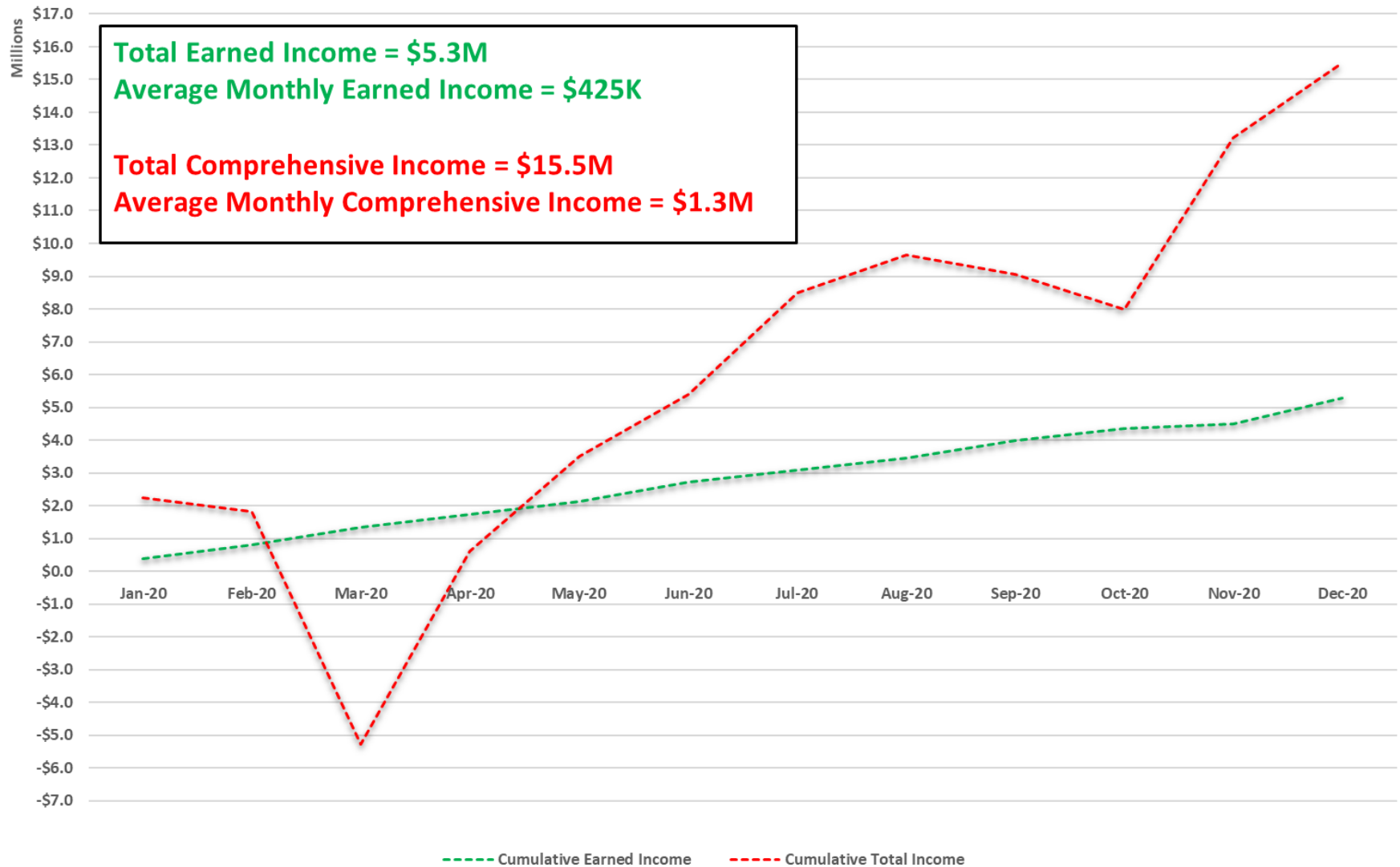


	<u>2019</u>	<u>2020</u>
● RETURN	+9.98%	+7.43%
● TOTAL INCOME	+19.0M	+15.5M
● REAL INCOME	+5.5M	+5.3M



CONSOLIDATED – ALL PROGRAMS

POOL/PACT/PCM/PRM Consolidated Investment Income - Year 2020





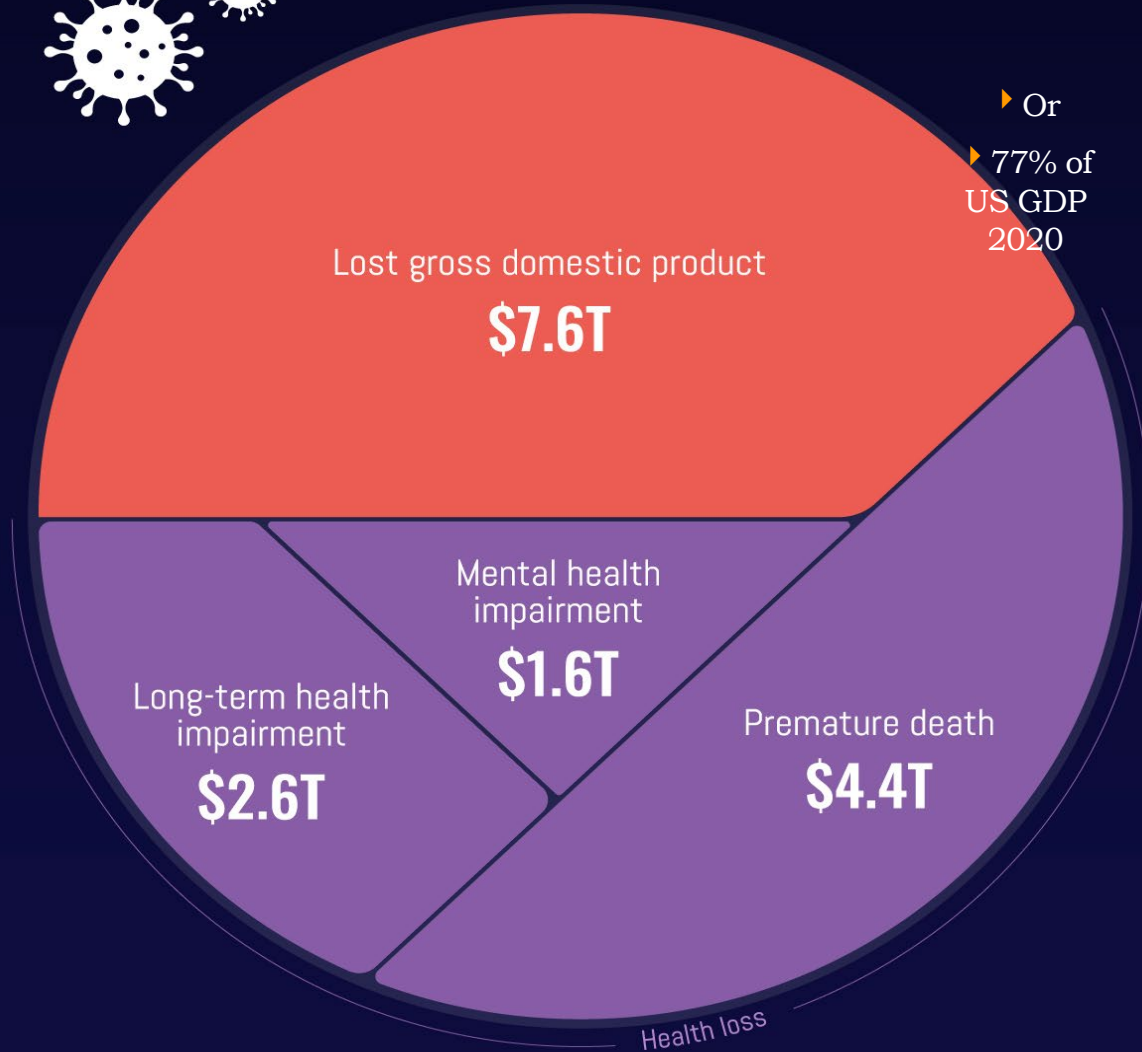
OUTLOOK



The Economic Costs of COVID-19 in the U.S. | \$16.2T



▶ Or
▶ 77% of
US GDP
2020



The Pandemic Shutdown



COLLABORATORS RESEARCH + WRITING Avery Koop, Raul Amoros | DESIGN VC

Sources: 20 Years of War - A Costs of War Research Series by The Watson Institute for International and Public Affairs at Brown University
The COVID-19 Pandemic and the \$16T Virus by David M. Cutler, PhD, Department of Economics, Harvard University

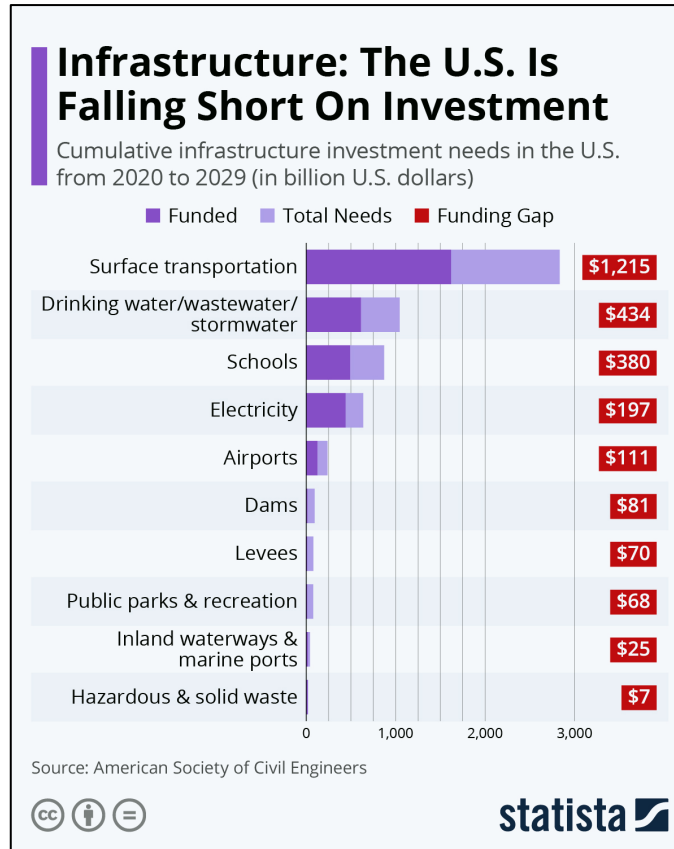
The Inflation Debate...What about it?



- ▶ Source: Bureau of Economic Analysis, Federal Reserve, Federal Reserve Bank of St. Louis, J.P. Morgan Asset Management. The 5 year, 5 year forward inflation expectation rate measures the expected inflation rate (on average) over the five-year period that begins five years from today.
- ▶ Guide to the Markets – U.S. Data are as of March 12, 2021.



Infrastructure Long-Term Needs



- ❖ **KEY THEME** – The American Society of Civil Engineers (ASCE) has released its [2021 Report Card for America's Infrastructure](#). Compiled every four years, it comprehensively assessed 17 major infrastructure categories on a range of criteria such as capacity, condition, funding and public safety. They were then scored through a simple A to F school report card format. The good news is that the American infrastructure has improved, with the country's score climbing from a D+ in 2017 to a C- in 2021. It is the first time the U.S. has been out of the D range in two decades.
- ❖ Despite the progress, however, it was uneven with 11 out of 17 categories still having recorded D grades. Of the other six categories, five saw their grades increase while just one - bridges - experienced a decrease. While things are going in the right direction, the bad news is that the long-term infrastructure investment gap is continuing to grow with the report stating that the U.S. is only paying half as much as it needs. The investment gap has now climbed from \$2.1 trillion over 10 years to nearly \$2.59 trillion over 10 years.



PUBLIC AGENCY COMPENSATION TRUST

INVESTMENT GUIDELINES

1. Scope

This investment policy applies to all financial assets of PACT. These funds are accounted for in PACT's annual financial report.

2. Statement of Purpose

- A. Safety of principal is an important objective of the investment program. To ensure that investment of funds is accomplished in a safe and secure manner, particularly with respect to limiting the exposure of the PACT to unnecessary risk investments shall be undertaken in a manner that seeks to ensure the preservation of capital. To attain this objective, diversification is required in accordance with these guidelines. Further, it is becoming increasingly important to consider environmental, social and governance risks within the investment decision process.
- B. To provide adequate liquidity to meet all operating obligations which reasonably may be anticipated.
- C. To structure an investment portfolio which is designed to attain a rate of return throughout budgetary and economic cycles commensurate with the investment risk constraints and cash flow characteristics of the portfolio. A balanced return of current income and modest growth of principal is an important objective. In addition, a related objective is to achieve returns in excess of the rate of inflation over the investment horizon in order to preserve the purchasing power of PACT.
- D. To assure that the investment allocation does not impair the maintenance of capital in accordance with the PACT Capitalization Policy Statement.

3. Investment Strategy

- A. PACT generally will adhere to the concept of matching amounts and maturities to uses of funds.
- B. Investment officers acting in accordance with written procedures and exercising due diligence will not have personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Investment officials will adhere to the Prudent Investor Rules that state that a fiduciary must:

1. Make investment and management decisions with respect to individual assets in the context of the investment portfolio as a whole and as part of an overall investment strategy, not in isolation.
 2. Adhere to fundamental fiduciary duties of loyalty, impartiality, and prudence.
 3. Maintain overall portfolio risk at a reasonable level. That is, risk and return objectives must be reasonable and suitable to the portfolio. The tradeoff between risk and return is the fiduciary's central concern.
 4. Provide for the reasonable diversification of investments.
 5. Act with prudence in deciding whether and how to delegate authority to experts and in selecting supervising agents. Be cost conscious when investing. The fiduciary should incur only costs that are reasonable in amount and appropriate to the investment responsibilities of the fiduciary.
- C. Investment strategy will facilitate an appropriate balance of these investment objectives:

- 1) capital preservation;
- 2) diversification among types of investments, issuers and credit ratings; and
- 3) allocation of investments in a manner consistent with principles of prudent investment management; and
- 4) liquidity to meet operating obligations.

D. The investment strategy will conform to state statutes governing investment of public funds per NRS 355.170 & 355.171.

4. Investment Risk

A. It is the policy of PACT that safety of principal is an important objective of the investment program and seeks to mitigate to mitigate risks to the extent possible. Four types are recognized:

1. Credit Risk - is the risk that the issuer of a security will default on the principal and interest. PACT will not assume significant credit risk in an attempt to enhance return. Acceptable credit ratings for securities shall be AAA, AA, or A as rated by a Nationally Recognized Statistically Rating Organization (“NRSRO”) pursuant to statutory limitations. In addition, PACT will diversify the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
2. Liquidity Risk - is the risk that an investment may not be converted into cash if a need for cash arises. PACT will minimize liquidity risk to the extent possible through planning investment maturities to ensure that funds are available to meet cash flow needs (static liquidity) and maintain a portion of the funds in money market mutual funds which offer same-day liquidity for short-term funds. In addition, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).
3. Maturity Risk - is the risk that an investment may yield poor results if the length of maturity or maturity structure is inappropriate for the market conditions. The PACT will minimize this risk by actively managing the maturity structure to enable holding securities to maturity unless 1) the security has declining credit and needs to be sold early to minimize loss of principal, 2) a security swap would improve the quality, yield or target duration of the portfolio, or 3) liquidity needs of the portfolio require that the security be sold.
4. Market Risk - arises from the change in the value of the investment as economic conditions and interest rates change. PACT will, to the extent possible, minimize market risk by matching investments with its liabilities, making it possible to hold investments to maturity if appropriate. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles consistent with investment risk constraints and liquidity needs.

5. Investment Responsibility

- A. Investment authority for PACT rests with the Board of Trustees. This authority may be delegated to the Executive Committee and the Executive Director.
- B. The Board of Trustees may contract with investment advisor(s) to advise and manage the PACT's investments. Such advisor(s) shall provide a comprehensive report at least annually to the Board of Directors or its designee of all transactions and the investment performance of funds under management. The report shall suggest changes in policies or improvements that might be made in the investment program.
- C. The Executive Director will manage all investment activity as closely as is practicable. The Executive Director will make day-to-day investments. In all cases, the Executive Director will:

1. Ensure that all investments are made in accordance with PACT policies;
2. Make recommendations to the Board of Trustees concerning investment policy and strategy;
3. Inventory all securities held by PACT (This shall be done in conjunction with the annual CPA audit);
4. Provide quarterly reports to the Executive Committee and annually to the Board of Trustees of all investment activity. The report shall include a listing of all securities bought, sold and matured. The report will also include a status of all investments held;
5. The Board of Trustees will review the investment report, and shall make the review a matter of record in the minutes;
6. The Board of Trustees may appoint a Fiscal Officer. The Fiscal Officer will, at the direction of the Board of Trustees, make investments and execute transactions in cooperation with the Executive Director.
7. Officers, the Executive Director and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Such persons shall disclose to the Executive Director or to the Chairman of the Board any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the PACT.
8. The Board of Directors will review this investment policy and the asset allocation, diversification and risks at least annually and at any other time as needed to fulfill its fiduciary responsibility.

6. Authorized Investments

A. The following types of securities are eligible investments subject to asset allocation:

- 1) U.S. Treasury Securities;
- 2) Federal Agency Securities;
- 3) Federal Funds;
- 4) Bank Certificates of Deposit insured ;
- 5) Savings and Loan Certificates of Deposit insured ;
- 6) Repurchase Agreements;
- 7) Money Market Mutual Funds
- 8) U.S. Corporate Bonds (rated A or better; maturity not more than 5 years)
- 9) Such other securities as authorized under Nevada laws applicable to the PACT.

Not more than ten percent (10%) of the fixed income portfolio should be to any one issuer, other than securities of the U.S. government or agencies. Corporate bond allocation cannot exceed 20% of the total par value of the portfolio.

B. A Master Repurchase Agreement must be signed with the bank or dealer.

C. If governmental sponsored pools and/or mutual funds are to be utilized, a thorough investigation of the pool/fund is required prior to investing, and on a continual basis. The following general information must be addressed:

1. A description of the eligible investment securities, and a written statement of investment policy and objectives

2. A description of interest calculations and how its is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes) and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. A statement regarding utilization by the pool/funds of reserves or retained earnings.
7. A fee schedule and when and how it is assessed.
8. A statement regarding whether the pool/fund is eligible for bond proceeds and/or whether it will accept such proceeds.

7. Authorized Financial Dealers and Institutions

The Executive Director will maintain a list of financial institutions authorized by the Board or the Executive Committee to provide investment services. No public deposit shall be made except in a qualified public depository as established by Nevada law. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Executive Director with the following evidence of qualifications:

- a. audited financial statements
- b. proof of National Association of Security Dealers certification
- c. trading resolution
- d. proof of Nevada registration
- e. completed broker/dealer questionnaire
- f. certification as having read the PACT's Investment Guidelines and depository contracts

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Executive Director. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the PACT invests.

8. Investment Guidelines and Limitations

A. Diversity. There will be sufficient diversity in the authorized instruments to allow for variety in the makeup of the portfolio. The Board of Trustees will review investment activity reports to assure appropriate diversity exists. PACT will diversify its investments by maturity, security type and issuer. Maturities selected shall provide for stability of income and reasonable liquidity. For cash management funds, the following guidelines shall apply: Liquidity shall be assured through practices ensuring that the next disbursement date is covered through maturing investments or marketable U.S. Treasury bills

Risks of market price volatility shall be controlled through maturity diversification such that aggregate price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

B. Maximum Duration. To the extent possible, the PACT will attempt to match its investments with anticipated cash flow requirements. The PACT will not directly invest in securities that have a weighted average life of more than ten (10) years from the date of purchase, except as permitted by law. The average duration of the portfolio will not exceed +/- 20% of the benchmark duration.

C. Return on Investment. The PACT's investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the PACT's investment risk constraints and the cash flow characteristics of the portfolio.

D. Performance Standards. The investment portfolio results will be compared to reasonably comparable indexes reflective of the investment goals and benchmarks listed below:

1. Goal - to outperform over a 4-5-year period the risk-free return from short-term U.S. Treasury bills by at least 100 to 200 basis points per year.
2. Goal - to outperform the Consumer Price Index over a 4 to 5-year period by at least 200 basis points per year.
3. Goal - to perform in line with the BB US Government Credit 1-5 Year Treasury Bond Fund Index (currently trading as BC1031) over a 1 to 5-year period.

9. Safekeeping and Custody

Securities purchased by the PACT will be held by a professionally qualified institution that has the necessary specialization to provide accurate and timely safekeeping of the assets of PACT. If securities are purchased from outside dealers, then trades will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

The Executive Director shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed by the Audit Committee and with the independent auditor. The controls shall be designed to prevent the loss of PACT funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees, service providers and officers of PACT.

10. Collateralization

Collateralization will be required on two types of investments: certificates of deposit in excess of current FDIC insurance limits and repurchase (and reverse) agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest.

Collateral always will be held by an independent third party with which the PACT has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the PACT and retained.

The right of collateral substitution is granted.

11. Selection and Performance Review of Investment Managers

The PACT Board of Directors will select appropriate investment managers to manage PACT assets. A qualifying investment manager must meet the following minimum criteria:

- Be a registered investment advisor under the Registered Investment Advisors Act of 1940 or be a bank, insurance company or investment management company.
- Provide historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all fully discretionary accounts of similar investment style, and reported net and gross of fees.
- Provide performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of the manager relative to other managers of like investment style.
- Provide detailed information on the history of the firm, key personnel, key clients, fee schedule and support personnel.
- Clearly articulate the investment strategy that will be followed and document that the strategy successfully has been adhered to over time.
- Have no outstanding legal judgments or past judgments that may reflect negatively on the firm.

- Provide in writing acknowledgement of fiduciary responsibility to PACT.

The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration will be given to the extent to which the investment results are consistent with the investment objectives, goals and guidelines as set forth in this investment policy statement.

The Board of Directors intends to evaluate the portfolio(s) over at least a three-year period, but reserves the right to terminate a manager for any reason, including the following:

- Investment performance that significantly is less than anticipated given the discipline employed and the risk parameters established or unacceptable justification of poor results.
- Failure to adhere to any aspect of this investment policy statement including communication and reporting requirements.'
- Significant qualitative changes to the investment management organization.

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

12. Reporting

The Executive Director will include a market report on investment activity and returns in the PACT's Financial Report, which will be distributed quarterly to the Executive Committee and at each Board meeting.

13. Investment Policy Adoption

The PACT's investment policy will be adopted by the Board of Trustees. The policy will be reviewed on an annual basis by the Executive Committee and any modifications made thereto must be approved by the Board.

Adopted 9/91
Revised 10/95
Revised 4/98
Revised 5/1/2000
Revised 9/13/2006
Revised 5/1/2009
Revised 5/1/2015
Revised 2/23/2018
Revised 9/28/2020
Revised 4/ /2021

NEVADA PUBLIC AGENCY INSURANCE POOL

INVESTMENT GUIDELINES

1. Scope

This investment policy applies to all financial assets of the POOL. These funds are accounted for in the POOL's annual financial report.

2. Statement of Purpose

- A. Safety of principal is an important objective of the investment program. To ensure that investment of funds is accomplished in a safe and secure manner, particularly with respect to limiting the exposure of the POOL to unnecessary risk, investments shall be undertaken in a manner that seeks to ensure the preservation of capital. To attain this objective, diversification is required in accordance with these guidelines. Further, it is becoming increasingly important to consider environmental, social and governance risks within the investment decision process.
- B. To provide adequate liquidity to meet all operating obligations which reasonably may be anticipated.
- C. To structure an investment portfolio which is designed to attain a rate of return throughout budgetary and economic cycles commensurate with the investment risk constraints and cash flow characteristics of the portfolio. A balanced return of current income and modest growth of principal is an important objective. In addition, a related objective is to achieve returns in excess of the rate of inflation over the investment horizon in order to preserve the purchasing power of POOL.
- D. To assure that the investment allocation does not impair the maintenance of capital in accordance with the POOL Capitalization Policy Statement.

3. Investment Strategy

- A. POOL generally will adhere to the concept of matching amounts and maturities to uses of funds.
- B. Investment officers acting in accordance with written procedures and exercising due diligence will not have personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Investment officials will adhere to the Prudent Investor Rules that state that a fiduciary must:

1. Make investment and management decisions with respect to individual assets in the context of the investment portfolio as a whole and as part of an overall investment strategy, not in isolation.
2. Adhere to fundamental fiduciary duties of loyalty, impartiality, and prudence.
3. Maintain overall portfolio risk at a reasonable level. That is, risk and return objectives must be reasonable and suitable to the portfolio. The tradeoff between risk and return is the fiduciary's central concern.
4. Provide for the reasonable diversification of investments.

5. Act with prudence in deciding whether and how to delegate authority to experts and in selecting supervising agents. Be cost conscious when investing. The fiduciary should incur only costs that are reasonable in amount and appropriate to the investment responsibilities of the fiduciary.

C. Investment strategy will facilitate an appropriate balance of these investment objectives:

- 1) capital preservation;
- 2) diversification among types of investments, issuers and credit ratings; and
- 3) allocation of investments in a manner consistent with principles of prudent investment management;
- 4) liquidity to meet operating obligations.

D. The investment strategy will conform to state statutes governing investment of public funds per NRS 377.170 & 377.171.

4. Investment Risk

A. It is the policy of the POOL that safety of principal is an important objective of the investment program and seeks to mitigate risks to the extent possible. Four types are recognized:

1. Credit Risk - is the risk that the issuer of a security will default on the principal and interest. POOL will not assume significant credit risk to enhance return. Acceptable credit ratings for securities shall be AAA, AA, or A as rated by a Nationally Recognized Statistically Rating Organization (“NRSRO”) pursuant to statutory limitations. In addition, POOL will diversify the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

2. Liquidity Risk - is the risk that an investment may not be converted into cash if a need for cash arises. POOL will minimize liquidity risk to the extent possible through planning investment maturities to ensure that funds are available to meet cash flow needs (static liquidity) and maintain a portion of the funds in money market mutual funds which offer same-day liquidity for short-term funds. In addition, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

3. Maturity Risk - is the risk that an investment may yield poor results if the length of maturity or maturity structure is inappropriate for the market conditions. The POOL will minimize this risk by actively managing the maturity structure to enable holding securities to maturity unless 1) the security has declining credit and needs to be sold early to minimize loss of principal, 2) a security swap would improve the quality, yield or target duration of the portfolio, or 3) liquidity needs of the portfolio require that the security be sold.

4. Market Risk - arises from the change in the value of the investment as economic conditions and interest rates change. POOL will, to the extent possible, minimize market risk by matching investments with its liabilities, making it possible to hold investments to maturity if appropriate. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles consistent with investment risk constraints and liquidity needs.

5. Investment Responsibility

- A. Investment authority for POOL rests with the Board of Directors. This authority may be delegated to the Executive Committee and the Executive Director.
- B. The Board of Directors may contract with investment advisor(s) to advise and manage the POOL's investments. Such advisor(s) shall provide a comprehensive report at least annually to the Board of Directors or its designee of all transactions and the investment performance of funds under management. The report shall suggest changes in policies or improvements that might be made in the investment program.
- C. The Executive Director will manage all investment activity as closely as is practicable. The Executive Director will make day-to-day investments. In all cases, the Executive Director will:
 - 1. Ensure that all investments are made in accordance with POOL policies;
 - 2. Make recommendations to the Board of Directors concerning investment policy and strategy;
 - 3. Inventory all securities held by POOL (This shall be done in conjunction with the annual CPA audit);
 - 4. Provide quarterly reports to the Executive Committee and annually reports to the Board of Directors of all investment activity. The reports shall include a listing of all securities bought, sold and matured. The reports will also include a status of all investments held;
 - 5. The Board of Directors will review the investment report, and shall make the review a matter of record in the minutes;
 - 6. The Board of Directors may appoint a Fiscal Officer. The Fiscal Officer will, at the direction of the Board of Directors, make investments and execute transactions in cooperation with the Executive Director.
 - 7. Officers, the Executive Director and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Such persons shall disclose to the Executive Director or to the Chairman of the Board any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the POOL.
 - 8. The Board of Directors will review this investment policy and the asset allocation, diversification and risks at least annually and at any other time as needed to fulfill its fiduciary responsibility.

6. Authorized Investments

- A. The following types of securities are eligible investments subject to asset allocation:
 - 1) U.S. Treasury Securities;

- 2) Federal Agency Securities;
- 3) Federal Funds;
- 4) Bank Certificates of Deposit insured;
- 5) Savings and Loan Certificates of Deposit insured;
- 6) Repurchase Agreements;
- 7) Money Market Mutual Funds
- 8) U.S. Corporate Bonds (rated A or better; maturity not more than 5 years)
- 9) Such other securities as authorized under Nevada laws applicable to the POOL.

Not more than ten percent (10%) of the fixed income portfolio should be to any one issuer, other than securities of the U.S. government or agencies. Corporate bond allocation cannot exceed 20% of the total par value of the portfolio.

- B. A Master Repurchase Agreement must be signed with the bank or dealer.
- C. If governmental sponsored pools and/or mutual funds are to be utilized, a thorough investigation of the pool/fund is required prior to investing, and on a continual basis. The following general information must be addressed:
 1. A description of the eligible investment securities, and a written statement of investment policy and objectives
 2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
 3. A description of how the securities are safeguarded (including the settlement processes) and how often the securities are priced, and the program audited.
 4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
 5. A schedule for receiving statements and portfolio listings.
 6. A statement regarding utilization by the pool/funds of reserves or retained earnings.
 7. A fee schedule and when and how it is assessed.
 8. A statement regarding whether the pool/fund is eligible for bond proceeds and/or whether it will accept such proceeds.

7. Authorized Financial Dealers and Institutions

The Executive Director will maintain a list of financial institutions authorized by the Board or the Executive Committee to provide investment services. No public deposit shall be made except in a qualified public depository as established by Nevada law. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Executive Director with the following evidence of qualifications:

- a. audited financial statements
- b. proof of National Association of Security Dealers certification
- c. trading resolution
- d. proof of Nevada registration
- e. completed broker/dealer questionnaire
- f. certification as having read the POOL's Investment Guidelines and depository contracts

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Fiscal Officer. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the POOL invests.

8. Investment Guidelines and Limitations

- A. **Diversity.** There will be sufficient diversity in the authorized instruments to allow for variety in the makeup of the portfolio. The Board of Directors will review investment activity reports to assure appropriate diversity exists. The POOL will diversify its investments by maturity, security type and issuer. Maturities selected shall provide for stability of income and reasonable liquidity. For cash management funds, the following guidelines shall apply: Liquidity shall be assured through practices ensuring that the next disbursement date is covered through maturing investments or marketable U.S. Treasury bills
- Risks of market price volatility shall be controlled through maturity diversification such that aggregate price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.
- B. **Maximum Duration.** To the extent possible, the POOL will attempt to match its investments with anticipated cash flow requirements. The Pool will not directly invest in securities that have a weighted average life of more than ten (10) years from the date of purchase, except as permitted by law. The average duration of the portfolio will not exceed +/- 20% of the benchmark duration.
- C. **Return on Investment.** The POOL's investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the POOL's investment risk constraints and the cash flow characteristics of the portfolio.
- D. **Performance Standards.** The investment portfolio results will be compared to reasonably comparable indexes reflective of the investment goals and benchmarks listed below:
1. Goal - to outperform over a 4-5 year period the risk free return from short-term U.S. Treasury bills by at least 100 to 200 basis points per year.
 2. Goal - to outperform the Consumer Price Index over a 4 to 5 year period by at least 200 basis points per year.
 3. Goal - to perform in line with the BB US Government-Credit 1-5 Year Treasury Bond Fund Index (currently trading as BC1031) over a 1 to 5-year period.

9. Safekeeping and Custody

Securities purchased by the POOL will be held by a professionally qualified institution that has the necessary specialization to provide accurate and timely safekeeping of the assets of POOL. If securities are purchased from outside dealers, then trades will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

The Executive Director shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed by the Audit Committee and with the independent auditor. The controls shall be designed to prevent the loss of POOL funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees, service providers and officers of POOL.

10. Collateralization

Collateralization will be required on two types of investments: certificates of deposit in excess of current FDIC insurance limits and repurchase (and reverse) agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest.

Collateral always will be held by an independent third party with which the POOL has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the POOL and retained.

The right of collateral substitution is granted.

11. Selection and Performance Review of Investment Managers

The POOL Board of Directors will select appropriate investment managers to manage POOL assets. A qualifying investment manager must meet the following minimum criteria:

- Be a registered investment advisor under the Registered Investment Advisors Act of 1940 or be a bank, insurance company or investment management company.
- Provide historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all fully discretionary accounts of similar investment style, and reported net and gross of fees.
- Provide performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of the manager relative to other managers of like investment style.
- Provide detailed information on the history of the firm, key personnel, key clients, fee schedule and support personnel.
- Clearly articulate the investment strategy that will be followed and document that the strategy successfully has been adhered to over time.
- Have no outstanding legal judgments or past judgments that may reflect negatively on the firm.
- Provide in writing acknowledgement of fiduciary responsibility to POOL Board.

The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration will be given to the extent to which the investment results are consistent with the investment objectives, goals and guidelines as set forth in this investment policy statement.

The Board of Directors intends to evaluate the portfolio(s) over at least a three-year period, but reserves the right to terminate a manager for any reason, including the following:

- Investment performance that significantly is less than anticipated given the discipline employed and the risk parameters established or unacceptable justification of poor results.
- Failure to adhere to any aspect of this investment policy statement including communication and reporting requirements.
- Significant qualitative changes to the investment management organization.

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

12. Reporting

The Executive Director will include a market report on investment activity and returns in the POOL's Financial Report, which will be distributed quarterly to the Executive Committee and at each Board meeting.

12. Investment Policy Adoption

The POOL's investment policy will be adopted by the Board of Directors. The policy will be reviewed on an annual basis by the Executive Committee and any modifications made thereto must be approved by the Board.

Adopted 9/91
Revised 10/95
Revised 4/98
Revised 5/1/2000
Revised 9/13/2006
Revised 5/1/2009
Revised 5/1/2015
Revised 2-23-2018
Revised 9-28-2020
Revised 4/ /2021

KEPRO EAP Contract Extension

Effective July 1, 2020, POOL/PACT entered into a joinder agreement onto the State of Nevada KEPRO contract which had a term of July 1, 2019 to July 1, 2021. KEPRO's State contract was extended, and POOL/PACT was offered an extension as well.

The intent of the proposed amendment is to modify the term to be effective from July 1, 2020 and extend it from 1 year to 2 years – through June 30, 2022 – while reducing the number of available renewal options from 2 to 1. All other terms and conditions of the original agreement remain unchanged.

**STATE OF NEVADA,
DEPARTMENT OF ADMINISTRATION
PARTICIPATION AGREEMENT
EMPLOYEE ASSISTANCE PROGRAM**

WHEREAS, the State of Nevada, Department of Administration (“State”) contracted with KEPRO Acquisitions, Inc. (“KAI”) through the issuance of RFP 08DOA-S551 entitled Employee Assistance Program, to deliver the Employee Assistance Program services to participating state agencies, and the awarded contract effective as of July 1, 2019 (hereinafter, “EAP Agreement”);

WHEREAS, authority has been granted by the State of Nevada for third party beneficiaries to join the EAP Agreement and to contract with KAI for Employee Assistance Program services (“Participation Agreement”).

WHEREAS, Nevada Public Agency Insurance Pool and the Public Agency Compensation Trust (collectively “POOL/PACT” or “Participating Entities”) desire to participate and receive services from KAI under the EAP Agreement.

NOW, THEREFORE, in consideration of the following mutual covenants and agreements contained herein, it is understood and agreed by and between the Parties as follows:

1. THIRD PARTY BENEFICIARY. Pursuant to Section 10.2.5. of the RFP:

Local governments (as defined in NRS 332.015) are intended third party beneficiaries of any contract resulting from this RFP and any local government may join or use any contract resulting from this RFP subject to all terms and conditions thereof pursuant to NRS 332.195. The State is not liable for the obligations of any local government which joins or uses any contract resulting from this RFP.

Participating Entities agree to receive services from KAI subject to all terms and conditions of this Participation Agreement and EAP Agreement, attached hereto as Exhibit 1. As a third-party beneficiary to the EAP Agreement, POOL/PACT shall be responsible for all costs and liabilities associated with services provided under this Agreement. The State of Nevada shall not be liable for the obligations of POOL/PACT or any other entity which joins or uses services provided under the EAP Agreement.

2. TERM. The initial term (“Initial Term”) of the Agreement shall commence on July 1, 2020 (“Effective Date”), and shall remain in full force and effect until the earlier of (i) the period of one (1) year from the Effective Date or (ii) the date upon which the EAP Agreement is terminated.

3. RENEWAL. Unless this Participation Agreement is earlier terminated, the Participation Agreement may be renewed by mutual written agreement of KEPRO and POOL/PACT for two (2) renewal terms (each a “Renewal Term”) of no longer than one (1) year each. Any such renewal is limited to the term of the then current EAP Agreement between the State of Nevada and KAI.

4. SERVICES PROVIDED. KAI shall provide the following Employee Assistance Program services.

Employee Overview	
Total Employee Count	12,000
Employee per month	\$0.66 per employee per month
Critical Incident Stress Debriefings	
Critical Incident Stress Debriefings	12 hours allocated
Fee-for-service: Critical Incident Stress Debriefings, in excess of allocated hours	\$275.00 per hour
On-Site Services	
On-site services	24 hours allocated
Fee-for-service: On-site services, in excess of allotted hours	\$250.00 per hour

5. **NOTICE.** All communications, including notices, required or permitted to be given under this Participation Agreement shall be in writing and directed to the parties at the addresses stated below. Notices may be given: (i) by delivery in person; (ii) by a nationally recognized next day courier service, return receipt requested; or (iii) by certified mail, return receipt request. If specifically requested by the party to be notified, valid notice may be given by facsimile transmission or electronic mail to the address(es) such party has specified in writing.

To KAI:

Keystone Peer Review Organization, Inc.
 Attn: Contracts Director
 777 East Park Drive
 Harrisburg, PA 17111

To POOL/PACT:

Wayne Carlson, Executive Director
 201 S. Roop Street, Suite 103
 Carson City, NV 89701
waynecarlson@poolpact.com

With copy sent to: contracts@kepro.com

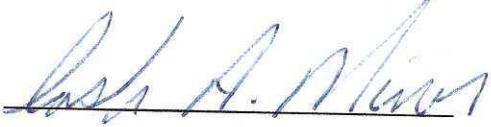
6. **SUCCESSORS AND ASSIGNS.** This Participation Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the Parties hereto.
7. **ENTIRE AGREEMENT.** This Participation Agreement and the EAP Agreement, collectively, are the complete agreement of the Parties and supersede any prior agreements or representations, whether oral or written, with respect to the provision of employee assistance program services.

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KEPRO ACQUISITIONS, INC. ("KAI")

By: _____
Name: Meghan Harris
Title: EVP, Chief Operations Officer
Date: _____

**NEVADA PUBLIC AGENCY INSURANCE
POOL ("POOL")**

By: 
Name: Cash Minor
Title: Chair
Date: 4-21-2020

**PUBLIC AGENCY COMPENSATION
TRUST ("PACT")**

By: _____
Name: Paul Johnson
Title: Chair
Date: _____

IN WITNESS WHEREOF, each party has caused this Participation Agreement to be duly executed by its authorized representative.


KEPRO ACQUISITIONS, INC. ("KAI")

**NEVADA PUBLIC AGENCY INSURANCE
POOL ("POOL")**

By: _____
Name: Meghan Harris
Title: EVP, Chief Operations Officer
Date: _____

By: _____
Name: Cash Minor
Title: Chair
Date: _____

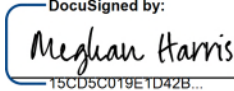
**PUBLIC AGENCY COMPENSATION TRUST
("PACT")**

By: 
Name: Paul Johnson
Title: Chair
Date: 4/24/2020

IN WITNESS WHEREOF, each party has caused this Participation Agreement to be duly executed by its authorized representative.

KEPRO ACQUISITIONS, INC. (“KAI”)

NEVADA PUBLIC AGENCY INSURANCE POOL (“POOL”)

By:  _____
Name: Meghan Harris
Title: EVP, Chief Operations Officer
Date: April 25, 2020 | 6:52 AM PDT

By: _____
Name: Cash Minor
Title: Chairman
Date: _____

PUBLIC AGENCY COMPENSATION TRUST (“PACT”)

By: _____
Name: Paul Johnson
Title: Chairman
Date: _____

EXHIBIT A

CETS#

RFP# 08DOA-S551

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

A Contract Between the State of Nevada
Acting by and Through its

Agency Name:	Department of Administration Human Resource Management
Address:	100 North Stewart Street, Suite 200
City, State, Zip Code:	Carson City, Nevada 89701
Contact:	Carrie Hughes
Phone:	(775) 684-0111
Fax:	(775) 684-0118
Email:	cphughes@admin.nv.gov

Contractor Name:	KEPRO Acquisitions, Inc.
Address:	777 East Park Drive
City, State, Zip Code:	Harrisburg, Pennsylvania 17111
Contact:	Susan Baker
Phone:	(800) 305-3720
Fax:	(866) 480-8341
Email:	sembaker@kepro.com

WHEREAS, NRS 333.700 authorizes officers, departments, institutions, boards, commissions, and other agencies in the Executive Department of the State Government which derive their support from public money in whole or in part to engage, subject to the approval of the Board of Examiners (BOE), services of persons as independent contractors; and

WHEREAS, it is deemed that the service of Contractor is both necessary and in the best interests of the State of Nevada.

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

1. **REQUIRED APPROVAL.** This Contract shall not become effective until and unless approved by the Nevada State Board of Examiners.
2. **DEFINITIONS.**
 - A. "State" – means the State of Nevada and any State agency identified herein, its officers, employees and immune contractors as defined in NRS 41.0307.
 - B. "Contracting Agency" – means the State agency identified above.
 - C. "Contractor" – means the person or entity identified above that performs services and/or provides goods for the State under the terms and conditions set forth in this Contract.
 - D. "Fiscal Year" – means the period beginning July 1st and ending June 30th of the following year.
 - E. "Contract" – Unless the context otherwise requires, "Contract" means this document entitled Contract for Services of Independent Contractor and all Attachments or Incorporated Documents.
 - F. "Contract for Independent Contractor" – means this document entitled Contract for Services of Independent Contractor exclusive of any Attachments or Incorporated Documents.

CETS#

RFP# 08DOA-S551

3. **CONTRACT TERM.** This Contract shall be effective as noted below, unless sooner terminated by either party as specified in *Section 10, Contract Termination*. Contract is subject to Board of Examiners' approval (anticipated to be Date June 11, 2019).

Effective from:	July 1, 2019	To:	June 30, 2021
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4. **NOTICE.** All communications, including notices, required or permitted to be given under this Contract shall be in writing and directed to the parties at the addresses stated above. Notices may be given: (i) by delivery in person; (ii) by a nationally recognized next day courier service, return receipt requested; or (iii) by certified mail, return receipt requested. If specifically requested by the party to be notified, valid notice may be given by facsimile transmission or electronic mail to the address(es) such party has specified in writing.
5. **INCORPORATED DOCUMENTS.** The parties agree that this Contract, inclusive of the following attachments, specifically describes the scope of work. This Contract incorporates the following attachments in descending order of constructive precedence:

ATTACHMENT AA:	STATE SOLICITATION OR RFP # and AMENDMENTS #
ATTACHMENT BB:	INSURANCE SCHEDULE
ATTACHMENT CC:	CONTRACTOR'S RESPONSE

Any provision, term or condition of an Attachment that contradicts the terms of this Contract for Independent Contractor, or that would change the obligations of the State under this Contract for Independent Contractor, shall be void and unenforceable.

6. **CONSIDERATION.** The parties agree that Contractor will provide the services specified in *Section 5, Incorporated Documents* at a cost as noted below:

\$0.66	per	Employee per month (all components as listed in Attachment CC)
\$275.00		Hour – On-site Critical Incident Stress Debriefings beyond the bank of hours listed in Attachment CC
\$250.00		Hour – Additional Training beyond the bank of hours listed in attachment CC

Total Contract or installments payable at:	As invoiced by vendor and accepted by the State
--	---

Total Contract Not to Exceed:	\$401,778.00
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The State does not agree to reimburse Contractor for expenses unless otherwise specified in the incorporated attachments. Any intervening end to a biennial appropriation period shall be deemed an automatic renewal (not changing the overall Contract term) or a termination as the result of legislative appropriation may require.

7. **ASSENT.** The parties agree that the terms and conditions listed on incorporated attachments of this Contract are also specifically a part of this Contract and are limited only by their respective order of precedence and any limitations specified.
8. **BILLING SUBMISSION: TIMELINESS.** The parties agree that timeliness of billing is of the essence to the Contract and recognize that the State is on a Fiscal Year. All billings for dates of service prior to July 1 must be submitted to the state no later than the first Friday in August of the same calendar year. A billing submitted after the first Friday in August, which forces the State to process the billing as a stale claim pursuant to NRS 353.097, will subject Contractor to an administrative fee not to exceed one hundred dollars (\$100.00). The parties hereby agree this is a reasonable estimate of

CETS#

RFP# 08DOA-S551

the additional costs to the state of processing the billing as a stale claim and that this amount will be deducted from the stale claim payment due to Contractor.

9. INSPECTION & AUDIT.

- A. Books and Records. Contractor agrees to keep and maintain under generally accepted accounting principles (GAAP) full, true and complete records, contracts, books, and documents as are necessary to fully disclose to the State or United States Government, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with all State and federal regulations and statutes.
- B. Inspection & Audit. Contractor agrees that the relevant books, records (written, electronic, computer related or otherwise), including, without limitation, relevant accounting procedures and practices of Contractor or its subcontractors, financial statements and supporting documentation, and documentation related to the work product shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location of Contractor where such records may be found, with or without notice by the State Auditor, the relevant State agency or its contracted examiners, the department of Administration, Budget Division, the Nevada State Attorney General's Office or its Fraud Control Units, the state Legislative Auditor, and with regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of the Inspector General, or any of their authorized representatives. All subcontracts shall reflect requirements of this Section.
- C. Period of Retention. All books, records, reports, and statements relevant to this Contract must be retained a minimum three (3) years, and for five (5) years if any federal funds are used pursuant to the Contract. The retention period runs from the date of payment for the relevant goods or services by the state, or from the date of termination of the Contract, whichever is later. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

10. CONTRACT TERMINATION.

- A. Termination Without Cause. Regardless of any terms to the contrary, this Contract may be terminated upon written notice by mutual consent of both parties. The State unilaterally may terminate this contract without cause by giving not less than thirty (30) days' notice in the manner specified in *Section 4, Notice*. If this Contract is unilaterally terminated by the State, Contractor shall use its best efforts to minimize cost to the State and Contractor will not be paid for any cost that Contractor could have avoided.
- B. State Termination for Non-Appropriation. The continuation of this Contract beyond the current biennium is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the State Legislature and/or federal sources. The State may terminate this Contract, and Contractor waives any and all claims(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the contracting Agency's funding from State and/or federal sources is not appropriated or is withdrawn, limited, or impaired.
- C. Termination with Cause for Breach. A breach may be declared with or without termination. A notice of breach and termination shall specify the date of termination of the Contract, which shall not be sooner than the expiration of the Time to Correct, if applicable, allowed under subsection 10D. This Contract may be terminated by either party upon written notice of breach to the other party on the following grounds:
- 1) If Contractor fails to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or services called for by this Contract within the time requirements specified in this Contract or within any granted extension of those time requirements; or
 - 2) If any state, county, city, or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or

CETS#
RFP# 08DOA-S551

- 3) If Contractor becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the Bankruptcy Court; or
 - 4) If the State materially breaches any material duty under this Contract and any such breach impairs Contractor's ability to perform; or
 - 5) If it is found by the State that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of the State of Nevada with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract; or
 - 6) If it is found by the State that Contractor has failed to disclose any material conflict of interest relative to the performance of this Contract.
- D. Time to Correct. Unless the breach is not curable, or unless circumstances do not permit an opportunity to cure, termination upon declared breach may be exercised only after service of formal written notice as specified in *Section 4, Notice*, and the subsequent failure of the breaching party within fifteen (15) calendar days of receipt of that notice to provide evidence, satisfactory to the aggrieved party, showing that the declared breach has been corrected. Upon a notice of breach, the time to correct and the time for termination of the contract upon breach under subsection 10C, above, shall run concurrently, unless the notice expressly states otherwise.
- E. Winding Up Affairs Upon Termination. In the event of termination of this Contract for any reason, the parties agree that the provisions of this Section survive termination:
- 1) The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination;
 - 2) Contractor shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by the Contracting Agency;
 - 3) Contractor shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if so requested by the Contracting Agency;
 - 4) Contractor shall preserve, protect and promptly deliver into State possession all proprietary information in accordance with *Section 21, State Ownership of Proprietary Information*.
11. **REMEDIES.** Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs. For purposes of an award of attorneys' fees to either party, the parties stipulate and agree that a reasonable hourly rate of attorneys' fees shall be one hundred and fifty dollars (\$150.00) per hour. The State may set off consideration against any unpaid obligation of Contractor to any State agency in accordance with NRS 353C.190. In the event that Contractor voluntarily or involuntarily becomes subject to the jurisdiction of the Bankruptcy Court, the State may set off consideration against any unpaid obligation of Contractor to the State or its agencies, to the extent allowed by bankruptcy law, without regard to whether the procedures of NRS 353C.190 have been utilized.
12. **LIMITED LIABILITY.** The State will not waive and intends to assert available NRS Chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Damages for any State breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to Contractor, for the Fiscal Year budget in existence at the time of the breach. Contractor's tort liability shall not be limited.
13. **FORCE MAJEURE.** Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including without limitation, earthquakes, floods, winds, or storms. In

CETS#
RFP# 08DOA-S551

such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Contract after the intervening cause ceases.

14. **INDEMNIFICATION AND DEFENSE.** To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend, not excluding the State's right to participate, the State from and against all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, arising out of any breach of the obligations of Contractor under this contract, or any alleged negligent or willful acts or omissions of Contractor, its officers, employees and agents. Contractor's obligation to indemnify the State shall apply in all cases except for claims arising solely from the State's own negligence or willful misconduct. Contractor waives any rights of subrogation against the State. Contractor's duty to defend begins when the State requests defense of any claim arising from this Contract.
15. **REPRESENTATIONS REGARDING INDEPENDENT CONTRACTOR STATUS.** Contractor represents that it is an independent contractor, as defined in NRS 333.700(2) and 616A.255, warrants that it will perform all work under this contract as an independent contractor, and warrants that the State of Nevada will not incur any employment liability by reason of this Contract or the work to be performed under this Contract. To the extent the State incurs any employment liability for the work under this Contract; Contractor will reimburse the State for that liability.
16. **INSURANCE SCHEDULE.** Unless expressly waived in writing by the State, Contractor must carry policies of insurance and pay all taxes and fees incident hereunto. Policies shall meet the terms and conditions as specified within this Contract along with the additional limits and provisions as described in *Attachment BB*, incorporated hereto by attachment. The State shall have no liability except as specifically provided in the Contract.

Contractor shall not commence work before Contractor has provided the required evidence of insurance to the Contracting Agency. The State's approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent to this Contract. Any failure of the State to timely approve shall not constitute a waiver of the condition.

- A. **Insurance Coverage.** Contractor shall, at Contractor's sole expense, procure, maintain and keep in force for the duration of the Contract insurance conforming to the minimum limits as specified in *Attachment BB*, incorporated hereto by attachment. Unless specifically stated herein or otherwise agreed to by the State, the required insurance shall be in effect prior to the commencement of work by Contractor and shall continue in force as appropriate until:
- 1) Final acceptance by the State of the completion of this Contract; or
 - 2) Such time as the insurance is no longer required by the State under the terms of this Contract; whichever occurs later.

Any insurance or self-insurance available to the State shall be in excess of and non-contributing with, any insurance required from Contractor. Contractor's insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by the State, Contractor shall provide the State with renewal or replacement evidence of insurance no less than thirty (30) days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by the Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as Contractor has knowledge of any such failure, Contractor shall immediately notify the State and immediately replace such insurance or bond with an insurer meeting the requirements.

B. **General Requirements.**

- 1) **Additional Insured:** By endorsement to the general liability insurance policy, the State of Nevada, its officers, employees and immune contractors as defined in NRS 41.0307 shall be named as additional insureds for all liability arising from the Contract.
- 2) **Waiver of Subrogation:** Each insurance policy shall provide for a waiver of subrogation against the State of Nevada, its officers, employees and immune contractors as defined in NRS 41.0307 for losses arising from work/materials/equipment performed or provided by or on behalf of Contractor.
- 3) **Cross Liability:** All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.

CETS#

RFP# 08DOA-S551

- 4) Deductibles and Self-Insured Retentions: Insurance maintained by Contractor shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by the State. Such approval shall not relieve Contractor from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed fifty thousand dollars (\$50,000.00) per occurrence, unless otherwise approved by the Risk Management Division.
- 5) Policy Cancellation: Except for ten (10) days notice for non-payment of premiums, each insurance policy shall be endorsed to state that without thirty (30) days prior written notice to the State of Nevada, c/o Contracting Agency, the policy shall not be canceled, non-renewed or coverage and/or limits reduced or materially altered, and shall provide that notices required by this Section shall be sent by certified mail to the address shown on page one (1) of this contract.
- 6) Approved Insurer: Each insurance policy shall be:
 - a) Issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to the State and having agents in Nevada upon whom service of process may be made; and
 - b) Currently rated by A.M. Best as "A-VII" or better.

C. Evidence of Insurance.

Prior to the start of any work, Contractor must provide the following documents to the contracting State agency:

- 1) Certificate of Insurance: The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to the State to evidence the insurance policies and coverages required of Contractor. The certificate must name the State of Nevada, its officers, employees and immune contractors as defined in NRS 41.0307 as the certificate holder. The certificate should be signed by a person authorized by the insurer to bind coverage on its behalf. The State project/Contract number; description and Contract effective dates shall be noted on the certificate, and upon renewal of the policies listed, Contractor shall furnish the State with replacement certificates as described within *Section 16A, Insurance Coverage*.

Mail all required insurance documents to the State Contracting Agency identified on Page one of the Contract.

- 2) Additional Insured Endorsement: An Additional Insured Endorsement (CG 20 10 11 85 or CG 20 26 11 85), signed by an authorized insurance company representative, must be submitted to the State to evidence the endorsement of the State as an additional insured per *Section 16B, General Requirements*.
- 3) Schedule of Underlying Insurance Policies: If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the underlying Schedule from the Umbrella or Excess insurance policy may be required.
- 4) Review and Approval: Documents specified above must be submitted for review and approval by the State prior to the commencement of work by Contractor. Neither approval by the State nor failure to disapprove the insurance furnished by Contractor shall relieve Contractor of Contractor's full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of Contractor or its subcontractors, employees or agents to the State or others, and shall be in addition to and not in lieu of any other remedy available to the State under this Contract or otherwise. The State reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

17. **COMPLIANCE WITH LEGAL OBLIGATIONS.** Contractor shall procure and maintain for the duration of this Contract any state, county, city or federal license, authorization, waiver, permit qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Contract. Contractor shall provide proof of its compliance upon request of the Contracting Agency. Contractor will be responsible to pay all taxes, assessments, fees, premiums, permits, and licenses required by law. Real property and personal property

CETS#

RFP# 08DOA-S551

taxes are the responsibility of Contractor in accordance with NRS 361.157 and NRS 361.159. Contractor agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract.

18. **WAIVER OF BREACH.** Failure to declare a breach or the actual waiver of any particular breach of the Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.
19. **SEVERABILITY.** If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.
20. **ASSIGNMENT/DELEGATION.** To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by State, such offending portion of the assignment shall be void, and shall be a breach of this Contract. Contractor shall neither assign, transfer nor delegate any rights, obligations nor duties under this Contract without the prior written consent of the State.
21. **STATE OWNERSHIP OF PROPRIETARY INFORMATION.** Any data or information provided by the State to Contractor and any documents or materials provided by the State to Contractor in the course of this Contract (“State Materials”) shall be and remain the exclusive property of the State and all such State Materials shall be delivered into State possession by Contractor upon completion, termination, or cancellation of this Contract.
22. **PUBLIC RECORDS.** Pursuant to NRS 239.010, information or documents received from Contractor may be open to public inspection and copying. The State has a legal obligation to disclose such information unless a particular record is made confidential by law or a common law balancing of interests. Contractor may label specific parts of an individual document as a “trade secret” or “confidential” in accordance with NRS 333.333, provided that Contractor thereby agrees to indemnify and defend the State for honoring such a designation. The failure to so label any document that is released by the State shall constitute a complete waiver of any and all claims for damages caused by any release of the records.
23. **CONFIDENTIALITY.** Contractor shall keep confidential all information, in whatever form, produced, prepared, observed or received by Contractor to the extent that such information is confidential by law or otherwise required by this Contract.
24. **FEDERAL FUNDING.** In the event federal funds are used for payment of all or part of this Contract, Contractor agrees to comply with all applicable federal laws, regulations and executive orders, including, without limitation the following:
 - A. Contractor certifies, by signing this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to Executive Orders 12549 and 12689 and Federal Acquisition Regulation subpart 9.4, and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.
 - B. Contractor and its subcontracts shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder, including 28 C.F.R. Section 35, inclusive, and any relevant program-specific regulations.
 - C. Contractor and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964 (P.L. 88-352), as amended, the Rehabilitation Act of 1973 (P.L. 93-112), as amended, and any relevant program-specific regulations, and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions.)
25. **LOBBYING.** The parties agree, whether expressly prohibited by federal law, or otherwise, that no funding associated with this Contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:
 - A. Any federal, state, county or local agency, legislature, commission, council or board;

CETS#
RFP# 08DOA-S551

- B. Any federal, state, county or local legislator, commission member, council member, board member, or other elected official; or
 - C. Any officer or employee of any federal, state, county or local agency; legislature, commission, council or board.
26. **GENERAL WARRANTY.** Contractor warrants that all services, deliverables, and/or work products under this Contract shall be completed in a workmanlike manner consistent with standards in the trade, profession, or industry; shall conform to or exceed the specifications set forth in the incorporated attachments; and shall be fit for ordinary use, of good quality, with no material defects.
27. **PROPER AUTHORITY.** The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. Contractor acknowledges that as required by statute or regulation this Contract is effective only after approval by the State Board of Examiners and only for the period of time specified in the Contract. Any services performed by Contractor before this Contract is effective or after it ceases to be effective are performed at the sole risk of Contractor.
28. **DISCLOSURES REGARDING CURRENT OR FORMER STATE EMPLOYEES.** For the purpose of State compliance with NRS 333.705, Contractor represents and warrants that if Contractor, or any employee of Contractor who will be performing services under this Contract, is a current employee of the State or was employed by the State within the preceding 24 months, Contractor has disclosed the identity of such persons, and the services that each such person will perform, to the Contracting Agency.
29. **ASSIGNMENT OF ANTITRUST CLAIMS.** Contractor irrevocably assigns to the State any claim for relief or cause of action which Contractor now has or which may accrue to Contractor in the future by reason of any violation of State of Nevada or federal antitrust laws in connection with any goods or services provided under this Contract.
30. **GOVERNING LAW: JURISDICTION.** This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. The parties consent to the exclusive jurisdiction of and venue in the First Judicial District Court, Carson City, Nevada for enforcement of this Contract, and consent to personal jurisdiction in such court for any action or proceeding arising out of this Contract.
31. **ENTIRE CONTRACT AND MODIFICATION.** This Contract and its integrated attachment(s) constitute the entire agreement of the parties and as such are intended to be the complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the Office of the Attorney General and the State Board of Examiners. This Contract, and any amendments, may be executed in counterparts.

CETS#
RFP# 08DOA-S551

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

Susan T. Weaver

Apr 26, 2019

Susan T. Weaver, MD, FACP President

Independent Contractor's Signature

Date

Independent Contractor's Title

Patricia Long

5/7/19

Administrator, DHRM

State of Nevada Authorized Signature

Date

Title

State of Nevada Authorized Signature

Date

Title

Kevin D. Doty

5/7/19

Acting Administrator

State of Nevada Authorized Signature

Date

Title

Susan C. Bon

APPROVED BY BOARD OF EXAMINERS

Signature - Board of Examiners

On:

6-13-19

Date

Approved as to form by:

On:

7 May 19

Deputy Attorney General for Attorney General

Date

ATTACHMENT BB
INSURANCE SCHEDULE

ATTACHMENT BB INSURANCE SCHEDULE

INDEMNIFICATION CLAUSE:

Contractor shall indemnify, hold harmless and, not excluding the State's right to participate, defend the State, its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against all liabilities, claims, actions, damages, losses, and expenses including without limitation reasonable attorneys' fees and costs, (hereinafter referred to collectively as "claims") for bodily injury or personal injury including death, or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State.

INSURANCE REQUIREMENTS:

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, his agents, representatives, employees or subcontractors and Contractor is free to purchase additional insurance as may be determined necessary.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

1. **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage and broad form contractual liability coverage.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Each Occurrence \$1,000,000

- a. The policy shall be endorsed to include the following additional insured language: "The State of Nevada shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".

2. **Automobile Liability**

Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL) \$1,000,000

- a. The policy shall be endorsed to include the following additional insured language: "The State of Nevada shall be named as an additional insured with respect to liability arising out of the activities

performed by, or on behalf of the Contractor, including automobiles owned, leased, hired or borrowed by the Contractor".

3. **Worker's Compensation and Employers' Liability**

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$100,000
Disease – Each Employee	\$100,000
Disease – Policy Limit	\$500,000

- a. Policy shall contain a waiver of subrogation against the State of Nevada.
- b. This requirement shall not apply when a contractor or subcontractor is exempt under N.R.S., **AND** when such contractor or subcontractor executes the appropriate sole proprietor waiver form.

4. **Professional Liability (Errors and Omissions Liability)**

The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract.

Each Claim	\$1,000,000
Annual Aggregate	\$3,000,000

- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

- 1. On insurance policies where the State of Nevada, Department (Division) of Personnel is named as an additional insured, the State of Nevada shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
- 2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided or canceled except after thirty (30) days prior written notice has been given to the State, except when cancellation is for non-payment of premium, then ten (10) days prior notice may be given. Such notice shall be sent directly to **Human Resource Management (Employee & Management Services), Attn: Carrie P. Hughes, 100 N. Stewart St., Ste 200, Carson City, NV 89701.** .

D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Nevada and with an "A.M. Best" rating of not less than A-VII. The State in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the State with certificates of insurance (ACORD form or equivalent approved by the State) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and any required endorsements are to be received and approved by the State before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.

All certificates required by this Contract shall be sent directly to **Human Resource Management (Employee & Management Services), Attn: Carrie P. Hughes, 100 N. Stewart St., Ste 200, Carson City, NV 89701.** The State project/contract number and project description shall be noted on the certificate of insurance. The State reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insureds under its policies or Contractor shall furnish to the State separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the Risk Management Division or the Attorney General's Office, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

_____	_____	_____
Independent Contractor's Signature	Date	Independent's Contractor's Title
_____	_____	_____
Signature- State of Nevada	Date	Title

EXHIBIT B

Business Associate Agreement

THIS BUSINESS ASSOCIATE AGREEMENT (“Agreement”), effective **July 1, 2020** (“Effective Date”) is made by and between Nevada Public Agency Insurance Pool and the Public Agency Compensation Trust (hereinafter referred to as “Plan Sponsor” or “POOL/PACT”) on behalf of the **POOL/PACT EAP Services Plan** (hereinafter referred to as “the Plan”) and **KEPRO Acquisitions, Inc.** (hereinafter referred to as “Business Associate”) (collectively the “Parties”). in order to comply with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as amended and its implementing privacy, security and breach notification regulations (“HIPAA”), including as amended by Subtitle D of the Health Information Technology for Economic and Clinical Health Act in Public Law 111-5, 42 U.S.C. § 17921-54 and its implementing regulations, each as amended (collectively, the “HITECH Act”), and any other applicable state and federal confidentiality laws, as they may be amended from time to time.

WHEREAS, the parties to this Agreement desire to establish the terms under which Business Associate may use or disclose Protected Health Information (as defined herein) such that the Plan may comply with applicable requirements of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (45 C.F.R. Parts 160-164) (“HIPAA Privacy Regulation” and/or “HIPAA Security Regulation”) and the requirements of the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009 (the “HITECH Act”), that are applicable to business associates, along with any guidance and/or regulations issued by the U.S. Department of Health and Human Services.

WHEREAS, Plan Sponsor has established and maintains an EAP service plan of health care benefits which is an employee welfare benefit plan as defined by Section 3(1) of the Employee Retirement Income Security Act of 1974 (“ERISA”), and, therefore, a health plan under HIPAA;

WHEREAS, Plan Sponsor has contracted with Business Associate to provide certain EAP services with respect to the Plan which are described and set forth in the Employee Assistance Program Agreement (“EAP Agreement”), as amended from time to time;

WHEREAS, Plan Sponsor is authorized to enter into this agreement on behalf of Plan;

NOW, THEREFORE, in consideration of the following mutual covenants and agreements contained herein, it is understood and agreed by and between the Parties as follows:

**ARTICLE 1
DEFINITIONS**

Terms used herein, but not otherwise defined, shall have meaning ascribed by Title 45, Parts 160 and 164, of the United States Code of Federal Regulations, as amended from time to time. Should any term set forth in 45 CFR Parts 160 or 164 conflict with any defined term herein, the definition found in 45 CFR Parts 160 or 164 shall prevail.

1.1 Breach. “Breach” means the acquisition, access, use, or disclosure of PHI in a manner not permitted which compromises the security or privacy of such information as defined and subject to the exceptions set forth in 45 CFR § 164.402.

1.2 Breach Notification Rule. “Breach Notification Rule” means the HIPAA Regulations pertaining to breaches of unsecured PHI as codified in 45 CFR Parts 160 and 164.

1.3 Designated Record Set. “Designated Record Set” means a group of records maintained by or for a covered entity, as defined by the HITECH Act, that is: (i) the medical records and billing records about Individuals maintained by or for a covered health care provider; (ii) the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or (iii) used, in whole or in part, by or for the covered entity to make decisions about Individuals. For purposes of this definition, the term “record” means any item, collection, or grouping of information that includes protected health information and is maintained, collected, used, or disseminated by or for a covered entity.

1.4 Electronic PHI. “Electronic PHI” or “E PHI” means PHI that is transmitted by or maintained in electronic media as defined by the Security Rule.

1.5 Individual. “Individual” means the same as the term “individual” in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502 (g).

1.6 Law. “Law” means all applicable federal and state statutes and all relevant regulations.

1.7 Privacy Rule. “Privacy Rule” means the Standards for Privacy of Individually Identifiable Health Information at 45 CFR parts 160 and 164, subparts A and E.

1.8 Protected Health Information (“PHI”). “Protected Health Information” or PHI has the same meaning as the term “Protected Health Information” in 45 CFR § 160.103, limited to the information created or received by Business Associate from or on behalf of the Plan.

1.9 Secretary. “Secretary” means the Secretary of the Department of Health and Human Services or his or her designee.

1.10 Security Incident. “Security Incident” shall have the meaning set out in the Security Rule. Generally, a “Security Incident” shall mean any attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or systems operations in an electronic information system.

1.11 Security Rule. “Security Rule” means the Security Standards and Implementation Specifications at 45 CFR parts 160 and 164, subparts A and C, as they may be amended from time to time.

1.12 Unsecured PHI. “Unsecured PHI” means PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of either the encryption method or the destruction method, as defined in Department of Health and Human Services (“HHS”) guidance published on April 27, 2009 (74 FR 19006) and modified by guidance published on August 24, 2009 (74 FR 42740), as amended. Unsecured PHI can include information in any form or medium, including electronic, paper or oral.

ARTICLE 2 BUSINESS ASSOCIATE OBLIGATIONS

Business Associate agrees to comply with applicable federal and state confidentiality and security laws, specifically the provisions of the HITECH Act applicable to business associates (as defined by the HITECH Act), including:

2.1 Use and Disclosure of PHI. Except as otherwise permitted by this Agreement or applicable law, Business Associate shall not use, maintain, transmit or disclose PHI except as necessary to provide services to or on behalf of the Plan and except as required by Law. Business Associate may use and disclose PHI as necessary for the proper management and administration of Business Associate, or to carry out its legal responsibilities. Business Associate shall in such cases:

2.1.1 provide information to members of its workforce using or disclosing PHI regarding the confidentiality requirements in the HITECH Act and this Agreement;

2.1.2 obtain reasonable assurances from the person or entity to whom the PHI is disclosed that: (i) the PHI will be held confidential and further used and disclosed only as required by Law or for the purpose for which it was disclosed to the person or entity; and (ii) the person or entity will notify Business Associate of any instances of which it is aware in which confidentiality of the PHI has been breached;

2.1.3 agree to notify the Plan of any instances of which it is aware in which the PHI is used or disclosed for a purpose that is not otherwise provided for in this Agreement or for a purpose not expressly permitted by the HITECH Act.

2.2 Disclosure to Business Associate's Agents and Subcontractors. If Business Associate discloses PHI to agents, including a subcontractor, Business Associate shall require the agent or subcontractor to agree to the same restrictions and conditions as apply to Business Associate under this Agreement and to comply with the applicable requirements of the Privacy Rule, Security Rule, HITECH Act, Breach Notification Rule and other Law with respect to such information. Business Associate shall ensure that any agent, including a subcontractor, agrees to implement reasonable and appropriate safeguards to protect the confidentiality, integrity, and availability of the EPHI that it creates, receives, maintains, stores, uses or transmits on behalf of the Plan in accordance with Law. Business Associate shall be liable to the Plan for any acts, failures or omissions of the agent or subcontractor in providing the services as if they were Business Associate's own acts, failures or omissions, to the extent permitted by law. Business Associate further expressly warrants that its agents or subcontractors will be specifically advised of, and will comply in all respects with, the terms of this Agreement.

2.3 Disclosure to Plan and Plan Sponsor (and their Subcontractors). Other than disclosures permitted by Section 2.1 above, Business Associate will not disclose Individuals' Protected Health Information to the Plan, its Plan Sponsor, or any business associate or subcontractor of such parties except as set forth in Section 2.11.

2.4 Data Aggregation. In the event that Business Associate works for more than one covered entity, Business Associate is permitted to use and disclose PHI for data aggregation purposes, subject to the requirements of HIPAA and the HITECH Act.

2.5 Withdrawal of Authorization. If the use or disclosure of PHI in this Agreement is based upon an Individual's specific authorization for the use or disclosure of his or her PHI, and the Individual revokes such authorization, the effective date of such authorization has expired, or such authorization is found to be defective in any manner that renders it invalid, Business Associate shall, if it has notice of such revocation, expiration or invalidity, cease the use and disclosure of the Individual's PHI except to the extent it has relied on such use or disclosure, or if an exception under the HITECH Act expressly applies.

2.6 Safeguards. Business Associate agrees to maintain appropriate safeguards as required by Law, including without limitation, a written security program that contains the necessary administrative, physical and technical safeguards to ensure that PHI or EPHI is not used, maintained, transmitted or

disclosed other than as provided by this Agreement or as required by Law. Business Associate shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of any EPHI it creates, receives, maintains, stores, uses, transmits or discloses on behalf of the Plan in accordance with Law.

Business Associate shall ensure, at a minimum, that:

2.6.1 PHI or EPHI will be maintained in locked and secured areas when PHI or EPHI is not in use;

2.6.2 Facsimile machines receiving EPHI shall not be located in a public area;

2.6.3 EPHI stored electronically shall be password protected;

2.6.4 PHI and EPHI will not be shared with outside organizations; and

2.6.5 PHI and EPHI will be used internally on a need to know basis only.

2.7 Individual Rights

2.7.1 Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for the Plan to respond to a request by an Individual for an accounting of disclosures of PHI as required by and in accordance with 45 CFR § 164.528 as amended by the HITECH Act and its implementing regulations. Business Associate, in accordance with 45 CFR § 164.528, does not need to document disclosures of PHI that are for treatment, payment or healthcare operations or disclosures that are incidental to another permissible disclosure. If Business Associate or its agents or subcontractors uses or maintains PHI in an electronic record of health-related information created, gathered or maintained or consulted by authorized health care clinicians and staff, then Business Associate and its agents and subcontractors shall document and make available to the Plan the information required to provide an accounting of disclosures to enable the Plan to fulfill its obligations under the HITECH Act as of the date compliance is required under the HITECH Act or its implementing regulations, including disclosures and uses relating to treatment, payment and health care operations.

2.7.2 Business Associate agrees to provide to the Plan, within thirty days of the request, in a mutually agreed upon form, information collected in accordance with 2.7.1 above to the extent required to permit the Plan to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528, as amended by the HITECH Act. The Plan shall provide to Business Associate within 30 days of the effective date of this Agreement, a written explanation of the Plan's requirements under this section (b) in sufficient detail to enable the Plan to comply with such requirements. The Plan agrees to respond promptly to requests from Business Associate for clarification of such requirements, and Business Associate may rely on such responses. The Parties agree to work together in good faith to resolve any disagreement over the requirements of 45 CFR § 164.528, as amended by the HITECH Act. The Plan will be responsible for the reasonable costs incurred by Business Associate to respond to a request for an accounting of disclosures. The Plan, rather than Business Associate, will directly handle all requests for accounting from an Individual. Business Associate shall promptly forward all requests for accounting it receives from Individuals to the Plan.

2.7.3 Business Associate shall, at the request of the Plan, provide PHI maintained in a Designated Record Set to the Plan or, as directed by the Plan, to an Individual in order to meet

the requirements of an Individual's right of access and requests for access to his or her PHI. An Individual's right of access to PHI includes the right to access EPHI contained in an electronic health record. The Plan will be responsible for the reasonable costs incurred by Business Associate to respond to a request for access. The provision of access to the Individual's PHI or EPHI and any denials of access to PHI or EPHI shall be the sole responsibility of the Plan. If Business Associate or its agents or subcontractors maintains or uses PHI, then promptly after receipt of a request from the Plan, Business Associate shall make a copy of such PHI available to the Plan in an electronic format in order to enable the Plan to fulfill its obligations under the HITECH Act and the Privacy Rule.

2.8 De-identified Information. Business Associate may use and disclose de-identified health information if (i) the use is disclosed to the Plan and permitted by law and (ii) the de-identification is in compliance with 45 CFR §164.502(d) and (iii) the de-identified health information meets the standard and implementation specifications for de-identification under 45 CFR §164.514(a) and (b).

2.9 Minimum Necessary. Business Associate shall attempt to ensure that all uses and disclosures of PHI are subject to the principle of "minimum necessary use and disclosure," i.e., that only PHI that is the minimum necessary to accomplish the intended purpose of the use, disclosure or request is used or disclosed.

2.10 Notice of Privacy Practices. Business Associate shall abide by the limitations of the Plan's notice of privacy practices ("Notice of Privacy Practices") of which it has knowledge. Any use or disclosure permitted by this Agreement may be amended by changes to the Plan's Notice of Privacy Practices; provided, however, that the amended Notice of Privacy Practices shall not affect permitted uses and disclosures on which Business Associate relied prior to receiving notice of such amended Notice of Privacy Practices.

2.11 Disclosures of Protected Health Information. The following provisions apply to disclosures of Protected Health Information to the Plan, Plan Sponsor and other business associates of the Plan.

2.11.1 Disclosure to Plan. Unless otherwise provided by this Section 2.11, all communications of Protected Health Information by Business Associate shall be directed to the Plan.

2.11.2 Disclosure to Plan Sponsor. Business Associate may provide Summary Health Information regarding the Individuals in the Plan to Plan Sponsor upon Plan Sponsor's written request for the purpose either (a) to obtain premium bids for providing health insurance coverage for the Plan, or (b) to modify, amend or terminate the Plan. Business Associate may provide information to Plan Sponsor on whether an individual is participating in the Plan or is enrolled in or has disenrolled from any insurance coverage offered by the Plan.

2.11.3 Disclosure to Other Business Associates and Subcontractors. Business Associate may disclose Individuals' Protected Health Information to other entities or business associates of the Plan if the Plan authorizes Business Associate in writing to disclose Individuals' Protected Health Information to such entity or business associate. The Plan shall be solely responsible for ensuring that any contractual relationships with these entities or business associates and subcontractors comply with the requirements of 45 Code of Federal Regulations § 164.504(e) and § 164.504(f).

2.12 Security Incident / Unauthorized Disclosure of PHI.

2.12.1 Business Associate shall report to the Plan any instances, including Security Incidents, of which it is aware in which PHI or EPHI is used or disclosed for a purpose that is not otherwise

provided for in this Agreement. In the event that Business Associate knows of: (i) any suspected Breach of any individual PHI or EPHI; (ii) a Security Incident (i.e. PHI was inappropriately used, disclosed, released or obtained) or (iii) a Breach of Unsecured PHI, Business Associate shall notify the Plan in writing within five (5) calendar days of such Breach. Notification shall include detailed information about the Breach, including, but not limited to, the nature and circumstances of such Breach, the means by which PHI or EPHI was or may have been breached (e.g. stolen laptop; breach of security protocols; unauthorized access to computer systems, etc.), the names and contact information of all individuals affected or reasonably believed by the Business Associate to be affected, and such other information as the Plan may reasonably request. Any delay in notification must include evidence demonstrating the necessity of the delay. The notice shall also set forth the remedial action taken or proposed to be taken with respect to such prohibited use or disclosure. Business Associate and the Plan agree to act together in good faith to take reasonable steps to investigate and mitigate any harm caused by such unauthorized use or successful Security Incident. The Party responsible for the breach shall bear the cost of any required notifications and corrective actions (e.g. credit monitoring services). The Business Associate will provide the Plan with any reasonable information known by Business Associate that the Plan needs for the required notifications under the Breach Notification Rule. The Plan shall have responsibility for determining that an incident is a Breach, including the requirement to perform a risk assessment. However, the Business Associate is expected to perform a risk assessment and provide such assessment to the Plan. Further, Business Associate shall provide and pay for required notifications to Individuals, HHS and/or the media, as requested by the Plan.

2.12.2 Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI or EPHI by Business Associate in violation of the requirements of this Agreement.

2.13 Prohibited Actions. With respect to PHI and EPHI, Business Associate agrees to:

2.13.1 not directly or indirectly receive remuneration in exchange for any PHI as prohibited by, and subject to the exceptions under the HITECH Act, Privacy Rule, and state law as of their respective compliance dates.

2.13.2 not make or cause to be made any communication about a product or service that encourages recipients of the communication to purchase or use the product or service as prohibited by, and subject to the exceptions under the HITECH Act and the Privacy Rule, as of their respective compliance dates. Business Associate agrees to comply with applicable federal and state Law regarding marketing communications involving the use of disclosure of PHI; and

2.12.3 not make or cause to be made any written fundraising communications that is a Health Care Operation without provision, in a clear and conspicuous manner, of an opportunity for the recipient to elect not to receive further fundraising communications in accordance with the HITECH Act and the Privacy Rule as of their respective compliance dates. Business Associate further agrees to comply with all applicable Law regarding the use of PHI for fundraising communications.

ARTICLE 3 THE PLAN'S OBLIGATIONS

3.1 If applicable to the Plan under the Law, the Plan shall:

3.1.1 provide Business Associate a copy of its Notice of Privacy Practices produced by the Plan in accordance with 45 CFR 164.520 as well as any changes to such notice;

3.1.2 provide Business Associate with any changes in, or revocation of, authorizations by Individuals relating to the use and/or disclosure of PHI, if such changes affect Business Associate's permitted or required uses and/or disclosures;

3.1.3 notify Business Associate of any restriction to the use and/or disclosure of PHI to which the Plan has agreed in accordance with 45 CFR 164.522;

3.1.4 notify Business Associate of any amendment to PHI to which the Plan has agreed that affects a Designated Record Set maintained by Business Associate; and

3.1.5 if Business Associate maintains a Designated Record Set, provide Business Associate with a copy of its policies and procedures related to an Individual's right to: access PHI; request an amendment to PHI; request confidential communications of PHI; or request an accounting of disclosures of PHI.

ARTICLE 4 MUTUAL OBLIGATIONS

4.1 Confidential Information. Both Parties acknowledge that in the course of performing under this Agreement, each Party may learn or receive confidential, trade secret or other proprietary information ("Confidential Business Information") concerning the other Party, or third parties to whom the other Party has an obligation of confidentiality. Each Party shall take all necessary steps to provide the maximum protection to the other Party's Confidential Business Information and records. Each Party agrees to take at least such precautions to protect the other Party's Confidential Business Information as it takes to protect its own Confidential Business Information, but shall in no instance less than a reasonable degree of care. Such information shall not be disclosed to third parties without the express written consent of the Party to whom the information belongs. The Parties shall not utilize any Confidential Business Information belonging to the other Party other than as expressly permitted by this Agreement or otherwise in writing. Each Party shall retain sole ownership of its own Confidential Business Information.

4.2 Electronic Transactions and Code Sets. Both Parties understand and agree that they are required to comply with the HIPAA Standards for Electronic Transactions, 45 CFR Parts 160 and 162 (HIPAA Electronic Transaction Law) as amended from time to time. The HIPAA Electronic Transaction Law requires Business Associate to conduct certain transactions as "standard transactions" using defined medical data code sets. Business Associate agrees that it will require its subcontractors, vendors, and independent contractors to comply with HIPAA Electronic Transaction Law as applicable. Business Associate agrees that it will not:

4.2.1 change the definition, data condition, or use of a data element or segment in a standard;

4.2.2 add any data elements or segments to the maximum defined data set;

4.2.3 use any code or data elements that are either marked "not used" or not included in the standard's implementation specification(s); or

4.2.4 change the meaning or intent of the standard's implementation specification(s).

4.3 Upon the enactment after the date of this Agreement of any Law or regulation affecting the use or disclosure of PHI, or the publication after the date of this Agreement of any decision of a court of the United States relating to any such Law, or the publication after the date of this Agreement of any interpretive policy or

opinion of any governmental agency charged with the enforcement of any such Law or regulation, the Plan and Business Associate shall jointly agree to negotiate in good faith to amend this Agreement in such manner as necessary to comply with such Law or regulation. If the Plan and Business Associate cannot come to an agreement within thirty (30) calendar days following the initial amendment discussion between the Plan and Business Associate, this Agreement will terminate upon written notice to the other Party.

ARTICLE 5 TERM AND TERMINATION

5.1 This Agreement will continue in full force and effect for as long as the EAP Agreement remains in full force and effect. This Agreement will terminate upon the cancellation, termination, expiration or other conclusion of the EAP Agreement.

5.2 Termination for Breach. Either Party may terminate this Agreement in the event of material breach by the other Party, upon thirty (30) days' prior written notice, unless the breach is cured during the notice period

5.3 Effect of Termination. Upon termination of this Agreement for any reason, Business Associate agrees to return or destroy all PHI maintained by Business Associate in any form. If Business Associate determines that the return or destruction of PHI is not feasible, Business Associate shall inform the Plan in writing of the reason thereof, and shall agree to extend the protections of this Agreement to such PHI and limit further uses and disclosures of the PHI to those purposes that make the return or destruction of the PHI not feasible for so long as Business Associate retains the PHI.

ARTICLE 6 MISCELLANEOUS

6.1 Rights of Proprietary Information. The Plan retains any and all rights to the proprietary information, confidential information, and PHI it releases to Business Associate.

6.2 Survival. The respective rights and obligations of Business Associate with regard to the return of records to the Plan shall survive the termination of the Agreement.

6.3 Notices. Any notices pertaining to this Agreement shall be given in writing and shall be deemed duly given when personally delivered to a Party or a Party's authorized representative at the respective address indicated herein or sent by means of a reputable overnight carrier or certified mail, return receipt requested, postage prepaid. A notice sent by certified mail shall be deemed given on the date of receipt or refusal of receipt.

6.4 Amendments. This Agreement may not be changed or modified in any manner except by an instrument in writing signed by a duly authorized officer of each of the Parties hereto. Amendments as determined by the Plan to be necessary to effect compliance with legislative, regulatory, or other legal authority do not require the consent of Business Associate and shall be effective immediately upon Business Associate's receipt from the Plan of notice of amendment.

6.5 Choice of Law. This Agreement and the rights and the obligations of the Parties hereunder shall be governed by and construed under the laws of the Commonwealth of Pennsylvania, without regard to applicable conflict of laws principles.

6.6 Assignment of Rights and Delegation of Duties. This Agreement is binding upon and inures to the benefit of the Parties hereto and their respective successors and permitted assigns. However, neither

Party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Notwithstanding any provisions to the contrary, however, the Plan retains the right to assign or delegate any of its rights or obligations hereunder to any of its wholly owned subsidiaries, affiliates, or successor companies. Assignments made in violation of this provision are null and void.

6.7 Nature of Agreement. Nothing in this Agreement shall be construed to create (i) a partnership, joint venture or other joint business relationship between the Parties or any of their affiliates, (ii) any fiduciary duty owed by one Party to another Party or any of its affiliates, or (iii) a relationship of Plan Sponsor and employee between the Parties.

6.8 No Waiver. Failure or delay on the part of either Party to exercise any right, power, privilege, or remedy hereunder shall not constitute a waiver thereof. No provision of this Agreement may be waived by either Party except by a writing signed by an authorized officer of the Party making the waiver.

6.9 Severability. The provisions of this Agreement shall be severable, and if any provision of this Agreement shall be held or declared to be illegal, invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect as though such illegal, invalid or unenforceable provision had not been contained herein.

6.10 No Third Party Beneficiaries. Nothing in this Agreement shall be considered or construed as conferring any right or benefit on a person not Party to this Agreement nor imposing any obligations on either Party hereto to persons not a Party to this Agreement.

6.11 Headings. The descriptive headings of the articles, sections, subsections, exhibits, and schedules of this Agreement are inserted for convenience only, do not constitute a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement. All pronouns and any variations thereof are deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or persons may require.

6.12 Entire Agreement. This Agreement, together with all the exhibits, riders and amendments, if applicable, which are fully completed and signed by authorized persons on behalf of both Parties from time to time while this Agreement is in effect, constitutes the entire Agreement between the Parties hereto with respect to the subject matter hereof and supersedes all previous or contemporaneous written or oral understandings, agreements, negotiations, commitments, and any other writing and communication by or between the Parties with respect to the subject matter hereof. In the event of any inconsistencies between any provisions of this Agreement in any provisions of the Exhibits or Riders, the provisions of this Agreement shall control.

6.13 Regulatory References. A citation in this Agreement to the Code of Federal Regulations means the cited section as that section may be amended from time to time.

6.14 Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits the Plan to comply with the HITECH Act. The provisions of this Agreement shall prevail over the provisions of any other agreement that exists between the Parties that may conflict with, or appear inconsistent with, any provision of this Agreement or the HITECH Act.

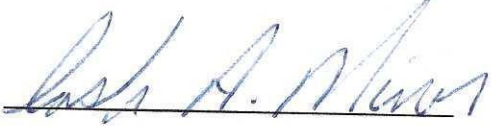
KEPRO ACQUISITIONS, INC. (“KAI”)

**NEVADA PUBLIC AGENCY INSURANCE
POOL (“POOL”)**

KEPRO ACQUISITIONS, INC. ("KAI")

By: _____
Name: Meghan Harris
Title: EVP, Chief Operations Officer
Date: _____

NEVADA PUBLIC AGENCY INSURANCE POOL ("POOL")

By: 
Name: Cash Minor
Title: Chair
Date: 4-21-2020

PUBLIC AGENCY COMPENSATION TRUST ("PACT")

By: _____
Name: Paul Johnson
Title: Chair
Date: _____


KEPRO ACQUISITIONS, INC. ("KAI")

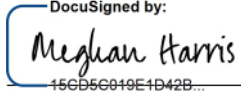
By: _____
Name: Meghan Harris
Title: EVP, Chief Operations Officer
Date: _____

**NEVADA PUBLIC AGENCY INSURANCE
POOL ("POOL")**

By: _____
Name: Cash Minor
Title: Chair
Date: _____

**PUBLIC AGENCY COMPENSATION
TRUST ("PACT")**

By: 
Name: Paul Johnson
Title: Chair
Date: 4/24/2020

By:  _____
Name: Meghan Harris
Title: EVP, Chief Operations Officer
Date: April 25, 2020 | 6:52 AM PDT

By: _____
Name: Cash Minor
Title: Chairman
Date: _____

PUBLIC AGENCY COMPENSATION TRUST (“PACT”)

By: _____
Name: Paul Johnson
Title: Chairman
Date: _____

Certificate Of Completion

Envelope Id: C65791D7E3564F83BF1CFB3DB9454E30	Status: Completed
Subject: Please DocuSign: Nevada POOL.PACT EAP Participation Agreement	
Source Envelope:	
Document Pages: 30	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Dave Clifford
Time Zone: (UTC-06:00) Central Time (US & Canada)	777 East Park Drive
	Harrisburg, PA 17111
	dclifford@kepro.com
	IP Address: 68.47.230.138


Record Tracking

Status: Original April 24, 2020 17:36	Holder: Dave Clifford dclifford@kepro.com	Location: DocuSign
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Signer Events

Meghan Harris
mharris@kepro.com
Uu
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

15CD5C019E1D42B...
Signature Adoption: Pre-selected Style
Using IP Address: 68.47.218.149

Timestamp

Sent: April 24, 2020 | 17:43
Viewed: April 25, 2020 | 08:52
Signed: April 25, 2020 | 08:52

Electronic Record and Signature Disclosure:
Accepted: March 9, 2020 | 12:01
ID: ba4486cc-4713-4e1e-8bd2-7c019f93ebc2

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Veronica Morrow
vmorrow@kepro.com
Security Level: Email, Account Authentication (None)

COPIED

Sent: April 25, 2020 | 08:52

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Suzi Brennan
sbrennan@kepro.com
Security Level: Email, Account Authentication (None)

COPIED

Sent: April 25, 2020 | 08:52
Viewed: April 25, 2020 | 10:03

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	April 25, 2020 08:52
Certified Delivered	Security Checked	April 25, 2020 08:52
Signing Complete	Security Checked	April 25, 2020 08:52
Completed	Security Checked	April 25, 2020 08:52

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, KEPRO (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact KEPRO:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: mpalmer@kepro.com

To advise KEPRO of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at mpalmer@kepro.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from KEPRO

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to mpalmer@kepro.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with KEPRO

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to mpalmer@kepro.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify KEPRO as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by KEPRO during the course of your relationship with KEPRO.

**AMENDMENT 1 TO
STATE OF NEVADA, DEPARTMENT OF ADMINISTRATION
PARTICIPATION AGREEMENT
EMPLOYEE ASSISTANCE PROGRAM**

This Amendment 1 (herein “Amendment”), effective July 1, 2021 (“Effective Date”), is made by and between KEPRO Acquisitions, Inc. (herein “KAI”) and Nevada Public Agency Insurance Pool and the Public Agency Compensation Trust (collectively “POOL/PACT” or “Participating Entities”).

WHEREAS, KAI and POOL/PACT have entered into a Participation Agreement for Employee Assistance Program services (the “Agreement”), effective July 1, 2020; and

WHEREAS, KAI and POOL/PACT now wish to amend the terms of the Agreement to extend the Term.

NOW, THEREFORE, in exchange for valuable consideration and mutual covenants herein, the parties hereby agree as follows:

1. Term. Section 2, Term shall be deleted in its entirety and replaced with the following:
 2. **TERM**. The term (“Term”) of the Agreement shall commence on July 1, 2020 (“Effective Date”), and shall remain in full force and effect until the earlier of (i) the period of two (2) years from the Effective Date or (ii) the date upon which the EAP Agreement is terminated.
2. Renewal. Section 3 shall be deleted in its entirety and replaced with the following:
 3. **RENEWAL**. Unless this Participation Agreement is earlier terminated, the Participation Agreement may be renewed by mutual written agreement of KAI and POOL/PACT for one (1) renewal term (each a “Renewal Term”) of no longer than one (1) year each. Any such renewal is limited to the term of the then current EAP Agreement between the State of Nevada and KAI.
3. Effect. Other than as modified by this Amendment, the Agreement shall remain in effect as set forth therein. Any conflict between this Amendment and the Agreement shall be resolved in favor of this Amendment.
4. Counterparts. KAI and POOL/PACT acknowledge that they have not been induced to enter into this Agreement by any representation or warranty not set forth in this Agreement. This Agreement contains the entire agreement of the parties with respect to its subject matter and supersedes all existing agreements and all oral, written or other communications between them concerning its subject matter. This Agreement shall not be modified in any way except in writing signed by both parties. Facsimile signatures or signatures imprinted in an electronic medium, such as .pdf format, shall be deemed to be original signatures.

[SIGNATURE BLOCK ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have executed this Amendment effective on the date first above written.

**KEPRO Acquisitions, Inc.
("KAI")**

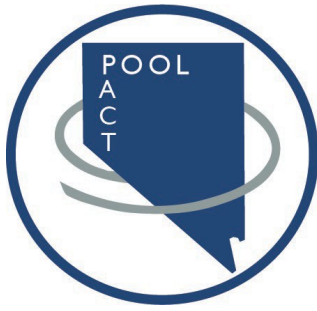
By: _____
Name: Meghan Harris
Title: EVP & COO
Date: _____

**Nevada Public Agency Insurance Pool
("POOL")**

By: _____
Name: Cash Minor
Title: Chair
Date: _____

**Public Agency Compensation Trust
("PACT")**

By: _____
Name: Paul Johnson
Title: Chair
Date: _____



**Nevada Public Agency Insurance Pool
Public Agency Compensation Trust**
201 S. Roop Street, Suite 102
Carson City, NV 89701-4779
Toll Free Phone (877) 883-7665
Telephone (775) 885-7475
Facsimile (775) 883-7398

Executive Director's Report to Board April 2021

Staff Changes:

Chief Operations Officer Mike Rebaleati resigned effective 4/2/2021. His duties are being handled by the remainder of staff pending further review.

POOL and PACT Budgets:

PACT: Legislative changes being considered will result in increased disability rating costs, most of which will be absorbed within the PACT retention, thus calling for increased funding. If passed some bills not only will increase partial disability costs but also allow permanent total disability cases to earn additional income without offset, thus undermining the meaning of total disability, and providing an incentive to elect PTD rather than vocational rehabilitation. Staff is working with a consortium of SIGs to develop amendments to address these issues. Additionally, COVID-19 cases for public safety employees have been frequent but not severe to date; however, future manifestation may emerge as heart or lung disease claims and costs are difficult to project.

Given the legislative potential fiscal impact, it is important to consider a higher confidence level funding for losses within the PACT retention. Options to do so will be shown in the budget presentation.

POOL: Property reinsurance rates effective July 1, 2021 renewal will increase again although not as much as the past due to ongoing adverse global market conditions largely driven by a frequency of windstorm losses. Liability rates, both in the POOL Loss Fund and reinsurance layers, will see increases for renewal due to our own and generally trending adverse claims results. Of particular importance is the decision by United Educators to no longer offer cyber risk coverage. This also was the case for alternative cyber reinsurers. However, CRL has offered to reinsure the school districts' cyber coverage, thus extending cyber to all POOL Members.

The legislature is considering several bills to strengthen anti-discrimination practices and training, particularly in law enforcement. As a result, POOL/PACT Risk Management and POOL/PACT HR will need to increase focus on the scope of policies and training even further than at present. POST also may be tasked with expanding its scope of training new officers. Members will need to take strong measures in implementing recommended best practices.

POOL and PACT: Both program budgets rely on a 70% actuarial funding confidence level to generate sufficient margin for contingencies with options to increase the confidence level to 75% to strengthen funding for losses. The proposed budgets reflect preliminary quotes and will be adjusted following decisions at the annual board meeting.

Renewal Strategies:

POOL: The property coverage program is placed by Willis Re Pooling in various syndicates at Lloyds of London. The reinsurance markets remain firm because of Named Windstorms, Earthquakes and Fire catastrophes not only in size but also in frequency. We propose to retain the current coverage limits.

Public Risk Mutual will offer a liability renewal at current terms in which it takes a 25% quota share of \$7,000,000 excess of \$3,000,000 POOL retention as well as 30% (other than schools) of the \$2,500,000 liability limit above POOL's retention of \$500,000. However, several options are being explored. PRM also may have to fill a gap in the cyber risk coverage in place of United Educators.

County Reinsurance, Ltd. (CRL), a member owned captive insurance company in which NPAIP placed a substantial capital contribution, reinsures the liability layer of \$2,500,000 above the POOL retention of \$500,000 on an 70% quota share basis with PRM bearing 30%.

United Educators, a member owned risk retention group in which NPAIP placed a substantial capital contribution, writes a liability limit of \$2,500,000 excess of the POOL's \$500,000 retention. UE bears 100% of this layer. Given recent large settlements and market conditions, UE proposes an increased retention from \$500,000 to \$1,000,000 for Sexual Abuse and Molestation claims and elimination of cyber risk coverage. Alternative market quotes are being evaluated.

Government Entities Mutual (GEM), a member owned captive insurance company in which NPAIP placed a substantial capital contribution, reinsures 35% quota share of the layer of \$7,000,000 above the POOL retention of \$3,000,000. GEM quoted options in 2021 for taking on a larger quota share for consideration. POOL has not had losses in the GEM layer.

Brit provides 40% quota share of liability limits of \$7,000,000 excess of POOL's \$3,000,000 retention. POOL has not had losses in the Brit layer.

Our equipment breakdown reinsurer is Travelers Boiler Re which provides a \$100,000,000 limit with various sub-limits. Since their limits and pricing have been stable for several years now, we anticipate renewal with them as our best option. We have received a profit-sharing distribution in recent years which we apply toward our loss control programs.

NOTICES OF INTENT TO WITHDRAW:

We received notices of intent to withdraw from:
Carson City School District
Douglas County
Douglas County School District

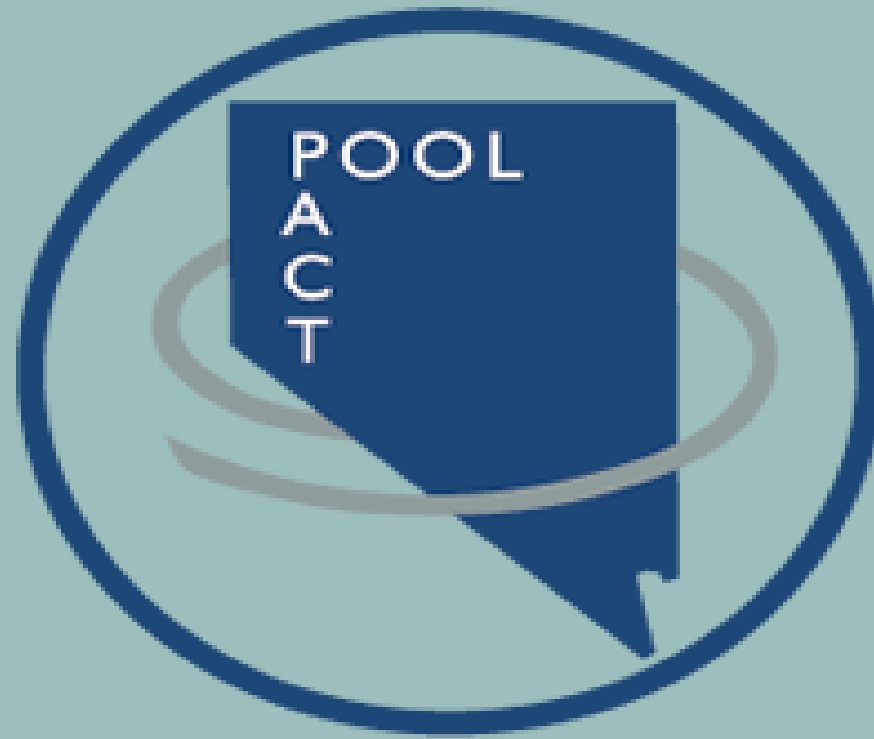
PACT:

Public Compensation Mutual (PCM) bears \$700,000 excess of PACT's \$300,000 retention plus a quota share of 25% of the next \$2,000,000 excess of \$1,000,000. CRL bears 75%. PCM is beginning to see some loss activity due to its attachment at a lower PACT retention level. A few very large losses also are in the CRL layer.

Safety National attaches above a \$3,000,000 retention and covers to statutory limits. Both PCM and Safety National provide 50% quota-share of the \$3,000,000 aggregate limit that attaches above a high aggregate retention along with PCM. They have a few very large losses in their layer.

NOTICES OF INTENT TO WITHDRAW:

We received notices of intent to withdraw from:
Central Lyon Fire Protection District
Nye County including Town of Pahrump



CHIEF FINANCIAL OFFICER REPORT
OVERVIEW OF INDEPENDENT AUDITS |

AUDITORS REPORT

- ❖ PRM and PCM audited by Casey Neilon
- ❖ PRI and NRP audited by Michael Bertrand & Associates
- ❖ Clean Audit Opinions



BERTRAND & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS
Members American Institute of Certified Public Accountants

SUMMARY OF FINANCIAL RESULTS

PRM & PCM 12-31-2020

PRM Total Assets	\$50,312,282
PRM Reserves for losses	\$ 2,497,242
PRM Total Surplus	\$47,002,406
PRM Net Income	\$ 3,520,011

PCM Total Assets	\$93,540,207
PCM Reserve for Losses	\$ 7,182,924
PCM Total Surplus	\$85,066,480
PCM Net Income	\$ 3,924,762

See Audits for Specific Details

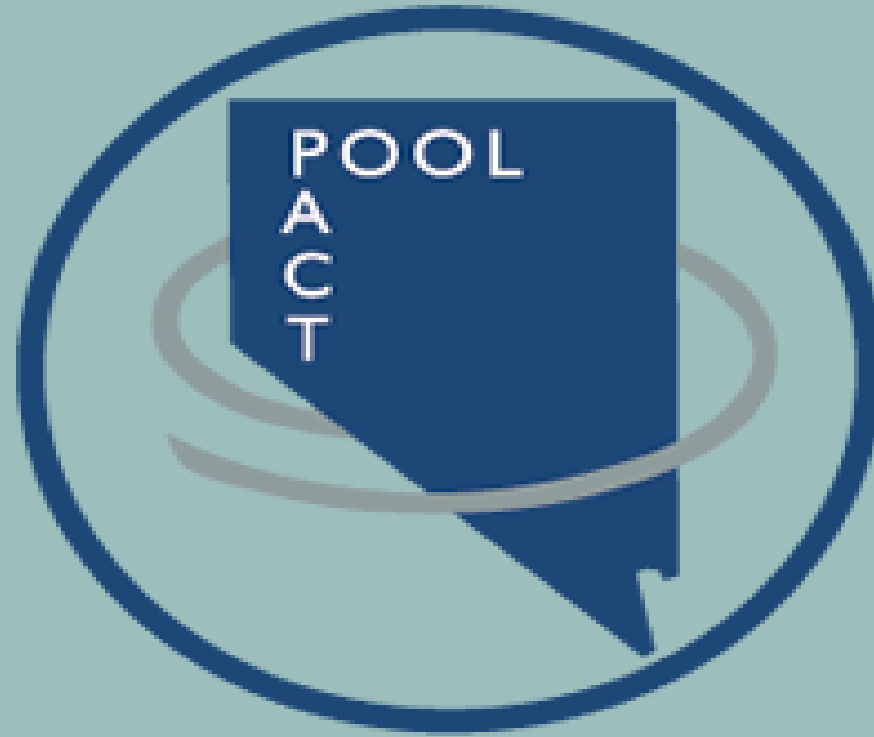
PRI & NRP 6-30-2020

PRI Total Assets	\$1,411,011
PRI Total Net Assets	\$1,343,719
PRI Total Expenses	\$1,242,689
PRI Change in Net Assets	\$ 4,583

NRP Total Assets	\$ 771,885
NRP Total Net Assets	\$ 695,033
NRP Total Expenses	\$1,357,217
NRP Change in Net Assets	\$691,783

See Audits for Specific Details

Public Risk
Mutual



PRM CAPTIVE AUDIT OVERVIEW

Year Ending December 31, 2020

KEY PLAYERS

Wayne Carlson, Executive Director POOL/PACT

Alan Kalt, CFO

Deb Connally, Controller

Cash Minor, Chair PRM, Director PCM

Paul Johnson, Chair PCM, Director PRM

Josh Foli, Director, Audit Committee Member

Gina Rackley, Vice Chair PCM, Audit Committee

Niki Neilon: Casey, Neilon & Associates: Audit Firm

Kathy Parks, General Counsel

Willis Towers Watson, Brokers

Derek Burkhalter, Actuary



**PUBLIC RISK MUTUAL
BALANCE SHEETS
DECEMBER 31, 2020 AND 2019**

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 776,833	\$ 192,919
Premiums receivable	-	11,250
Fixed maturity securities at fair value	31,906,097	30,833,438
Equity securities at fair value	17,451,227	15,146,276
Investment income receivable	173,125	192,198
Deposits	5,000	5,000
Total Assets	\$ 50,312,282	\$ 46,381,081
LIABILITIES AND SURPLUS		
Accrued expenses	\$ 17,896	\$ 20,175
Unearned premium	794,738	703,525
Reserve for loss and loss adjustment expenses	2,497,242	3,955,000
Total Liabilities	3,309,876	4,678,700
Surplus	44,414,760	40,894,749
Accumulated other comprehensive income	2,587,646	807,632
Total Surplus	47,002,406	41,702,381
Total Liabilities and Surplus	\$ 50,312,282	\$ 46,381,081

Public Risk Mutual



PUBLIC RISK
MUTUAL



PUBLIC RISK MUTUAL
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
REVENUES		
Premiums earned	\$ 1,498,263	\$ 1,289,525
Net investment income	1,207,879	1,249,305
Net realized and unrealized gains and (losses) on investments	873,467	2,768,734
Total Revenues	3,579,609	5,307,564
EXPENSES		
Administrative expenses	113,952	359,993
Membership services expense	475,000	274,600
Loss and loss adjustment expenses	(529,354)	1,669,939
Total Expenses	59,598	2,304,532
Net Income Before Income Taxes	3,520,011	3,003,032
Provision for income taxes	-	-
Net Income	\$ 3,520,011	\$ 3,003,032
OTHER COMPREHENSIVE INCOME		
Unrealized gains (losses) on available for sale securities arising during the period	\$ 1,806,571	\$ 1,465,783
Less: Reclassification adjustment for (gains) losses recognized in net income	(26,557)	23,823
Other Comprehensive Income	1,780,014	1,489,606
Comprehensive Income	\$ 5,300,025	\$ 4,492,638

Public Risk Mutual



PUBLIC RISK
MUTUAL



Five Year Benchmark Data 2015-2020

2015 2016 2017 2018 2019 2020

Total Assets/Total Liabilities

Ratio 13.3 12.6 13.6 9.9 9.9 15.2

Change In Net Surplus

Ratio 5.5% 9.0% 39.9% -5.8% 12.1% 12.7%

Reserve Leverage (Claims Reserves/Total Surplus)

Ratio 1.8% 6.8% 6.3% 9.7% 9.5% 5.3%

Loss Ratios (Losses/Premiums)

Ratio 48.8% 49.4% 171.4% 175.8% 129.5% -35.3%

Expense Ratio (Admin Expenses/Premiums)

Ratio 8.0% 7.5% 31.5% 46.4% 49.2% 39.3%

Surplus to Retention Ratio (Surplus/Blended Retentions)

10.3 13.9 13.9 15.4 15.3

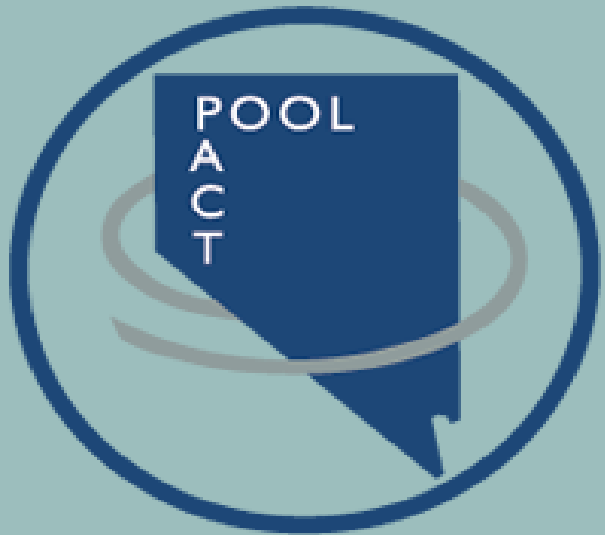
Public Risk Mutual



PUBLIC RISK
MUTUAL

KEY FINANCIAL
BENCHMARKS





PCM CAPTIVE AUDIT OVERVIEW

Year Ending December 31, 2020

**PUBLIC COMPENSATION MUTUAL
BALANCE SHEETS
DECEMBER 31, 2020 AND 2019**

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 1,417,608	\$ 2,641,784
Premiums receivable	-	136,500
Fixed maturity securities at fair value	60,457,894	57,758,916
Equity securities at fair value	31,297,908	23,849,112
Investment income receivable	366,797	377,712
	\$ 93,540,207	\$ 84,764,024
LIABILITIES AND SURPLUS		
Accounts payable	\$ 29,366	\$ 33,750
Reserve for loss and loss adjustment expenses	7,182,924	5,756,600
Unearned premiums	1,261,437	1,118,850
	8,473,727	6,909,200
Surplus	80,332,946	76,408,184
Accumulated other comprehensive income (loss)	4,733,534	1,446,640
	85,066,480	77,854,824
	\$ 93,540,207	\$ 84,764,024

**PUBLIC
COMPENSATION
MUTUAL**



**PUBLIC
COMPENSATION
MUTUAL**



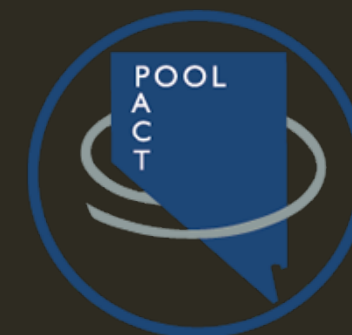
PUBLIC COMPENSATION MUTUAL
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
INCOME		
Premiums	\$ 2,380,287	\$ 1,922,350
Net investment income	2,203,921	2,218,272
Net realized and unrealized gains (losses) on investments	<u>1,817,683</u>	<u>4,070,504</u>
 Total Income	 <u>6,401,891</u>	 <u>8,211,126</u>
EXPENSES		
Administrative fees	836,128	549,853
Loss and loss adjustment expenses	<u>1,641,001</u>	<u>1,748,999</u>
 Total Expenses	 <u>2,477,129</u>	 <u>2,298,852</u>
 Net Income Before Income Taxes	 3,924,762	 5,912,274
 Provision for income taxes	 <u>-</u>	 <u>-</u>
 Net Income	 <u>\$ 3,924,762</u>	 <u>\$ 5,912,274</u>
OTHER COMPREHENSIVE INCOME		
Unrealized gains (losses) on available for sale securities arising during the period	\$ 3,331,125	\$ 3,221,033
Less: Reclassification adjustment for (gains) losses recognized in net income	<u>(44,231)</u>	<u>21,427</u>
 Other Comprehensive Income	 <u>3,286,894</u>	 <u>3,242,460</u>
 Comprehensive Income	 <u>\$ 7,211,656</u>	 <u>\$ 9,154,734</u>

**PUBLIC
COMPENSATION
MUTUAL**



**PUBLIC
COMPENSATION
MUTUAL**



Six Year Benchmark Data 2014-2020

	2015	2016	2017	2018	2019	2020
Total Assets/Total Liabilities						
Ratio	13.0	12.0	18.1	13.8	12.3	11.0
Change In Net Surplus						
Ratio	3.3%	8.3%	75.8%	-1.5%	13.3%	9.3%
Reserve Leverage (Claims Reserves/Total Surplus)						
Ratio	6.7%	7.5%	4.4%	6.6%	7.4%	8.4%
Loss Ratios (Losses/Premiums)						
Ratio	42.7%	41.6%	7.7%	82.9%	90.1%	68.9%
Expense Ratio (Admin Expenses/Premiums)						
Ratio	5.6%	5.5%	4.3%	9.8%	28.6%	35.1%



**PUBLIC
COMPENSATION
MUTUAL**

**KEY FINANCIAL
BENCHMARKS**





QUESTIONS &
ANSWERS
ON PRM AND PCM
CAPTIVE AUDITS

Thanks for your support!





**POOLING
RESOURCES
INC. (PRI)**

PRI AUDIT OVERVIEW

Year Ending June 30, 2020

KEY PLAYERS

Wayne Carlson, Executive Director POOL/PACT

Stacy Norbeck, General Manager PRI

Alan Kalt, Chief Finance Officer POOL/PACT

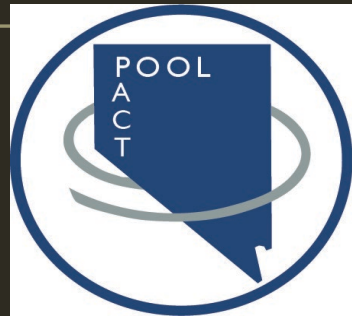
Cash Minor, Chair PRI Board of Directors

Paul Johnson, PRI Board of Directors

Curtis Calder, PRI Board of Directors

Michael Bertrand: Bertrand & Associates: Audit Firm

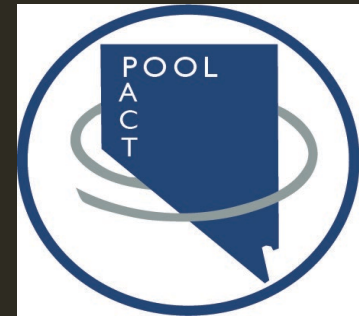
Kathy Parks, General Counsel



POOLING RESOURCES INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2020 and 2019

ASSETS	2020	2019
Current assets:		
Cash and cash equivalents	\$ 365,088	\$ 1,035,864
Investments	927,455	240,473
Accrued interest income	-	900
Grant receivable	104,000	101,917
Total current assets	<u>1,396,543</u>	<u>1,379,154</u>
Other assets:		
Prepaid expenses	14,468	14,961
Total other assets	<u>14,468</u>	<u>14,961</u>
Total assets	<u><u>1,411,011</u></u>	<u><u>1,394,115</u></u>
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	18,030	20,304
Compensated absences	49,262	34,675
Total current liabilities	<u>67,292</u>	<u>54,979</u>
Net assets -without donor restrictions	<u>1,343,719</u>	<u>1,339,136</u>
Total net assets	<u>1,343,719</u>	<u>1,339,136</u>
 Total liabilities & net assets	<u><u>\$ 1,411,011</u></u>	<u><u>\$ 1,394,115</u></u>

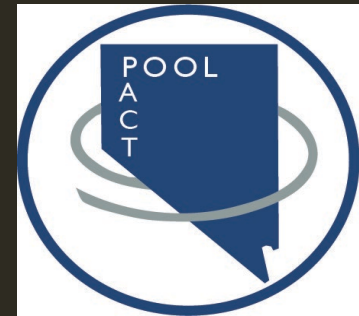
**POOLING
RESOURCES
INC**



POOLING RESOURCES INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
Grant income	\$ 1,248,000	\$ 1,223,000
Total revenues	1,248,000	1,223,000
EXPENDITURES		
Program activities:		
Salaries and payroll taxes	732,748	695,002
Retirement	119,338	77,817
Health insurance costs	107,314	96,868
Member education services	33,450	39,228
Professional development	3,778	4,564
Travel	25,639	34,002
Total program activities	<u>1,022,267</u>	<u>947,481</u>
General activities:		
Casualty insurance	8,468	9,691
Dues and subscriptions	8,003	6,272
Legal and professional	12,820	11,099
Management Services	25,000	21,937
Office supplies	6,467	7,098
Rent	76,812	94,776
Technology expenses	55,289	51,271
Other operating expenses	27,563	25,537
Total supporting activities	<u>220,422</u>	<u>227,681</u>
Total expenses	<u>1,242,689</u>	<u>1,175,162</u>
Increase in operating net assets - without donor restrictions	5,311	47,838
Non-operating net investment income (loss)	(728)	15,126
Change in net assets - without donor restrictions	<u>4,583</u>	<u>62,964</u>
Net assets at beginning of year	1,339,136	1,276,172
Net assets at end of year - without donor restrictions	<u>\$ 1,343,719</u>	<u>\$ 1,339,136</u>

POOLING RESOURCES INC



POOLING RESOURCES INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the years ended June 30, 2020 and 2019

	2020			2019		
	Program	General	Total	Program	General	Total
Salaries & related taxes	\$ 622,836	\$ 109,912	\$ 732,748	\$ 590,752	\$ 104,250	\$ 695,002
Pension plan contributions	101,437	17,901	119,338	66,144	11,673	77,817
Health insurance	91,217	16,097	107,314	82,338	14,530	96,868
Member education services	33,450	-	33,450	39,228	-	39,228
Professional development	3,778	-	3,778	4,564	-	4,564
Travel	25,639	-	25,639	34,002	-	34,002
Casualty insurance	-	8,468	8,468	-	9,691	9,691
Dues & subscriptions	-	8,003	8,003	-	6,272	6,272
Legal & professional	7,507	5,313	12,820	6,500	4,599	11,099
Management services	-	25,000	25,000	-	21,937	21,937
Office supplies	5,497	970	6,467	6,033	1,065	7,098
Rent	65,290	11,522	76,812	80,560	14,216	94,776
Technology expenses	46,996	8,293	55,289	43,580	7,691	51,271
Other operating expense	-	27,563	27,563	-	25,537	25,537
Total expenses	\$ 1,003,647	\$ 239,042	\$ 1,242,689	\$ 953,701	\$ 221,461	\$ 1,175,162

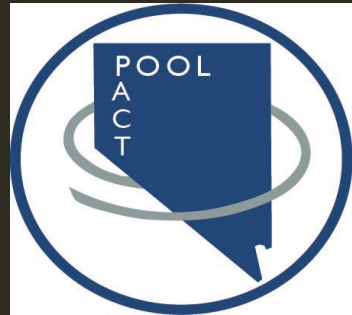
**POOLING
RESOURCES
INC**



Total Assets	\$1,411,011
Investment Balance at 6-30-2020	\$ 927,455
Compensated Absences	\$ 49,262
Net Assets without donor restrictions	\$1,343,719
Total Grant Income 6-30-2020	\$1,248,000
Total Program Activities	\$1,022,267
Total Supporting Activities	\$ 220,689
Total Expenses	\$1,242,689
Change in Net Assets	\$ 4,583

POOLING RESOURCES INC.

See detailed financial statements and notes for more details.





NRP AUDIT OVERVIEW

Year Ending June 30, 2020

NEVADA RISK POOLING, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2020

ASSETS

Current assets:

Cash and cash equivalents	\$ 416,772
Investments	301,674
Accounts receivable	3,000
Grant receivable	43,750
Total current assets	<u>765,196</u>

Other assets:

Prepaid expenses	<u>6,689</u>
Total other assets	6,689

Total assets	<u><u>771,885</u></u>
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LIABILITIES AND NET ASSETS

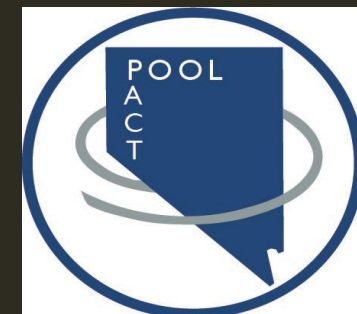
Current liabilities:

Accounts payable	23,008
Accrued payroll liability	4,660
Compensated absences	49,184
Total current liabilities	<u>76,852</u>

Net assets without donor restrictions	<u>695,033</u>
Total net assets	695,033

Total liabilities & net assets	<u><u>\$ 771,885</u></u>
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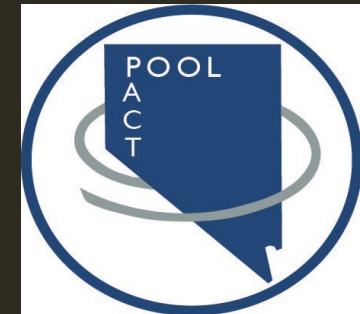
NEVADA RISK POOLING



NEVADA RISK POOLING, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended June 30, 2020

REVENUES	
Grant income	\$ 1,700,000
Management contracts	325,000
Bookkeeping fees	24,000
Total revenues	<u>2,049,000</u>
EXPENDITURES	
Salaries and payroll taxes	715,558
Retirement	119,402
Health insurance costs	106,494
Management Services	300,000
Casualty insurance	7,706
Rent	51,732
Technology expenses	45,237
Other operating expenses	11,088
Total expenses	<u>1,357,217</u>
Increase in operating net assets - without donor restrictions	691,783
Increase in non-operating net investment income	3,250
Change in net assets - without donor restrictions	<u>695,033</u>
Net assets at beginning of year	-
Net assets at end of year - without donor restrictions	<u><u>\$ 695,033</u></u>

NEVADA RISK POOLING



NEVADA RISK POOLING

NEVADA RISK POOLING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2020

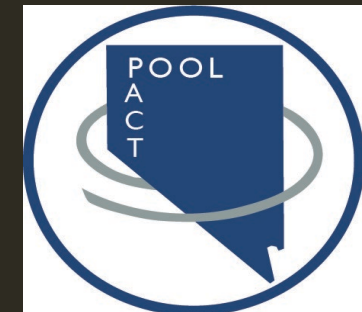
	Program	General	Total
Salaries and payroll taxes	\$ 536,668	\$ 178,890	\$ 715,558
Retirement	89,551	29,851	119,402
Health insurance costs	79,870	26,624	106,494
Management Services	-	300,000	300,000
Casualty insurance	-	7,706	7,706
Rent	38,799	12,933	51,732
Technology expenses	33,928	11,309	45,237
Other operating expenses	-	11,088	11,088
Total expenses	\$ 778,816	\$ 578,401	\$ 1,357,217



Total Assets	\$ 771,885
Investment Balance at 6-30-2020	\$ 301,674
Compensated Absences	\$ 49,184
Net Assets without donor restrictions	\$ 695,033
Total Grant Income 6-30-2020	\$1,700,000
Total Program Expenses	\$ 778,816
Total General Expenses	\$ 578,401
Total Expenses	\$1,357,217
Change in Net Assets	\$ 695,033

NEVADA RISK POOLING

See detailed financial statements and notes for more details.





QUESTIONS &
ANSWERS
ON PRI AND NRP
AUDITS

Thanks for your support!



PUBLIC RISK MUTUAL
DECEMBER 31, 2020 AND 2019

**PUBLIC RISK MUTUAL
DECEMBER 31, 2020 AND 2019**

TABLE OF CONTENTS

	<u>PAGE NO.</u>
PRESIDENT'S LETTER	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	2-8
INDEPENDENT AUDITOR'S REPORT	9-10
FINANCIAL STATEMENTS	
Balance Sheets	11
Statements of Income and Comprehensive Income	12
Statements of Changes in Surplus	13
Statements of Cash Flows	14
Notes to Financial Statements	15-27
COMPLIANCE SECTION	
Report on Internal Control and Compliance over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Nevada Administrative Code 694C.210	28

President's Letter

There were many challenges for Public Risk Mutual (PRM) in 2020 but the results showed the strength of its business plan. Here are few of the primary financial highlights:

- ❖ PRM is a pure captive of the Nevada Public Agency Insurance Pool (POOL). The total POOL surplus contribution of \$29,477,263 remained unchanged since there were no additional surplus contributions to PRM in 2020.
- ❖ PRM continued to provide \$300,000 excess of POOL's \$200,000 retention for property reinsurance.
- ❖ PRM contributed \$475,000 in 2020 to the POOL to support risk management services to the members, such as the cyber security initiatives. PRM continued its data security liability reinsurance for all POOL members. This includes \$250,000 in excess of POOL's \$250,000 for schools and \$1 million in excess of \$2 million for all covered members. Shifting from the passive network assessments, funds from PRM help support the KnowBe4 email cyber security testing and training program plus specialized cyber security advice for issues such as cyber threat response plans and such events as the annual cyber security summit.
- ❖ Total investments increased from \$45,979,714 in 2019 to \$49,357,324 in 2020. This increase is due primarily to the increase in the market values of investments held as a result of the Federal Reserve lowering interest rates during 2019 and 2020 resulting in unrealized gains on available for sale and equity securities during the year. PRM's surplus increased from \$41,702,381 to \$47,002,406 during the year. The primary reason for the increase is the investment income and the net realized and unrealized gains on the portfolio. PRM's business plan strategy of having enough surplus contribution for PRM to help provide additional coverage for our members, coupled with the business plan of utilizing a conservative investment strategy is successfully maturing as planned.
- ❖ PRM's investment income had a slight reduction from \$1,249,305 in 2019 to \$1,207,879 in 2020 due to the lower book yields as a result of the Federal Reserve's actions during the year. PRM's investment portfolio includes U.S. government obligations, U.S. state and local bonds, U.S. corporate bonds, Fixed income mutual funds, bond mutual funds and equity mutual funds.
- ❖ One of PRM's main goals is to continue increasing investment earnings while providing our members added value to property and liability coverage through cost effective reinsurance. This has been instrumental when PRM is seeking reinsurance and excess quotes from its insurance partners.

Due to improvements in liability loss developments during 2020 and payoff of some large claims in 2019, the loss and loss adjustment expenses decreased from \$1,669,939 to (\$529,354). This type of loss activity is a reminder of why PRM exists to help lessen any rate increases while still providing enough funds to cover our losses. This is especially true as the "hardening" insurance market continues to impact rates.

I personally want to thank the board of trustees for POOL and the PRM captive board of trustees for their commitment to the dynamic development of the coverages and risk management products that we have been able to support. PRM has remained true to its business plan in providing appropriate coverage and rate stabilization for our members.

Best,



PRM President

PUBLIC RISK MUTUAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020 AND 2019

Public Risk Mutual's (PRM) discussion and analysis is designed to, (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the entity's financial activities, (c) identify changes in the Company's financial position (its ability to address next and subsequent years challenges), and (d) identify any material deviations from the financial plan.

We encourage readers to read this information in conjunction with the President's letter, financial statements and notes to gain a more complete understanding of the information presented.

Company Overview

Public Risk Mutual, a Nevada nonprofit pure captive mutual insurer formed pursuant to Nevada Revised Statutes 694C, is engaged in the business of providing reinsurance for the Nevada Public Agency Insurance Pool (POOL). Effective July 18, 2013, the Company became a pure captive authorized by the State of Nevada Division of Insurance. PRM's formation was approved on July 26, 2004 by the State of Nevada Division of Insurance and began operations September 1, 2004. Currently, the Company issues a single reinsurance policy to POOL each year and the underlying POOL program in turn issues a certificate of participation to the members with a copy of the POOL coverage form providing coverage details.

Financial Highlights

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

The auditor's report offers an unmodified opinion on the financial statements, the best opinion that can be attained.

Critical Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the accounting period. Actual results could differ from these estimates.

PRM has identified the estimates inherent in the valuation of investments and loss reserves (including reserves for unreported claims- IBNR) as critical in that they involve a higher degree of judgment and are subject to a significant degree of variability. In developing these estimates, management makes subjective and complex judgements that are inherently uncertain and subject to material change as facts and circumstances develop. Although variability is inherent in these estimates, management believes the amounts provided are appropriate and conservative based upon the facts available as of the date of the financial statements. The estimates were made with the assistance of an independent outside actuarial firm in relation to the IBNR and overall loss reserve adequacy.

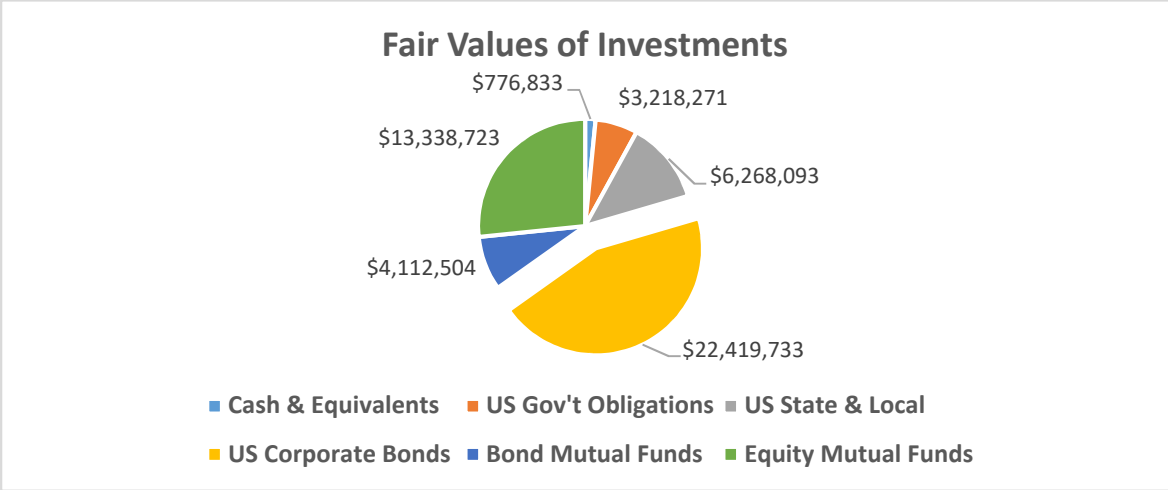
Investments

One significant estimate inherent in the valuation of investments is the evaluation of fair value and other than temporary impairment (OTTI). Fair value requires management judgment on the appropriate classes of assets and liabilities for which disclosures about fair value measurement should be provided. Fair value for investments primarily is a quantitative assessment. For debt and equity securities, class is determined on the basis, nature, and risk of the investments. A full disclosure of PRM's fair value methodology can be found in Note 3 Fair Value of Financial Instruments in the Notes to the Audited Financial Statements.

The determination of OTTI is a quantitative and qualitative process, which is subject to judgement in the determination of whether declines in the fair value of investments are other than temporary. The cost basis of fixed maturity investments is adjusted for impairments in value, deemed to be other than temporary, with the associated realized loss reported in net income. Factors considered in evaluating whether a decline in value is other than temporary include: 1) the magnitude of the decline in value; 2) current economic conditions and the financial condition and near-term prospects of the issuer; 3) the amount of time that the fair value has been less than cost; and 4) the estimated period over which the security is expected to recover and whether PRM's cash or working capital requirements and contractual or regulatory requirements may indicate a need to sell the security before its forecasted recovery.

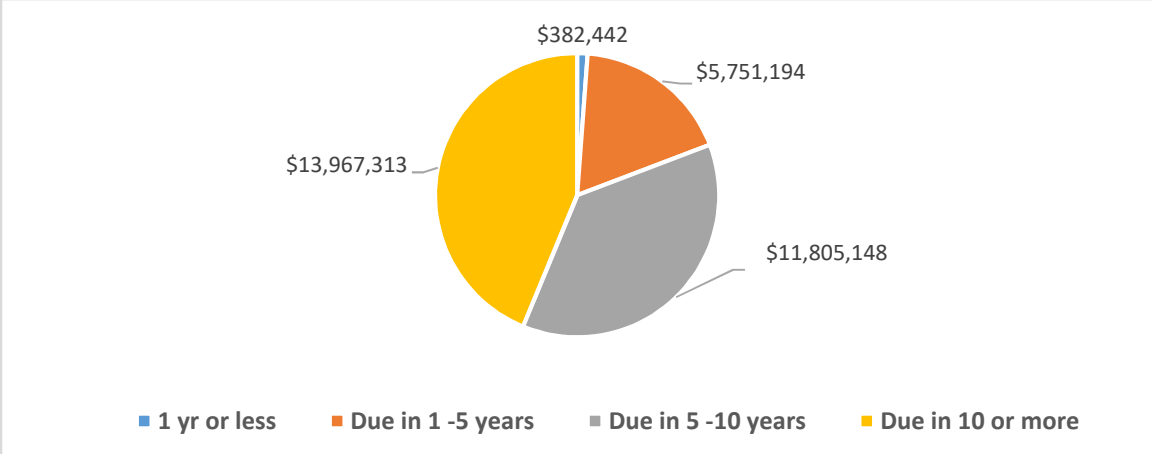
Cash and investments of \$50,134,157 are available to meet current liabilities, including reserves for loss and loss adjustment expenses of \$3,309,876. Total liabilities include accounts payable, reserves for loss and loss adjustment expenses and unearned premiums. This is a conservative measure of cash and investments available to pay current obligations. PRM's cash ratio is 15.1, meaning that it has 15.1 times the unrestricted cash and investments on hand to meet its obligations. Last year's cash ratio was 9.9.

Investments as of December 31, 2020 were \$49,357,324 compared to the 2019 balance of \$45,979,714. Thus, an increase of \$3,377,610 or 7.3% during the year. The increase is due primarily to the increase in the market value of the investments held because of the Federal Reserve Board lowering interest rates during 2020 resulting in unrealized gains on available for sale and equity securities during the period. As noted in Note 3, Level 1 quoted price in active market for identical assets were valued at \$18,228,060, the Level 2 significant other observable inputs at \$31,906,097 and no Level 3 assets. The following is an overview of the fair value investments allocation:



As noted in Note 6- Investments, the contractual maturities of available-for-sale debt securities on December 31, 2020 and 2019 are as follows:

	Estimated Fair Values	
	<u>2020</u>	<u>2019</u>
1 year or less	\$ 382,442	\$1,569,115
Due in 1 – 5 years	5,751,194	5,536,260
Due in 5 - 10 years	11,805,148	10,557,650
Due in 10 years or more	<u>13,967,313</u>	<u>13,170,413</u>
Total Investment in debt securities	<u>\$31,906,097</u>	<u>\$30,833,438</u>



Investment Income Receivable

The investment income receivable on December 31, 2020 is \$173,125 compared to \$192,198 in 2019. This is a change of \$19,073 or 9.9%. This is due primarily to the timing of the payment of accrued interest and the slightly lower book yield on the investments.

Loss Reserves

Loss reserves are estimates of losses and loss development and as such will differ from the ultimate results. Therefore, one of the critical accounting estimates is the proper amount of reserves to be set aside to meet net future liabilities of the current in-force business. Changes in or deviations from the assumptions used to develop the loss reserves can significantly affect PRM's reserve levels and related future operations. Assumptions include company methodology for underwriting and claims handling and current estimates of the legal, inflation rate, and social environments. Annually, PRM retains an outside independent actuary, to provide a loss reserve opinion and establish a range for PRM's loss reserves. PRM's policy is to book reserves at the 75% confidence level as recommended by the actuary. Management has elected not to discount the reserves for anticipated investment income. See Note 7- Reserve for Loss and Loss Adjustment Expense in the Notes to the Audited Financial Statements.

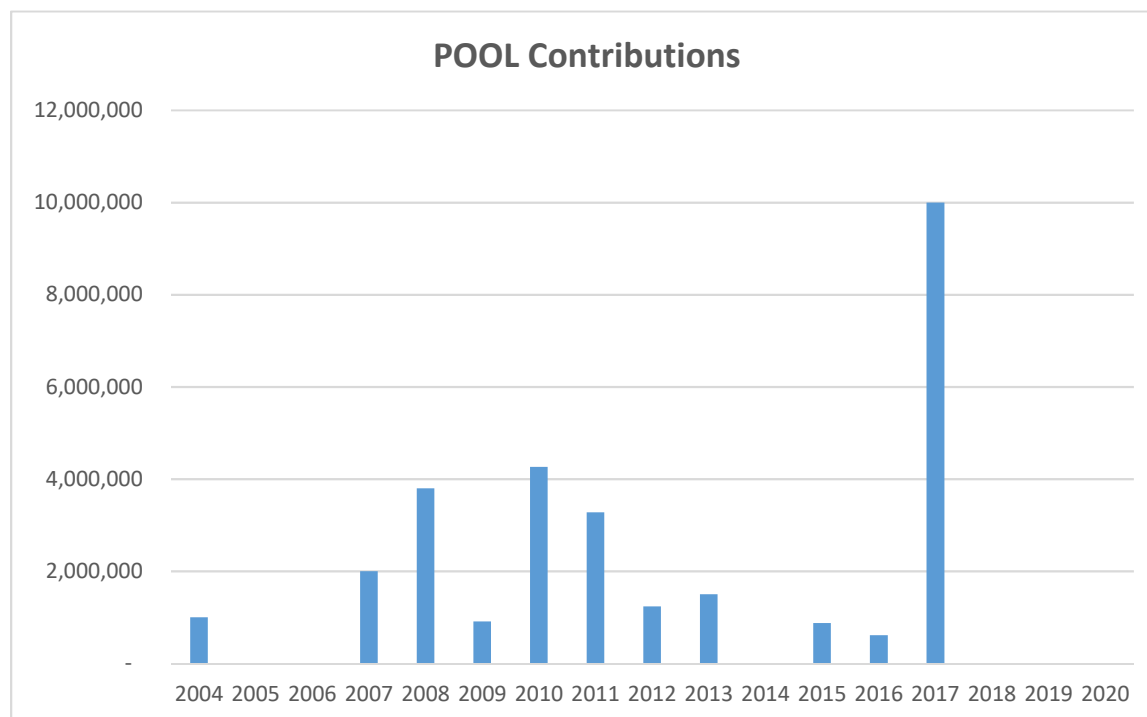
Reserves for loss and loss adjustment expenses decreased from \$3,955,000 to \$2,497,242 on December 31, 2020 a decrease of \$1,457,758 or 36.9% during the year. This decrease is due to the favorable claim development in the current year and decreases in prior year claims loss development.

Unearned Premiums

PRM writes only 12-month reinsurance policies effective July 1st of the year written, so the entire \$794,738 unearned assessments carried in 2020 will be fully earned in 2021.

Surplus Contributions

There were no surplus contributions from POOL in 2020. Surplus contributions from POOL during 2017 were \$10,000,000 as approved by the Board at their meeting held on March 22, 2017. This brings the total surplus contribution into PRM at \$29,477,263. See Note 8 Surplus Contributions for more details. The following chart indicated the POOL surplus contributions to PRM:



Surplus

PRM's total surplus on December 31, 2020 was \$47,002,406 an increase of \$5,300,025 from the December 31, 2019 balance of \$41,702,381.

The increase is the result from the net income of \$3,520,011 combined with accumulated other comprehensive income of \$1,780,014 during the year. On December 31, 2019, PRM had paid-in capital (POOL's contributions) of \$29,477,263 and accumulated retained earnings and other comprehensive income of \$12,225,118 to account for the total surplus of \$41,702,381 in 2019.

The following is the comparative Balance Sheet of Public Risk Mutual as of December 31, 2020 and 2019.

Public Risk Mutual Balance Sheet

	2020	2019	\$ Difference	% Difference
Assets				
Cash and cash equivalents	\$ 776,833	\$ 192,919	\$ 583,914	302.7%
Premium receivable	-	11,250	(11,250)	
Deposit	5,000	5,000	-	0.0%
Fixed maturity securities at fair value	31,906,097	30,833,438	1,072,659	3.5%
Equity securities at fair value	17,451,227	15,146,276	2,304,951	15.2%
Investment income receivable	173,125	192,198	(19,073)	-9.9%
Total Assets	\$ 50,312,282	\$ 46,381,081	\$ 3,931,201	8.5%
Liabilities and Surplus				
Accrued expenses	\$ 17,896	\$ 20,175	\$ (2,279)	-11.3%
Unearned premium	794,738	703,525	91,213	13.0%
Reserve for loss and loss adjustment expenses	2,497,242	3,955,000	(1,457,758)	-36.9%
Total liabilities	\$ 3,309,876	\$ 4,678,700	\$ (1,368,824)	-35.2%
Surplus				
Accumulated other comprehensive income (loss)	2,587,646	807,632	1,780,014	-220.4%
Total Surplus	47,002,406	41,702,381	5,300,025	12.7%
Total Liabilities and Surplus	\$ 50,312,282	\$ 46,381,081	\$ 3,931,201	8.5%

Net Income from Operations

PRM reported net income from operations for the year ended December 2020 of \$3,520,011 an increase of \$516,979 or 17.2% from the prior year of \$3,003,032. The increase is primarily driven by a decrease in net realized and unrealized investment income of (\$1,895,267) to \$873,467 compared to \$2,768,734 in the prior year due to several interest rate drops by the Federal Reserve Board in 2019. This decrease was offset by a significant decrease of \$2,199,293 in the loss and loss adjustment expense. The loss and loss adjustment expense were (\$529,354) in 2020 and \$1,669,939 in 2019. The reduction is due to favorable claim development during 2020. See further explanation below.

Earned Premiums

Earned premiums increased by \$208,738 or 16.2% to \$1,498,263 on December 31, 2020 compared to prior year amount of \$1,289,525. Pricing is determined with the assistance of the independent actuary.

Investment Income Including Realized and Unrealized Gains

Investment income of \$ 2,081,346 including net realized and unrealized gains on investments of \$873,467, on December 31, 2020 was \$1,936,693 lower than the same period during 2019. The unrealized gains from the portfolio are largely a result of market yields decreasing based on actions by the Federal Reserve Board to lower interest rates during 2020. See Note 6 Investments for greater details.

Loss and Loss Adjustment Expenses

Losses and loss adjustment expenses decreased by (\$2,199,293) from \$1,669,939 to (\$529,354) in 2020. As a result of changes in estimates of incurred events in prior years, the provision for losses changed by \$(1,652,354) and \$(65,561) for the years ended December 31, 2020 and 2019 due to higher (lower) than anticipated losses on the development of claims.

Administrative Expenses

Administrative expenses including membership services expenses were \$588,952 and \$634,593 respectively, for the years ended December 31, 2020 and 2019. PRM provided \$475,000 and \$274,600 to POOL to support risk management services to POOL members as approved by the Board to reduce future claim costs in years 2020 and 2019 respectfully.

Other Comprehensive Income

Other comprehensive income, which consist of unrealized gains (losses) on available for sale securities arising during the period less reclassification adjustment for (gains) losses recognized in net income. In 2020, the unrealized gain on available for sale securities during the period was \$1,806,571 compared to \$1,465,783 in 2019. The reclassification adjustment for (gains) losses recognized in net income were (\$26,557) compared to \$23,823 in 2019. This results in total Other Comprehensive Income (Loss) of \$1,780,014 in 2020 and \$1,465,783 in 2019. This increase in Other Comprehensive Income is due primarily to the decreases in the interest rates imposed by the Federal Reserve in 2020 and a strong equity market during 2020. Additionally, the implementation of ASU 2016-01 required the reclassification of equity securities from available-for-sale to equity securities with unrealized gains and losses reported on the income statement rather than as a component of Other Comprehensive Income (Loss). Although investments are classified as available-for-sale, the board policy states, investments are intended to be held for maturity, thus the unrealized gains (losses) are not likely to materialize. The significant unrealized gains will become future net investment income as the payment of the book yield occurs on the portfolio.

The following is the Statement of Income and Comprehensive Income for the years ended December 31, 2020 and 2019.

Public Risk Mutual
Statement of Income and Comprehensive Income

	2020	2019	\$ Difference	% Difference
Income				
Premiums	\$ 1,498,263	\$ 1,289,525	\$ 208,738	16.2%
Net investment income	1,207,879	1,249,305	(41,426)	-3.3%
Net realized and unrealized gains and (losses)	873,467	2,768,734	(1,895,267)	-68.5%
Total Income	3,579,609	5,307,564	(1,727,955)	-32.6%
EXPENSES				
Administrative expenses	113,952	359,993	(246,041)	-68.3%
Membership services expense	475,000	274,600	200,400	73.0%
Loss and loss adjustment expenses	(529,354)	1,669,939	(2,199,293)	-131.7%
Total Expenses	59,598	2,304,532	(2,244,934)	-97.4%
Net Income Before Income Taxes	3,520,011	3,003,032	516,979	17.2%
Provision for income taxes	-	-	-	-
Net Income	\$ 3,520,011	\$ 3,003,032	\$ 516,979	17.2%
OTHER COMPREHENSIVE INCOME				
Unrealized gains (losses) on available for sale securities arising during the period	\$ 1,806,571	\$ 1,465,783	\$ 340,788	23.2%
Less: Reclassification adjustment for (gains) losses recognized in net income	(26,557)	23,823	(50,380)	-211.5%
Other Comprehensive Income	1,780,014	1,489,606	290,408	19.5%
Comprehensive Income	\$ 5,300,025	\$ 4,492,638	\$ 807,387	18.0%

Request for Information

This financial report is designed to provide a general overview of the financial activities and conditions of Public Risk Mutual to all having an interest in PRM. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Public Risk Mutual, 201 South Roop Street, Suite 102, Carson City, Nevada 89701, or email at akalt@poolpact.com.

Casey Neilson, Inc.
Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Public Risk Mutual

We have audited the accompanying financial statements of Public Risk Mutual (a Nevada non-profit pure captive mutual insurer) which comprise the balance sheets as of December 31, 2020 and 2019 and the related statements of income and comprehensive income, changes in surplus and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Public Risk Mutual as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters – Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the expanded disclosures regarding short duration contracts contained in Note 7 to the financial statements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Other Legal and Regulatory Requirements

In accordance with the Nevada Administrative Code, we have also issued our report dated February 12, 2021, on our consideration of the Company's internal control and compliance over financial reporting. That report is an integral part of an audit performed in accordance with this code and should be read in conjunction with this report in considering the results of our audits.

A handwritten signature in black ink that reads "Casey Nalor". The signature is written in a cursive, flowing style.

Carson City, Nevada
February 12, 2021

**PUBLIC RISK MUTUAL
BALANCE SHEETS
DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 776,833	\$ 192,919
Premiums receivable	-	11,250
Fixed maturity securities at fair value	31,906,097	30,833,438
Equity securities at fair value	17,451,227	15,146,276
Investment income receivable	173,125	192,198
Deposits	<u>5,000</u>	<u>5,000</u>
 Total Assets	 <u>\$ 50,312,282</u>	 <u>\$ 46,381,081</u>
 LIABILITIES AND SURPLUS		
Accrued expenses	\$ 17,896	\$ 20,175
Unearned premium	794,738	703,525
Reserve for loss and loss adjustment expenses	<u>2,497,242</u>	<u>3,955,000</u>
 Total Liabilities	 <u>3,309,876</u>	 <u>4,678,700</u>
 Surplus	 44,414,760	 40,894,749
Accumulated other comprehensive income	<u>2,587,646</u>	<u>807,632</u>
 Total Surplus	 <u>47,002,406</u>	 <u>41,702,381</u>
 Total Liabilities and Surplus	 <u>\$ 50,312,282</u>	 <u>\$ 46,381,081</u>

See accompanying notes.

PUBLIC RISK MUTUAL
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
REVENUES		
Premiums earned	\$ 1,498,263	\$ 1,289,525
Net investment income	1,207,879	1,249,305
Net realized and unrealized gains and (losses) on investments	873,467	2,768,734
Total Revenues	3,579,609	5,307,564
EXPENSES		
Administrative expenses	113,952	359,993
Membership services expense	475,000	274,600
Loss and loss adjustment expenses	(529,354)	1,669,939
Total Expenses	59,598	2,304,532
Net Income Before Income Taxes	3,520,011	3,003,032
Provision for income taxes	-	-
Net Income	\$ 3,520,011	\$ 3,003,032
OTHER COMPREHENSIVE INCOME		
Unrealized gains (losses) on available for sale securities arising during the period	\$ 1,806,571	\$ 1,465,783
Less: Reclassification adjustment for (gains) losses recognized in net income	(26,557)	23,823
Other Comprehensive Income	1,780,014	1,489,606
Comprehensive Income	\$ 5,300,025	\$ 4,492,638

See accompanying notes.

**PUBLIC RISK MUTUAL
STATEMENTS OF CHANGES IN SURPLUS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>Surplus</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total Surplus</u>
Balance, December 31, 2018	\$ 37,989,713	\$ (779,970)	\$ 37,209,743
Surplus contributions	-	-	-
Net loss	3,003,032	-	3,003,032
Unrealized holding losses arising during the period	-	1,465,783	1,465,783
Add: Reclassification adjustment for losses included in net income	-	23,823	23,823
Cumulative change in accounting principle pursuant to ASU 2016-01	<u>(97,996)</u>	<u>97,996</u>	<u>-</u>
Balance, December 31, 2019	<u>\$ 40,894,749</u>	<u>\$ 807,632</u>	<u>\$ 41,702,381</u>
Net income	3,520,011	-	3,520,011
Unrealized holding gains arising during the period	-	1,806,571	1,806,571
Add: Reclassification adjustment for gains included in net income	<u>-</u>	<u>(26,557)</u>	<u>(26,557)</u>
Balance, December 31, 2020	<u><u>\$ 44,414,760</u></u>	<u><u>\$ 2,587,646</u></u>	<u><u>\$ 47,002,406</u></u>

See accompanying notes.

**PUBLIC RISK MUTUAL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 3,520,011	\$ 3,003,032
Adjustments to reconcile net income to net cash provided by operating activities:		
Unrealized (gains) on equity securities	(846,909)	(2,458,735)
Realized (gains) on sales of securities	(26,557)	(309,999)
Amortization of premium or discount	99,072	66,359
Changes in assets and liabilities:		
(Increase) decrease in:		
Investment income receivable	19,073	(15,926)
Premiums receivable	11,250	(11,250)
Increase (decrease) in:		
Accrued expenses	(2,279)	1,643
Unearned premium	91,213	117,525
Reserve for loss and loss adjustment expenses	(1,457,758)	364,000
Net Cash Provided by Operating Activities	<u>1,407,116</u>	<u>756,649</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of securities	4,683,170	17,000,647
Purchase of investments	(5,506,372)	(17,874,228)
Net Cash Used by Investing Activities	<u>(823,202)</u>	<u>(873,581)</u>
Increase (Decrease) in Cash and Cash Equivalents	583,914	(116,932)
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>192,919</u>	<u>309,851</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 776,833</u>	<u>\$ 192,919</u>

See accompanying notes.

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations:

Public Risk Mutual (the “Company”), a Nevada nonprofit captive association mutual insurer formed pursuant to Nevada Revised Statute 694C, is engaged in the business of providing reinsurance for the Nevada Public Agency Insurance Pool (POOL). Effective July 18, 2013, the Company became a pure captive authorized by the State of Nevada Division of Insurance. POOL is a quasi-governmental entity formed by an intergovernmental agreement between political subdivisions of the State of Nevada, and organized to operate as a group self insurer. The Company’s formation was approved on July 26, 2004 by the State of Nevada Division of Insurance and began operations September 1, 2004.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation:

The accompanying financial statements have been prepared in conformity with reporting practices prescribed or permitted by the State of Nevada Division of Insurance. These financial statements are also presented in conformity with accounting principles generally accepted in the United States of America because the accounting practices prescribed or permitted under statutory authority, when applied to the Company, do not vary materially from generally accepted accounting principles.

Cash Equivalents:

For the purpose of presentation in the Company’s financial statements, cash equivalents are short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash and (b) so near to maturity that they present insignificant risk of changes in value due to changing interest rates.

Method of Accounting:

The Company prepares its financial statements on the accrual method of accounting, recognizing income when earned and expenses when incurred.

Debt Securities Available for Sale:

Investments not classified as either trading or held-to-maturity are reported at fair value, adjusted for other than temporary declines in fair value, with unrealized gains and losses excluded from net income and reported as a separate component of surplus. Realized gains and losses are calculated using the specific identification method. The fair value of securities is determined by quoted market prices and observable information for similar items in active or inactive markets.

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Equity Securities:

Beginning in 2019, with the adoption of ASU Number 2016-01, Financial Instruments - Overall (Subtopic 825-10), the Company's investments in equity securities at fair value are no longer classified as available-for-sale and changes in fair value are included in net realized and unrealized gains (losses) on investments on the Company's income statement.

The adoption of ASU 2016-01 also removed the impairment assessment for equity securities at fair value beginning in 2019 and changes in fair value are included in net realized and unrealized (losses) gains on investments on the Company's Statements of Income and Comprehensive Income. Prior to adoption of this standard, when, in the opinion of management, a decline in the fair value of an equity security below its cost was considered to be "other-than-temporary," the equity security's cost was written down to its fair value at the time the other-than-temporary decline is identified.

Reserve for Loss and Loss Adjustment Expenses:

Loss and loss adjustment expenses includes an amount determined from loss reports on individual cases and estimates of the cost of claims incurred but not reported. Such liabilities are necessarily based on estimates and, while management believes the amount is adequate, the ultimate liability may be in excess of, or less than, the amounts provided. It is reasonably possible that the estimate will change within one year of the date of the financial statements. The loss liabilities were developed from a combination of the insurance industry loss payment and reporting patterns. The data was developed and trended, using standard actuarial techniques, to meet the Company's premium rate structure and experience. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in earnings currently.

Premiums:

Premiums are generally recognized as revenue on a pro rata basis over the policy term. The portion of premiums that will be earned in the future are deferred and reported as unearned premiums.

Reinsurance:

In the normal course of business, the Company may seek to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results by purchasing reinsurance at certain levels of risk in various areas of exposure with other insurance enterprises.

Income Tax Status:

Under Internal Revenue Code Section 115, and pursuant to regulations and rulings issued by the Internal Revenue Service, organizations formed, operated and funded by political subdivisions formed to pool casualty and other risks arising from their obligations concerning public liability, may exclude income derived from such activities from taxable income. Accordingly, no provision for income taxes has been provided in the accompanying financial statements, and no federal tax returns have been filed. As no tax returns have been filed, there is no statute of limitations to toll, and all years remain open to potential adjustment.

Investments and Investment Income:

Captive insurance companies are governed by NRS 694C.340 regarding allowable investments, however, as a pure captive, the Company is not subject to any restrictions on allowable investments. The Board has, by policy, implemented investment guidelines to which the Company adheres such that investments are in accordance with NRS 682A.

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Credit Risk:

Credit risk is the risk that the issuer of a security will default on principal and interest in the security. The investment guidelines, do not limit investments based upon the rating of a security, but it is policy to limit those securities with potential default risk such that the Company's annual investment income would exceed a loss on a single issuer's securities.

Concentration of Credit Risk:

The Company limits investments in any single mutual fund, exchange traded fund or similar vehicle to no more than 10% of assets, except for diversified money market funds approved by the NAIC (National Association of Insurance Commissioners).

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Company minimizes this risk through maturity diversification such that aggregate price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

Prior Year Reclassifications:

The prior year's financial statements have been reclassified where applicable to conform to the current year's presentation.

NOTE 2 – NEW ACCOUNTING STANDARDS:

Recently Adopted Accounting Standards:

In January 2016, the FASB issued ASU Number 2016-01, Financial Instruments - Overall (Subtopic 825-10). This update replaces the guidance to classify equity securities with readily determinable fair values into different categories (trading or available-for sale) and requires equity securities to be measured at fair value with changes in fair value recognized through net income. Additionally, this update eliminates the method and significant assumptions used to estimate the fair value of financial instruments measured at amortized cost. It requires financial instruments to be measured at fair value using the exit price notion. Furthermore, this update clarifies that an evaluation of deferred tax assets related to available-for-sale securities is needed, in combination with an evaluation of other deferred tax assets, to determine if a valuation allowance is required. This update becomes effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The company adopted this update effective January 1, 2019. Adoption of this accounting standard resulted in a reclassification adjustment to surplus from accumulated other comprehensive income of \$97,996.

In May 2014, the FASB issued ASU Number 2014-09, Revenue from Contracts with Customers (Topic 606). This update clarifies the principles for recognizing revenue and develops revenue standards to improve revenue recognition guidance. This update requires an entity to recognize revenue as performance obligations are met in order to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration the entity is entitled to receive for those goods or services. In applying this guidance companies are required to: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract(s); (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract(s); and (5) recognize revenue when, or as, the entity satisfies a performance obligation.

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 2 – NEW ACCOUNTING STANDARDS (continued):

In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, which deferred the effective date of ASU 2014-09 to annual reporting periods beginning after December 15, 2017, and interim reporting periods within that annual reporting period. Insurance contracts are not within the scope of this updated guidance. The Company has analyzed revenue streams within the current business operation and determined the adoption of this standard did not have an impact on its financial condition and results of operations.

In August 2018, the Financial Accounting Standards Board (FASB) issued ASU Number 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement. This update removes the disclosure requirements for the amounts of and the reasons for transfers between Level 1 and Level 2 and disclosure of the policy for timing of transfers between levels. This update also removes disclosure requirements for the valuation processes for Level 3 fair value measurements. Additionally, this update adds disclosure requirements for the changes in unrealized gains and losses for recurring Level 3 fair value measurements and quantitative information for certain unobservable inputs in Level 3 fair value measurements. This update became effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company has determined that the implementation of this new standard did not have an impact on the Company's financial statements other than the improved disclosures in Note 3 – Fair Value of Financial Instruments.

NOTE 3 - FAIR VALUE OF FINANCIAL INSTRUMENTS:

The Company has adopted and implemented FASB ASC 820-10, Fair Value Measurements, which provides a framework for measuring fair value under GAAP. This statement defines fair value as the exchange price that would be received for an asset, or paid to transfer a liability (an exit price), in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. FASB ASC 820-10 establishes a fair value hierarchy, which prioritizes the valuation inputs into four broad levels based on the nature of inputs as follows:

Level 1: Fair value is based on quoted prices in active markets for identical assets.

Level 2: Fair value is based on quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or prices derived from valuation models that consider various observable market inputs. Prices obtained from independent pricing services are generally considered Level 2.

Level 3: Unobservable inputs reflecting assumptions that market participants would use, including assumptions about risk. Generally, prices obtained from a broker are considered Level 3.

Level NAV (net asset value): Certain securities, as described in the NAIC SSAP No. 100R (Fair Value Measurement), may be classified as NAV which can be utilized as an expedient to fair value.

Fair values for the Company's securities are based on prices provided by its custodian bank and investment management company, New England Asset Management (NEAM).

For NEAM managed assets, fair value measurement for fixed income and equity securities are based on values from independent pricing service vendors that have been evaluated and approved by their internal pricing policy committee. Cash Equivalents and Short Term securities are valued at amortized cost.

NEAM relies predominately on independent pricing service vendors such as Refinitiv (formerly Reuters), ICE Data Services, Bloomberg, IHS Markit, S&P Capital IQ and PricingDirect. Under certain circumstances, if a vendor price is not available, a price may be obtained from a broker.

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 3 - FAIR VALUE OF FINANCIAL INSTRUMENTS (continued):

Generally, pricing service vendors use a pricing methodology involving the market approach, including pricing models, which use prices and relevant market information regarding a particular security or securities with similar characteristics to establish a valuation. Documentation from each pricing vendor is reviewed and monitored periodically to ensure they are consistent with NEAM's pricing policy procedures.

For Statutory accounting, certain investments are carried at fair value, while others may periodically be carried at fair value based on certain factors such as the NAIC's lower of amortized cost or market rule or an impairment. Assets recorded at fair value are categorized based on an evaluation of the various inputs used to measure the fair value. Supporting documentation received from pricing vendors detailing the inputs, models and processes used in the vendor's evaluation process is used by NEAM to determine the appropriate fair value hierarchy. Market Information obtained from brokers with respect to security valuations is also considered in the pricing hierarchy.

Publicly traded common equities, publicly traded exchange-traded funds (ETF) and publicly traded closed-end mutual funds are valued by one of NEAM's pricing vendors as described above and classified as Level 1. These funds generally have active secondary markets for their listed shares, which serve as the basis for their valuation.

Open-end mutual funds are classified as Level NAV which represents the exit value of the security as of the measurement date. These funds trade at their end of day NAV and are validated with observable activity resulting from the daily purchases and sales activity at NAV.

Money market mutual funds are valued and classified as Level NAV as a practical expedient to fair value.

The Company's Level 1 securities consist of equity securities whose values are based on quoted prices in active markets for identical assets. The Company's level 2 securities are comprised of available-for-sale fixed maturity securities whose fair value was determined using observable market inputs. Investments valued using these inputs include U.S. Treasury securities, obligations of states and political subdivisions, corporate and other securities, commercial and residential mortgage-backed securities, and other asset-backed securities.

The following table presents the Company's fair value hierarchy for financial instruments measured at fair value on a recurring basis as of December 31, 2020 and 2019:

Description	December 31, 2020	<u>Fair Value measurement at reporting date using</u>		
		Quoted price in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash and cash equivalents	\$ 776,833	\$ 776,833	\$ -	\$ -
U.S. government obligations	3,218,271	-	3,218,271	-
U.S states and local authorities Bonds	6,268,093 22,419,733	- -	6,268,093 22,419,733	- -
Fixed income mutual funds	-	-	-	-
Bond mutual funds	4,112,504	4,112,504	-	-
Equity mutual funds	13,338,723	13,338,723	-	-
Total	<u>\$ 50,134,157</u>	<u>\$ 18,228,060</u>	<u>\$ 31,906,097</u>	<u>\$ -</u>

PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 3 - FAIR VALUE OF FINANCIAL INSTRUMENTS (continued):

Description	December 31, 2019	Fair Value measurement at reporting date using		
		Quoted price in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash and cash equivalents	\$ 192,919	\$ 192,919	\$ -	\$ -
U.S. government obligations	3,121,326	-	3,121,326	-
U.S states and local authorities	6,006,376	-	6,006,376	-
Bonds	21,705,736	-	21,705,736	-
Fixed income mutual funds	-	-	-	-
Bond mutual funds	2,989,099	2,989,099	-	-
Equity mutual funds	12,157,177	12,157,177	-	-
Total	\$ 46,172,633	\$ 15,339,195	\$ 30,833,438	\$ -

There were no transfers between fair value levels during the year ended December 31, 2020 and 2019.

NOTE 4 - CONCENTRATIONS:

As detailed in Note 1, the Company provides excess insurance coverage to POOL; additionally, POOL provided the surplus contribution to the Company, and is the sole insured.

The Company maintains its cash balances in various institutions. The balances are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Company has not experienced any losses in such accounts.

Additionally, as of December 31, 2020 and 2019, the company has certain cash equivalent and investment balances insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 (with a limit of \$250,000 for cash) per institution. In addition, the Company's investment policy provides additional coverage above the SIPC limits for any missing securities and cash in client investment accounts up to a firm aggregate limit of \$1 billion (including up to \$1.9 million for cash per client). The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 5 - REINSURANCE ACTIVITY:

Until June 30, 2011, the Company ceded insurance to another company; however, effective July 1, 2010, POOL no longer passes the property premiums through the Company, and is directly reinsured by an outside reinsurer. This reinsurance contract does not relieve the Company from its obligations to policyholders. Failure of the reinsurer to honor its obligations could result in losses to the Company; the Company does not believe that there is a substantial risk of the reinsurer not honoring its obligations. All claims that were incurred during the period of reinsurance coverage are now closed, and there are no outstanding liabilities or receivables attributable to the reinsurance policies.

NOTE 6 - INVESTMENTS:

Available-for-sale securities at December 31, 2020 and 2019 consist of various investments as indicated below:

PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 6 – INVESTMENTS (continued):

	December 31, 2020			
	Cost	Estimated Fair Value	Gross Unrealized	
			Gains	Losses
U.S. government obligations	\$ 3,120,764	\$ 3,218,271	\$ 97,507	\$ -
U.S. states and local authorities	5,927,896	6,268,093	345,934	(5,737)
Bonds	20,269,791	22,419,733	2,149,942	-
Total debt securities	<u>29,318,451</u>	<u>31,906,097</u>	<u>2,593,383</u>	<u>(5,737)</u>
Total available-for-sale securities	<u>\$ 29,318,451</u>	<u>\$ 31,906,097</u>	<u>\$ 2,593,383</u>	<u>\$ (5,737)</u>

	December 31, 2019			
	Cost	Estimated Fair Value	Gross Unrealized	
			Gains	Losses
U.S. government obligations	\$ 3,103,859	\$ 3,121,326	\$ 26,773	\$ (9,306)
U.S. states and local authorities	5,910,745	6,006,376	122,805	(27,174)
Bonds	21,011,202	21,705,736	722,937	(28,403)
Total debt securities	<u>30,025,806</u>	<u>30,833,438</u>	<u>872,515</u>	<u>(64,883)</u>
Total available-for-sale securities	<u>\$ 30,025,806</u>	<u>\$ 30,833,438</u>	<u>\$ 872,515</u>	<u>\$ (64,883)</u>

Proceeds from the sale of investment securities available for sale were \$4,683,170 in 2020 and \$10,954,264 in 2019.

During 2020 and 2019, net realized gains (losses) on investments and the change in unrealized gains (losses) on the Company's investments recorded at fair value are determined on a specific-identification basis and were as follows:

	December 31, 2020				
	Gross Realized Gains	Gross Realized Losses	Changes in Net Unrealized Gains (Losses)	Change in FV Reflected in Earnings	Change in FV Reflected in AOCI, before tax
Debt securities	\$ 34,094	\$ (7,537)	\$ 1,780,014	\$ 26,557	\$ 1,806,571
Equity securities	-	-	846,910	846,910	-
	<u>\$ 34,094</u>	<u>\$ (7,537)</u>	<u>\$ 2,626,924</u>	<u>\$ 873,467</u>	<u>\$ 1,806,571</u>

	December 31, 2019				
	Gross Realized Gains	Gross Realized Losses	Changes in Net Unrealized Gains (Losses)	Change in FV Reflected in Earnings	Change in FV Reflected in AOCI, before tax
Debt securities	\$ 10,193	\$ (34,016)	\$ 1,489,606	\$ (23,823)	\$ 1,465,783
Equity securities	390,186	(56,364)	2,458,735	2,792,557	-
	<u>\$ 400,379</u>	<u>\$ (90,380)</u>	<u>\$ 3,948,341</u>	<u>\$ 2,768,734</u>	<u>\$ 1,465,783</u>

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 6 – INVESTMENTS (continued):

Management evaluates available-for-sale securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the entity to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. As management has the ability to hold the securities for the foreseeable future, no declines are deemed to be other-than-temporary.

The adoption of ASU 2016-01 removed the impairment assessment for equity securities at fair value, and, beginning in 2019, changes in fair value are included in net realized and unrealized gains and losses on investments in the Company's Statements of Income and Comprehensive Income. Prior to adoption of this standard, the Company did not recognize any other-than-temporary impairments on equity securities as management has the intent and ability to hold the securities for the foreseeable future.

All investments have been valued based on quoted prices in active markets for identical assets and liabilities.

Contractual maturities of available-for-sale debt securities at December 31, 2020 and 2019 are as follows:

	Estimated Fair Values	
	2020	2019
1 year or less	\$ 382,442	\$ 1,569,115
Due in 1 - 5 years	5,751,194	5,536,260
Due in 5 - 10 years	11,805,148	10,557,650
Due in 10 years or more	13,967,313	13,170,413
Total investment in debt securities	\$ 31,906,097	\$ 30,833,438

Actual maturities may differ from contractual maturities because some borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

NOTE 7 - RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES:

The Company provides property reinsurance to POOL on an excess of loss basis per the following table:

Fiscal Year	Retention 1 Insurance layer	Retention 2 Insurance layer
7/1/2005-7/1/2007	\$ 50,000 excess of \$150,000	
7/1/2007-7/1/2014	\$ 50,000 excess of \$200,000	
7/1/2014-7/1/2019	\$300,000 excess of \$200,000	
7/1/2019-7/1/2021	\$300,000 excess of \$200,000	3% of 100,000,000 excess 50,000,000

Also, from inception of the captive until June 30, 2010, Lloyds of London reinsured the Company for property losses exceeding \$50,000 net loss per incident, but that reinsurance is now directly contracted by POOL, not the Company.

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 7 - RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES (continued):

The Company's coverage to Nevada Public Agency Insurance Pool's liability program is as follows:

Fiscal Year	Retention 1			Retention 2			
	Insurance layer	Quota share	Insurance layer - excluding school district	Quota share	Insurance layer - all members	Quota share	Insurance layer - school district
7/1/05-7/1/07	\$250,000 excess of \$2,000,000						
7/1/07-7/1/11	\$250,000 excess of \$2,000,000	20%	\$1,500,000 excess of \$500,000				
7/1/11-7/1/14		20%	\$2,500,000 excess of \$500,000				
7/1/14-7/1/16		20%	\$2,500,000 excess of \$500,000	15%	\$7,000,000 excess of \$3,000,000		
7/1/16-7/1/17		30%	\$2,500,000 excess of \$500,000	25%	\$7,000,000 excess of \$3,000,000		
7/1/17-7/1/18		30%	\$2,500,000 excess of \$500,000	25%	\$7,000,000 excess of \$3,000,000	25%	\$2,500,000 excess of \$500,000
7/1/18-7/1/19		30%	\$2,500,000 excess of \$500,000	25%	\$7,000,000 excess of \$3,000,000	25%	\$2,500,000 excess of \$500,000
7/1/19-7/1/20		30%	\$2,500,000 excess of \$500,000	25%	\$7,000,000 excess of \$3,000,000		
7/1/20-7/1/21		30%	\$2,500,000 excess of \$500,000	25%	\$7,000,000 excess of \$3,000,000		

The Company's coverage to Nevada Public Agency Insurance Pool's Cyber Event program is as follows:

Fiscal Year	Retention 1			Retention 2	
	Insurance layer	Quota share	Insurance layer - excluding school district	Quota share	Insurance layer - school district
7/1/19-7/1/20			\$1,000,000 excess of \$1,000,000		\$250,000 excess of \$250,000
7/1/20-7/1/21	\$1,000,000 excess of \$2,000,000				\$250,000 excess of \$250,000

Loss reserve estimates are inherently uncertain because the ultimate amount the Company will pay for many of the claims it has incurred as of the balance sheet date will not be known for many years. The estimate of loss reserves is intended to equal the difference between the expected ultimate losses of all claims that have occurred as of a balance sheet date and amounts already paid. The Company establishes loss reserves based on its own analysis of emerging claims and review of the results of actuarial projections. The Company's aggregate carried reserve for unpaid losses is the sum of its reserves for each accident year and represents its best estimate of outstanding loss reserves.

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 7 - RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES (continued):

The amount by which estimated losses in the aggregate differ from those previously estimated for a specific time period is known as reserve "development." Reserve development is unfavorable when losses ultimately settle for more than the amount reserved or subsequent estimates indicate a basis for reserve increases on open claims, causing the previously estimated loss reserves to be "deficient." Reserve development is favorable when estimates of ultimate losses indicate a decrease in established reserves, causing the previously estimated loss reserves to be "redundant." Development is reflected in the Company's operating results through an adjustment to incurred losses during the period in which it is recognized.

The three main components of reserves for unpaid losses are case reserves, incurred but not reported (IBNR) loss reserves and reserves for loss adjustment expenses (LAE).

When claims are reported, the Company establishes individual estimates of the ultimate cost of each claim (case reserves). These case reserves are continually monitored and revised in response to new information and for amounts paid. IBNR is an actuarial estimate of future payments on claims that have occurred but have not yet been reported. The Company also estimates and makes a provision for the extent to which the case reserves on known claims may develop. IBNR reserves apply to the entire body of claims arising from a specific time period, rather than a specific claim. Most of the Company's IBNR reserves relate to estimated future claim payments on recorded open claims.

For the year ended December 31, 2020, estimated unpaid losses have been determined to range from a recommended low of \$2,181,000 to a recommended high of \$3,283,000 with a conservative estimate of \$4,373,000 based on actuarial estimates; further the actuary has projected expected losses at \$1,273,000. For the year ended December 31, 2019, estimated unpaid losses have been determined to range from a recommended low of \$3,688,000 to a recommended high of \$4,795,000 with a conservative estimate of \$5,887,000 based on actuarial estimates; further the actuary has projected expected losses at \$2,787,000.

Management has estimated reserves to be \$2,497,242 and \$3,955,000 at December 31, 2020 and 2019. This estimate is based on funding the Company at the 75% confidence level as recommended by the actuary and adjusting for claims that are deemed paid during the actuarial analysis but in reality, have not yet been paid by the Company. Management has elected not to discount the reserves for anticipated investment income.

Activity in the reserve for loss and loss adjustment expenses account is summarized as follows:

	<u>2020</u>	<u>2019</u>
Balance at January 1	\$ 3,955,000	\$ 3,591,000
Incurred related to:		
Current year	1,123,000	1,735,500
Prior years	<u>(1,652,354)</u>	<u>(65,561)</u>
Total incurred	<u>(529,354)</u>	<u>1,669,939</u>
Net paid	<u>928,404</u>	<u>1,305,939</u>
Balance at December 31	<u>\$ 2,497,242</u>	<u>\$ 3,955,000</u>

As a result of changes in estimates of incurred events in prior years, the provision for losses changed by \$(1,652,354) and \$(65,561) for the years ended December 31, 2020 and 2019 due to higher (lower) than anticipated losses on the development of claims.

PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 7 - RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES (continued):

The Company's reserve estimates are based on loss experience and exposure data and have assumed future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past.

The Company compiles and aggregates its claims data by grouping the claims according to the year in which the claim occurred ("accident year") when analyzing claim payment and emergence patterns and trends over time. It has been assumed that costs associated with liability claims and claim size are increasing by 2.0% annually. For the purposes of defining claims frequency, the number of reported claims includes any claim that has case reserves and/or loss and LAE payments associated with them. The Company has assumed that the average frequency of claims stays constant.

The Company analyzed the usefulness of disaggregation of its results and determined the characteristics associated with the policies and the related unpaid loss reserves, incurred losses, and payment patterns are similar in nature. The following tables show the Company's historical incurred and cumulative paid losses and LAE development, net of reinsurance, (liability and property combined) as well as IBNR loss reserves and the number of reported claims on an aggregated basis as of December 31, 2020 for each of the previous 10 accident years:

Incurred Losses and LAE, Net of Reinsurance											2020	
Years Ended December 31,												
Accident Year	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018 (1)	2019 (1)	2020	IBNR	Cumulative number of reported claims
(in thousands, except claims counts)												
2011	\$ 276.9	\$ 420.0	\$ 74.4	\$ 274.1	\$ 273.7	\$ 252.5	\$ 196.2	\$ 186.2	\$ 220.5	\$ 220.5	\$ -	4
2012		314.5	211.7	131.0	97.8	93.5	92.9	213.9	50.0	50.0	-	1
2013			270.5	193.3	73.8	54.6	54.8	51.5	64.0	50.0	-	1
2014				284.9	291.5	558.7	355.6	531.3	565.5	622.2	126.0	2
2015					804.0	435.5	402.7	394.3	407.6	426.4	7.0	5
2016						582.8	1,398.2	1,426.3	1,766.9	1,219.9	42.4	7
2017							818.7	1,307.9	1,957.8	1,770.6	93.5	6
2018								1,207.6	690.9	597.7	418.0	1
2019									1,957.2	1,386.0	568.6	2
2020										818.7	818.7	0
Total										\$ 7,162.0		

Cumulative Paid Losses and LAE, Net of Reinsurance										
Years Ended December 31,										
Accident Year	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018 (1)	2019 (1)	2020
(in thousands)										
2011	\$ 100.0	\$ 100.0	\$ 100.0	\$ 140.0	\$ 140.0	\$ 140.0	\$ 140.0	\$ 140.0	\$ 220.5	\$ 220.5
2012		-	-	-	50.0	50.0	50.0	50.0	50.0	50.0
2013			-	50.0	50.0	50.0	50.0	50.0	50.0	50.0
2014				-	73.7	73.7	417.9	417.9	496.2	496.2
2015					-	50.0	245.2	245.2	245.2	320.1
2016						50.0	200.0	1,177.3	1,177.3	1,177.3
2017								600.0	1,317.4	1,658.9
2018									179.8	179.8
2019									-	512.0
2020										-
Total										\$ 4,664.8
All outstanding liabilities for unpaid losses and LAE prior to 2011, net of reinsurance										-
Total outstanding liabilities for unpaid losses and LAE, net of reinsurance										\$ 2,497.2

**PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 7 - RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES (continued):

Data presented for these calendar years is considered to be supplementary information, which is unaudited.

The following table presents the average percentage payout of incurred claims by age, net of reinsurance, as of December 31, 2020 and is presented as required supplementary information, which is unaudited:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
4.9%	26.3%	20.8%	27.5%	0.0%	6.0%	0.0%	0.0%	18.3%	0.0%

The following table represents a reconciliation of claims development to the aggregate carrying amount of the liability for unpaid losses and LAE:

Liabilities for unpaid losses and LAE, net of reinsurance	\$ 2,497,242
Reinsurance recoverable on unpaid losses	-
Unallocated LAE	-
Total liability for unpaid losses and LAE	\$ 2,497,242

NOTE 8 - SURPLUS CONTRIBUTION:

The following is a summary of the surplus contributed to the Company from POOL pursuant to authorization by the Executive Committee of POOL:

Years	Surplus POOL Contribution
2004	\$ 1,000,000
2005	-
2006	-
2007	2,000,000
2008	3,800,000
2009	908,416
2010	4,265,924
2011	3,276,619
2012	1,237,581
2013	1,500,000
2014	-
2015	876,123
2016	612,600
2017	10,000,000
2018	-
2019	-
2020	-
Total	\$ 29,477,263

NRS 694C.250 requires a pure captive to maintain capital of not less than \$200,000, the Company is in compliance with this requirement as of December 31, 2020 and 2019.

PUBLIC RISK MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 9 - RELATED PARTIES:

All premiums and surplus contributions are made by POOL and all claims activity is attributable to the quota share reinsurance agreement with POOL.

Public Risk Mutual has entered into a management services agreement with Nevada Risk Pooling, Inc. to provide captive management for the day to day operations of PRM for a five year period from July 1, 2019 to June 30, 2024. The cost of the initial base year is \$75,000 with annual increases of 3% each succeeding year.

NOTE 10 - CONTINGENCIES AND RISK MANAGEMENT:

On March 11, 2020, the World Health Organization (WHO) declared the novel Coronavirus (COVID-19) outbreak a global pandemic, constituting a “public health emergency of international concern”. The Company is responding to the recent COVID-19 outbreak with a measured, practical response. As of the date of this report, Public Compensation Mutual is able to perform all necessary business functions however, the extent of future financial impact and duration cannot be reasonably estimated at this time.

NOTE 11 - SUBSEQUENT EVENTS:

Management has evaluated subsequent events through February 12, 2021, which is the date the financial statements were available to be issued.

Casey Neilson, Inc.
Accountants and Advisors

**REPORT ON INTERNAL CONTROL AND COMPLIANCE OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
NEVADA ADMINISTRATIVE CODE 694C.210**

To the Board of Directors
Public Risk Mutual

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Public Risk Mutual, which comprise the balance sheet as of December 31, 2020, and the related statements of income and comprehensive income, changes in surplus, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 12, 2021.

In planning and performing our audit of the GAAP basis financial statements of Public Risk Mutual as of and for the years ended December 31, 2020 in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Public Risk Mutual's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, detected or corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

In connection with our audit, nothing came to our attention that caused us to believe that Public Risk Mutual failed to comply with the terms, covenants, provisions, or conditions of their bylaws, articles of incorporation, or business plan, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Company's noncompliance with the above-referenced terms, insofar as they relate to accounting matters.

This communication is intended solely for the information and use of the Board of Directors, management, others within the organization and state insurance departments to whose jurisdiction Public Risk Mutual is subject and is not intended to be and should not be used by anyone other than these specified parties.



Carson City, Nevada
February 12, 2021

PUBLIC COMPENSATION MUTUAL

DECEMBER 31, 2020 AND 2019

**PUBLIC COMPENSATION MUTUAL
DECEMBER 31, 2020 AND 2019**

TABLE OF CONTENTS

	<u>PAGE NO.</u>
PRESIDENT'S LETTER	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	2-8
INDEPENDENT AUDITOR'S REPORT	9-10
FINANCIAL STATEMENTS	
Balance Sheets	11
Statements of Income and Comprehensive Income	12
Statements of Changes in Surplus	13
Statements of Cash Flows	14
Notes to Financial Statements	15-27
COMPLIANCE SECTION	
Report on Internal Control and Compliance over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Nevada Administrative Code 694C.210	28

Casey Neilson, Inc.
Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Public Compensation Mutual

We have audited the accompanying financial statements of Public Compensation Mutual (a Nevada non-profit pure captive mutual insurer) which comprise the balance sheets as of December 31, 2020 and 2019 and the related statements of income and comprehensive income, changes in surplus and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Public Compensation Mutual as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters – Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the expanded disclosures regarding short duration contracts contained in Note 6 to the financial statements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Other Legal and Regulatory Requirements

In accordance with the Nevada Administrative Code, we have also issued our report dated February 12, 2021, on our consideration of the Company's internal control and compliance over financial reporting. That report is an integral part of an audit performed in accordance with this code and should be read in conjunction with this report in considering the results of our audits.

A handwritten signature in black ink that reads "Casey Nalor". The signature is written in a cursive, flowing style.

Carson City, Nevada
February 12, 2021

President's Letter

Public Compensation Mutual (PCM) had a significant year in 2020 that reflects its strengths despite some major claims:

- ❖ PCM is a pure captive of the Public Agency Compensation Trust (PACT). There was no additional surplus contribution in 2020 so PACT's surplus contribution total of \$53,700,939 remains unchanged.
- ❖ PCM continued to provide \$700,000 excess of PACT's \$300,000 retention and 25% quota share of \$2,000,000 excess of the first \$1,000,000 for worker's compensation coverage. Additionally, PCM continued to provide \$1,500,000 (50% quota share of \$3,000,000) annual aggregate excess for all ceding entity losses, to attach (a) once any other annual aggregate excess/reinsurance coverage obtained by the ceding entity has been exhausted or, (b) at an annual retention of \$10,000,000 in the aggregate, whichever is greater. This coverage helped PACT absorb major claims expenses while maintaining financial stability.
- ❖ With the assistance of New England Asset Management (Fixed Income Manager) and Strategic Asset Alliance (Investment Advisor), investment earnings were \$2,203,921 compared to \$2,218,272 in 2019. The investment balance at December 31, 2020 was \$91,755,802 compared to \$81,608,028 in 2019. This investment income is key to the risk management services and claim coverage for the PACT and PCM. PCM's investment portfolio includes U.S. government obligations, U.S. state and local bonds, U.S. corporate bonds, fixed income mutual funds, bond mutual funds and equity mutual funds.
- ❖ PCM's reserves for loss and loss adjustment expenses increased to \$7,182,924 in 2020 from \$5,756,600 in 2019. These reserves are based on a 75% confidence level. The actual losses and loss adjustment expenses were \$1,641,001 in 2020 to \$1,748,999 in 2019. The decrease was primarily due to the occurrence of the favorable development of prior year losses which had been experienced in 2019. PCM incurred losses related to 2019, as determined by the independent actuary, that were (\$75,999) less than the prior year offset by an increase in current years losses of \$1,717,000. This type of volatility is expected when dealing with workers compensation claims.
- ❖ PCM's total surplus as of December 31, 2019 was \$77,854,824 compared to \$85,066,480 as of December 31, 2020. This is an increase of \$7,211,656 during the year with \$3,924,762 from net income and other comprehensive income of \$3,286,894.

One of PCM's goals is to continue to increase investment earnings while providing PACT added value to workers compensation coverage. This has been instrumental when PCM is seeking reinsurance and excess quotes from its reinsurance partners. Building financial strength and security is a long-held value of PACT and PCM. Under the Board's direction and leadership, we continue to work toward achieving those goals.

I personally want to thank the board of trustees for PACT and the PCM Captive board of trustees for their commitment to the dynamic development of the coverages and risk management products that we support.

Best,



PCM President

PUBLIC COMPENSATION MUTUAL
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020 AND 2019

Public Compensation Mutual's (PCM) discussion and analysis is designed to, (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the entity's financial activities, (c) identify changes in the Company's financial position (its ability to address next and subsequent years challenges), and (d) identify any material deviations from the financial plan.

We encourage readers to read this information in conjunction with the President's letter, financial statements and notes to gain a more complete understanding of the information presented.

Company Overview

Public Compensation Mutual a Nevada nonprofit pure captive mutual insurer formed pursuant to Nevada Revised Statutes 694C, is engaged in the business of providing reinsurance for Public Agency Compensation Trust (PACT). Effective July 18, 2013, the Company became a pure captive authorized by the State of Nevada Division of Insurance, prior to that date, the Company was an association captive. Currently, the Company issues a single reinsurance policy to PACT each year and the underlying PACT program in turn issues a single certificate of participation with a copy of the PACT Coverage Form to each member.

Financial Highlights

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

The auditor's report offers an unmodified opinion on the financial statements, the best opinion that can be attained.

Critical Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the accounting period. Actual results could differ from these estimates.

PCM has identified the estimates inherent in the valuation of investments and loss reserves (including reserves for incurred but not reported claims- IBNR) as critical in that they involve a higher degree of judgment and are subject to a significant degree of variability. In developing these estimates, management makes subjective and complex judgements that are inherently uncertain and subject to material change as facts and circumstances develop. Although variability is inherent in these estimates, management believes the amounts provided are appropriate and conservative based upon the facts available as of the date of the financial statements. PCM uses the assistance of an independent outside actuarial firm in relation to the IBNR and overall loss reserve adequacy.

Investments

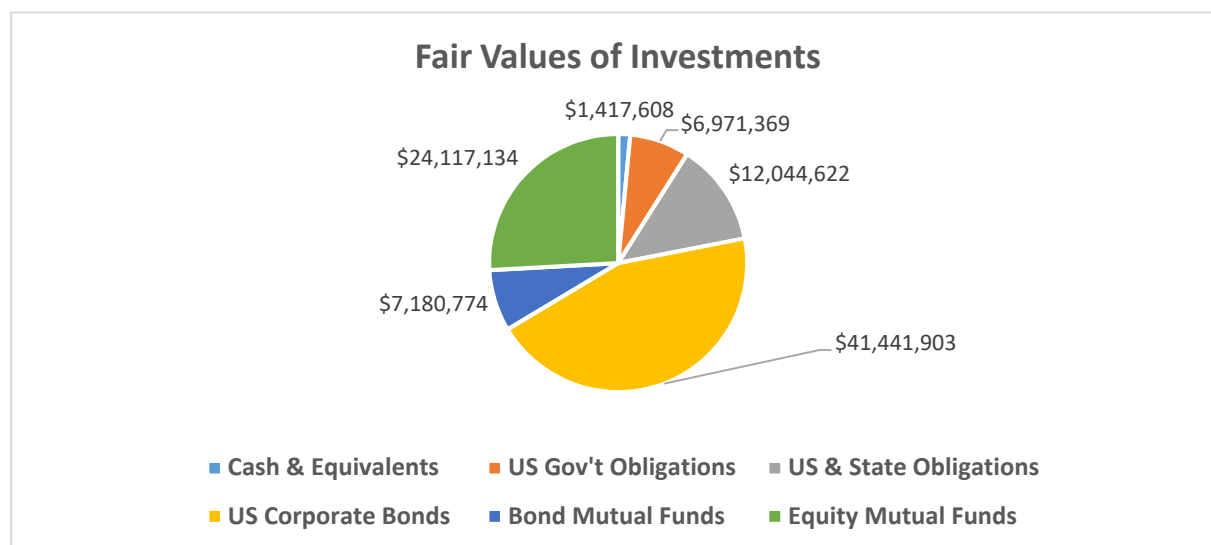
One significant estimate inherent in the valuation of investments is the evaluation of fair value and other than temporary impairment (OTTI).

Fair value requires management judgement on the appropriate classes of assets and liabilities for which disclosures about fair value measurement should be provided. Fair value for investments is primarily a quantitative assessment. For debt and equity securities, class is determined on the basis, nature, and risk of the investments. A full disclosure of PCM's fair value methodology can be found in Note 3 Fair Value of Financial Instruments in the Notes to the Audited Financial Statements.

The determination of OTTI is a quantitative and qualitative process, which is subject to judgement in the determination of whether declines in the fair value of investments are other than temporary. The cost basis of fixed maturity investments is adjusted for impairments in value, deemed to be other than temporary, with the associated realized loss reported in net income. Factors considered in evaluating whether a decline in value is other than temporary include: 1) the magnitude of the decline in value; 2) current economic conditions and the financial condition and near-term prospects of the issuer; 3) the amount of time that the fair value has been less than cost; and 4) the estimated period over which the security is expected to recover and whether PCM's cash or working capital requirements and contractual or regulatory requirements may indicate a need to sell the security before its forecasted recovery.

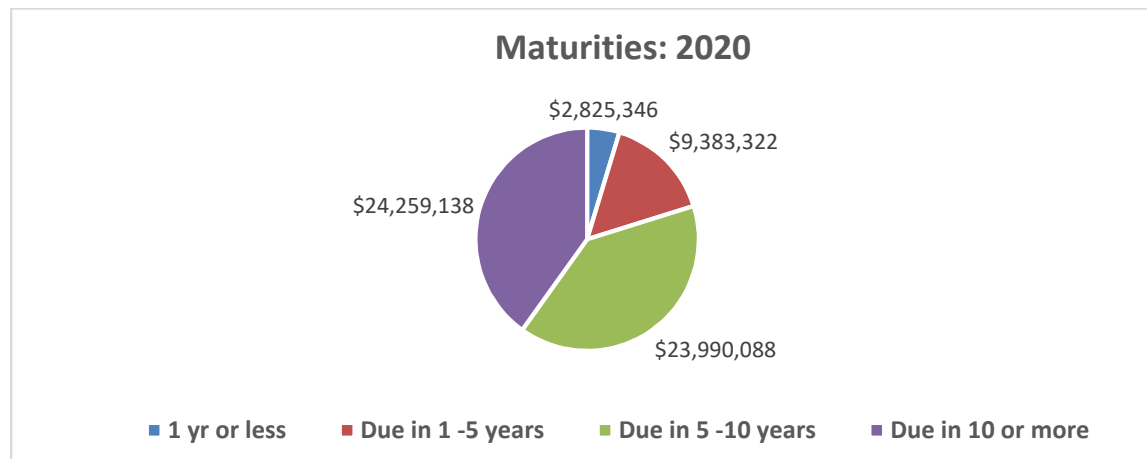
Cash and investments of \$93,173,410 are available to meet current liabilities, including reserves for loss and loss adjustment expenses of \$8,473,727. Total liabilities include accounts payable, reserves for loss and loss adjustment expenses and unearned assessments. This is a conservative measure of cash and investments available to pay current obligations. PCM's cash ratio is 11.0, meaning that it has 11.0 times the unrestricted cash and investments on hand to meet its obligations. Last year's cash ratio was 12.2.

Investment balances as of December 31, 2020 were \$91,755,802 compared to the prior year amount of \$81,608,028. This represents an increase of \$10,147,774 or 12.4%. The increase is due primarily to the increase in the market value of the investments held because of the Federal Reserve Board lowering interest rates during 2020 resulting in unrealized gains on available for sale and equity securities during the period. As noted in Note 3, Level 1 quoted price in active market for identical assets were valued at \$32,715,516 the Level 2 significant other observable inputs at \$60,457,894 and no Level 3 assets. The following is an overview of the fair value investments:



As noted in Note 5- Investments, the contractual maturities of available-for-sale debt securities on December 31st, 2020 and 2019 are as follows:

	Estimated Fair Values	
	<u>2020</u>	<u>2019</u>
1 year or less	\$ 2,825,346	\$ 753,980
Due in 1 – 5 years	9,383,322	11,130,998
Due in 5 -10 years	23,990,088	21,334,431
Due in 10 years or more	<u>24,259,138</u>	<u>24,539,507</u>
Total Investment in debt securities	<u>\$60,457,894</u>	<u>\$57,758,916</u>



Investment Income Receivable

The investment income receivable on December 31, 2020 is \$366,797 compared to \$377,712 in 2019. This is a change of (\$10,915) or -2.9%. This is due primarily to the timing of the payment of accrued interest on the investments and a slightly lower investment book yield compared to the prior year.

Loss Reserves

Loss reserves are estimates of losses and loss development and as such will differ from the ultimate results. Therefore, one of the critical accounting estimates is the proper amount of reserves to be set aside to meet net future liabilities of the current in-force business. Changes in or deviations from the assumptions used to develop the loss reserves can significantly affect PCM's reserve levels and related future operations. Assumptions include company methodology for underwriting and claims handling and current estimates of the legal, inflation rate, and social environments. Annually, PCM retains an outside independent actuary to provide a loss reserve opinion and establish a range for PCM's loss reserves. PCM's policy is to book reserves at the 75% confidence level as recommended by the actuary. Management has elected not to discount the reserves for anticipated investment income. See Note 6- Reserve for Loss and Loss Adjustment Expense in the Notes to the Audited Financial Statements.

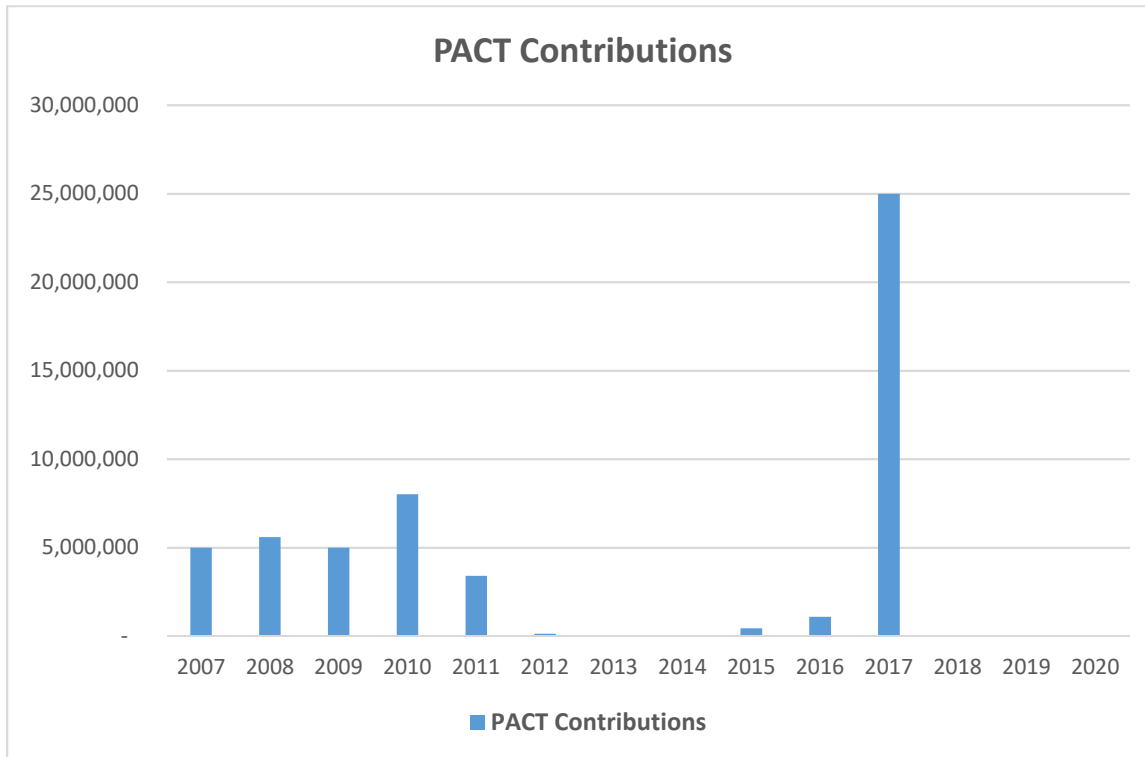
Reserves for loss and loss adjustment expenses increased from \$5,756,600 to \$7,182,924 on December 31, 2020 an increase of \$1,426,324 or 24.8% during the year due to case reserve increases on a couple of severe loss claims incurred during the year as well as higher payments due to legislative changes.

Unearned Premiums

PCM writes only 12-month insurance policies effective July 1st of the year written, so the entire \$1,261,437 unearned premiums carried in 2020 will be fully earned in 2021.

Surplus Contributions

There were no surplus contributions from PACT during 2020. The last surplus contribution was during 2017 in the amount of \$25,000,000 as approved by the Board at their meeting held on March 22, 2017. This brings the total surplus contribution into PCM at \$53,700,939. See Note 7 for more details. The following chart indicates PACT's surplus contributions to PCM



Surplus

PCM's total surplus on December 31, 2020 was \$85,066,480 an increase of \$7,211,656 from the December 31, 2019 balance of \$77,854,824. The increase results from net income of \$3,924,762 enhanced with accumulated other comprehensive gain of \$3,286,894 during the year which is composed of \$3,331,125 in unrealized holding gains on available-for-sale securities arising during the period due to changes in the investment markets as well as \$(44,231) in realized gains arising during the period.

The following is the comparative Balance Sheet of Public Compensation Mutual as of December 31, 2020 and 2019.

**Public Compensation Mutual
Balance Sheet**

	2020	2019	\$ Difference	% Difference
Assets				
Cash and cash equivalents	\$ 1,417,608	\$ 2,641,784	\$ (1,224,176)	-46.3%
Premium receivable		136,500	(136,500)	-100.0%
Fixed income securities at fair value	60,457,894	57,758,916	2,698,978	4.7%
Equity securities at fair value	31,297,908	23,849,112	7,448,796	31.2%
Investment income receivable	366,797	377,712	(10,915)	-2.9%
Total Assets	\$ 93,540,207	\$ 84,764,024	\$ 8,776,183	10.4%
Liabilities and Surplus				
Accounts payable	\$ 29,366	\$ 33,750	\$ (4,384)	-13.0%
Reserve for loss and loss adjustment expenses	7,182,924	5,756,600	1,426,324	24.8%
Unearned assessments	1,261,437	1,118,850	142,587	12.7%
Total liabilities	\$ 8,473,727	\$ 6,909,200	\$ 1,564,527	24.5%
Surplus	80,332,946	76,408,184	3,924,762	5.1%
Accumulated other comprehensive income (loss)	4,733,534	1,446,640	3,286,894	227.2%
Total Surplus	85,066,480	77,854,824	7,211,656	9.3%
Total Liabilities and Surplus	\$ 93,540,207	\$ 84,764,024	\$ 8,776,183	10.4%

Net Income from Operations

PCM reported net income from operations for the year ended December 2020 of \$3,924,762 a decrease of \$1,987,512 or 33.6% decrease from the prior year end income of \$5,912,274. The decrease is primarily driven by a decrease of \$2,252,821 in net realized and unrealized investment income of \$1,817,683 in 2020 compared to a gain of \$4,070,504 in the prior year. In addition to the decrease in realized and unrealized gains, there was an increase of \$286,275 in administrative expenses because of payment to PACT for risk management services in the amount of \$475,000 for the members compared to the prior year amount of \$237,000 and an increase in the allocation of management cost approved by the Board of Directors. Underwriting gains (premiums less loss expenses) of \$739,286 compared to prior year underwriting gains of \$173,351. The increase in the underwriting gains is due to the decrease in the loss and loss adjustment expenses during the year and higher premium assessments. See further explanation below.

Net Earned Premiums

Net earned premiums of \$2,380,287 increased by \$457,937 or 23.8% from \$1,922,350 on December 31, 2019. This increase in 2020 is due to higher assessment based on claims experience and recommended funding levels at the 75% confidence level as determined by our independent actuary.

Investment Income Including Realized and Unrealized Gains (Losses)

Investment income of \$2,203,921, plus net realized and unrealized gains and (losses) on investments of \$1,817,683 on December 31, 2020 combined for a total of \$4,021,604 was \$2,867,172 or 36.1% lower than the same period during 2019 as investment income was \$2,218,272 with net realized and unrealized gains of \$4,070,504. The unrealized gains from the portfolio are largely a result of market yields decreasing based on actions by the Federal Reserve Board to lower interest rates during 2020. See Note 5 Investments for greater details.

Loss and Loss Adjustment Expenses

Losses and loss adjustment expenses decreased by \$107,998 from \$1,748,999 in 2019 to \$1,641,001 in 2020. See Note 6 Reserve for loss and loss adjustment expenses for more details.

Administrative Fees

Administrative fees were \$836,128 and \$549,853 respectively, for the years ended December 31, 2020 and 2019. The increase was attributed primarily to the \$475,000 PCM paid to PACT for risk management services for the membership in 2020 compared to \$237,500 in 2019.

Other Comprehensive Income

Other comprehensive income, which consists of unrealized gains (losses) on available for sale securities arising during the period less reclassification adjustment for (gains) losses recognized in net income. In 2020 the unrealized gain on available for sale securities during the period was \$3,331,125 compared to unrealized gains of \$3,221,033 in 2019. The unrealized gain is due primarily to the decreases in the interest rates imposed by the Federal Reserve in 2020 compared to them raising the rates in 2018. The reclassification adjustment for (gains) losses recognized in net income were (\$44,231) in 2020 compared to \$21,427 in 2019. This results in total Other Comprehensive Income of \$3,286,894 in 2020 and compares to Other Comprehensive Income \$3,242,460 in 2019. Additionally, the implementation of ASU 2016-01 in 2019 required the reclassification of equity securities from available-for-sale to equity securities with unrealized gains and losses reported on the income statement rather than as a component of Other Comprehensive Income (Loss). Although assets are classified as available-for-sale, the board policy states, investments are intended to be held for maturity, thus the unrealized gains (losses) are not likely to materialize. The significant unrealized gains will become future net investment income as the payment of the book yield occurs on the portfolio.

The following is the Statement of Income and Comprehensive Income for the years ended December 31, 2020 and 2019.

Public Compensation Mutual
Statement of Income and Comprehensive Income

	2020	2019	\$ Difference	% Difference
INCOME				
Premiums	\$ 2,380,287	\$ 1,922,350	\$ 457,937	23.8%
Investment income	2,203,921	2,218,272	(14,351)	-0.6%
Net realized and unrealized gains (losses) on investments	1,817,683	4,070,504	(2,252,821)	-55.3%
Total Income	6,401,891	8,211,126	(1,809,235)	-22.0%
EXPENSES				
Administrative expenses	836,128	549,853	286,275	52.1%
Loss and loss adjustment expenses	1,641,001	1,748,999	(107,998)	-6.2%
Total Expenses	2,477,129	2,298,852	178,277	7.8%
Net Income Before Income Taxes	3,924,762	5,912,274	(1,987,512)	-33.6%
Provision for Income Taxes	-	-	-	
Net Income	\$ 3,924,762	\$ 5,912,274	\$ (1,987,512)	-33.6%
OTHER COMPREHENSIVE INCOME				
Unrealized gains (losses) on available for sale securities arising during the period	\$ 3,331,125	\$ 3,221,033	\$ 110,092	3.4%
Less: Reclassified adjustment for (gains) losses recognized in net income	(44,231)	21,427	(65,658)	-306.4%
Other Comprehensive Income (Loss)	3,286,894	3,242,460	44,434	1.4%
Comprehensive Income (Loss)	\$ 7,211,656	\$ 9,154,734	\$ (1,943,078)	-21.2%

This financial report is designed to provide a general overview of the financial activities and conditions of Public Compensation Mutual. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Public Compensation Mutual, 201 South Roop Street, Suite 102, Carson City, Nevada 89701 or email at akalt@poolpact.com.

**PUBLIC COMPENSATION MUTUAL
BALANCE SHEETS
DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 1,417,608	\$ 2,641,784
Premiums receivable	-	136,500
Fixed maturity securities at fair value	60,457,894	57,758,916
Equity securities at fair value	31,297,908	23,849,112
Investment income receivable	<u>366,797</u>	<u>377,712</u>
 Total Assets	 <u>\$ 93,540,207</u>	 <u>\$ 84,764,024</u>
LIABILITIES AND SURPLUS		
Accounts payable	\$ 29,366	\$ 33,750
Reserve for loss and loss adjustment expenses	7,182,924	5,756,600
Unearned premiums	<u>1,261,437</u>	<u>1,118,850</u>
 Total Liabilities	 <u>8,473,727</u>	 <u>6,909,200</u>
Surplus	80,332,946	76,408,184
Accumulated other comprehensive income (loss)	<u>4,733,534</u>	<u>1,446,640</u>
 Total Surplus	 <u>85,066,480</u>	 <u>77,854,824</u>
 Total Liabilities and Surplus	 <u>\$ 93,540,207</u>	 <u>\$ 84,764,024</u>

See accompanying notes

**PUBLIC COMPENSATION MUTUAL
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
INCOME		
Premiums	\$ 2,380,287	\$ 1,922,350
Net investment income	2,203,921	2,218,272
Net realized and unrealized gains (losses) on investments	<u>1,817,683</u>	<u>4,070,504</u>
Total Income	<u>6,401,891</u>	<u>8,211,126</u>
EXPENSES		
Administrative fees	836,128	549,853
Loss and loss adjustment expenses	<u>1,641,001</u>	<u>1,748,999</u>
Total Expenses	<u>2,477,129</u>	<u>2,298,852</u>
Net Income Before Income Taxes	3,924,762	5,912,274
Provision for income taxes	<u>-</u>	<u>-</u>
Net Income	<u>\$ 3,924,762</u>	<u>\$ 5,912,274</u>
OTHER COMPREHENSIVE INCOME		
Unrealized gains (losses) on available for sale securities arising during the period	\$ 3,331,125	\$ 3,221,033
Less: Reclassification adjustment for (gains) losses recognized in net income	<u>(44,231)</u>	<u>21,427</u>
Other Comprehensive Income	<u>3,286,894</u>	<u>3,242,460</u>
Comprehensive Income	<u>\$ 7,211,656</u>	<u>\$ 9,154,734</u>

See accompanying notes

**PUBLIC COMPENSATION MUTUAL
STATEMENTS OF CHANGES IN SURPLUS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>Surplus</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total Surplus</u>
Balance, December 31, 2018	\$ 70,595,348	\$ (1,895,258)	\$ 68,700,090
Net income	5,912,274	-	5,912,274
Unrealized holding losses arising during the period	-	3,221,033	3,221,033
Add: Reclassification adjustment for losses realized in net income	-	21,427	21,427
Reclassification adjustment for adoption of ASU No. 2016-01	<u>(99,438)</u>	<u>99,438</u>	<u>-</u>
Balance, December 31, 2019	<u>\$ 76,408,184</u>	<u>\$ 1,446,640</u>	<u>\$ 77,854,824</u>
Net income	3,924,762	-	3,924,762
Unrealized holding gains arising during the period	-	3,331,125	3,331,125
Add: Reclassification adjustment for gains realized in net income	<u>-</u>	<u>(44,231)</u>	<u>(44,231)</u>
Balance, December 31, 2020	<u><u>\$ 80,332,946</u></u>	<u><u>\$ 4,733,534</u></u>	<u><u>\$ 85,066,480</u></u>

See accompanying notes

**PUBLIC COMPENSATION MUTUAL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING		
ACTIVITIES:		
Net income	\$ 3,924,762	\$ 5,912,274
Adjustments to reconcile net income to net cash provided by operating activities:		
(Gains) losses on sale of securities	(49,916)	12,986
Amortization of premium or discount	215,817	170,914
Net unrealized (gains) and losses on marketable securities classified as trading	(1,767,767)	(4,083,490)
Changes in assets and liabilities:		
(Increase) decrease in:		
Premiums receivable	136,500	(136,500)
Investment income receivable	10,915	(59,033)
Prepaid expenses	-	74,250
Increase (decrease) in:		
Reserve for loss and loss adjustment expenses	1,426,324	1,207,600
Accounts payable	(4,384)	2,950
Unearned premiums	142,587	315,350
Net Cash Provided by Operating Activities	4,034,838	3,417,301
CASH FLOWS FROM INVESTING		
ACTIVITIES:		
Purchase of securities	(11,538,200)	(14,892,990)
Sale of securities	6,279,186	13,261,875
Net Cash Used by Investing Activities	(5,259,014)	(1,631,115)
Increase (Decrease) in Cash and Cash Equivalents	(1,224,176)	1,786,186
CASH AND CASH EQUIVALENTS, Beginning of Period	2,641,784	855,598
CASH AND CASH EQUIVALENTS, End of Period	\$ 1,417,608	\$ 2,641,784

See accompanying notes

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations:

Public Compensation Mutual (“the Company”), a Nevada nonprofit pure captive mutual insurer formed pursuant to Nevada Revised Statute 694C, is engaged in the business of providing reinsurance for the Public Agency Compensation Trust (PACT). Effective July 18, 2013, the Company became a pure captive authorized by the State of Nevada Division of Insurance; prior to this date, the Company was an association captive. PACT is a quasi-governmental entity formed by local governments for the purpose of organizing an association for self-insured workers compensation. The Company’s formation was approved on June 26, 2007 by the State of Nevada Division of Insurance and began operations July 1, 2007.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation:

The accompanying financial statements have been prepared in conformity with reporting practices prescribed or permitted by the State of Nevada, Division of Insurance. These financial statements are also presented in conformity with accounting principles generally accepted in the United States of America because the accounting practices prescribed or permitted under statutory authority, when applied to the Company do not vary materially from generally accepted accounting principles.

Cash Equivalents:

For the purpose of presentation in the Company’s financial statements, cash equivalents are short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash and (b) so near to maturity that they present insignificant risk of changes in value due to changing interest rates.

Method of Accounting:

The Company prepares its financial statements on the accrual method of accounting, recognizing income when earned and expenses when incurred.

Debt Securities Available for Sale:

Investments in debt securities not classified as either trading or held-to-maturity are reported at fair value, adjusted for other than temporary declines in fair value, with unrealized gains and losses excluded from net income and reported as a separate component of surplus. The fair value of securities is determined by quoted market prices and observable information for similar items in active or inactive markets. Realized gains and losses are calculated using the specific identification method.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Equity Securities:

Beginning in 2019, with the adoption of ASU 2016-01, Financial Instruments - Overall (Subtopic 825-10), the Company's investments in equity securities at fair value are no longer classified as available for sale, and changes in fair value are included in net realized and unrealized gains (losses) on investments on the Company's income statement.

The adoption of ASU 2016-01 also removed the impairment assessment for equity securities at fair value beginning in 2019, and changes in fair value are included in net realized and unrealized (losses) gains on investments on the company's statements of income and comprehensive income. Prior to adoption of this standard, when, in the opinion of management, a decline in the fair value of an equity security below its cost was considered to be "other-than-temporary," the equity security's cost was written down to its fair value at the time the other-than-temporary decline is identified.

Reserve for Loss and Loss Adjustment Expenses:

Loss and loss adjustment expenses includes an amount determined from loss reports on individual cases and estimates of the cost of claims incurred but not reported. Such liabilities are necessarily based on estimates and, while management believes the amount is adequate, the ultimate liability may be in excess of, or less than, the amounts provided. It is reasonably possible that the estimate will change within one year of the date of the financial statements. The loss liabilities were developed from a combination of the insurance industry loss payment and reporting patterns. The data was developed and trended, using standard actuarial techniques, to meet the Company's premium rate structure and experience. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in earnings currently.

Premiums:

Premiums are generally recognized as revenue on a pro rata basis over the policy term. The portion of premiums that will be earned in the future are deferred and reported as unearned premiums.

Reinsurance:

In the normal course of business, the Company may seek to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results by purchasing reinsurance at certain levels of risk in various areas of exposure with other insurance enterprises.

Income Tax Status:

Under Internal Revenue Code Section 115, and pursuant to regulations and rulings issued by the Internal Revenue Service, organizations formed, operated and funded by political subdivisions formed to pool casualty and other risks arising from their obligations concerning public liability, may exclude income derived from such activities from taxable income. Accordingly, no provision for income taxes has been provided in the accompanying financial statements, and no federal tax returns have been filed. As no tax returns have been filed, there is no statute of limitations to toll, and all years remain open to potential adjustment.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Investments and Investment Income:

Captive insurance companies are governed by NRS 694C.340 regarding allowable investments, however, as a pure captive, the Company is not subject to any restrictions on allowable investments. The Board has, by policy, implemented investment guidelines to which the Company adheres such that investments are in accordance with NRS 682A.

Credit Risk:

Credit risk is the risk that the issuer of a security will default on principal and interest in the security. The investment guidelines do not limit investments based upon the rating of a security, but it is policy to limit those securities with potential default risk such that the Company's annual investment income would exceed a loss on a single issuer's securities.

Concentration of Credit Risk:

The Company limits investments in any single mutual fund, exchange traded fund or similar vehicle to no more than 10% of assets.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Company minimizes this risk by maturity diversification such that aggregate price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

Prior Year Reclassifications:

The prior year's financial statements have been reclassified where applicable to conform to the current year's presentation.

NOTE 2 – NEW ACCOUNTING STANDARDS:

Recently Adopted Accounting Standards:

In January 2016, the FASB issued ASU 2016-01, Financial Instruments - Overall (Subtopic 825-10). This update replaces the guidance to classify equity securities with readily determinable fair values into different categories (trading or available-for sale) and requires equity securities to be measured at fair value with changes in fair value recognized through net income. Additionally, this update eliminates the method and significant assumptions used to estimate the fair value of financial instruments measured at amortized cost. It requires financial instruments to be measured at fair value using the exit price notion. Furthermore, this update clarifies that an evaluation of deferred tax assets related to available-for-sale securities is needed, in combination with an evaluation of other deferred tax assets, to determine if a valuation allowance is required. This update became effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The company adopted this update effective January 1, 2019. Adoption of this accounting standard resulted in a reclassification adjustment to surplus from accumulated other comprehensive income of \$99,438.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 2 – NEW ACCOUNTING STANDARDS (continued):

In May 2014, the FASB issued ASU Number 2014-09, Revenue from Contracts with Customers (Topic 606). This update clarifies the principles for recognizing revenue and develops revenue standards to improve revenue recognition guidance. This update requires an entity to recognize revenue as performance obligations are met in order to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration the entity is entitled to receive for those goods or services. In applying this guidance companies are required to: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract(s); (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract(s); and (5) recognize revenue when, or as, the entity satisfies a performance obligation. In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, which deferred the effective date of ASU 2014-09 to annual reporting periods beginning after December 15, 2017, and interim reporting periods within that annual reporting period. Insurance contracts are not within the scope of this updated guidance. The Company has analyzed revenue streams within the current business operation and determined the adoption of this standard did not have an impact on its financial condition and results of operations.

In August 2018, the Financial Accounting Standards Board (FASB) issued ASU Number 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement. This update removes the disclosure requirements for the amounts of and the reasons for transfers between Level 1 and Level 2 and disclosure of the policy for timing of transfers between levels. This update also removes disclosure requirements for the valuation processes for Level 3 fair value measurements. Additionally, this update adds disclosure requirements for the changes in unrealized gains and losses for recurring Level 3 fair value measurements and quantitative information for certain unobservable inputs in Level 3 fair value measurements. This update became effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company has determined that the implementation of this new standard did not have an impact on the Company's financial statements other than the improved disclosures in Note 3 – Fair Value of Financial Instruments.

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS:

The Company has adopted and implemented FASB ASC 820-10, Fair Value Measurements, which provides a framework for measuring fair value under GAAP. This statement defines fair value as the exchange price that would be received for an asset, or paid to transfer a liability (an exit price), in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. FASB ASC 820-10 establishes a fair value hierarchy, which prioritizes the valuation inputs into four broad levels based on the nature of inputs as follows:

Level 1: Fair value is based on quoted prices in active markets for identical assets.

Level 2: Fair value is based on quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or prices derived from valuation models that consider various observable market inputs. Prices obtained from independent pricing services are generally considered Level 2.

Level 3: Unobservable inputs reflecting assumptions that market participants would use, including assumptions about risk. Generally, prices obtained from a broker are considered Level 3.

Level NAV (net asset value): Certain securities, as described in the NAIC SSAP No. 100R (Fair Value Measurement), may be classified as NAV which can be utilized as an expedient to fair value.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued):

Fair values for the Company's securities are based on prices provided by its custodian bank and investment management company, New England Asset Management (NEAM).

For NEAM managed assets, fair value measurement for fixed income and equity securities are based on values from independent pricing service vendors that have been evaluated and approved by their internal pricing policy committee. Cash Equivalents and Short Term securities are valued at amortized cost.

NEAM relies predominately on independent pricing service vendors such as Refinitiv (formerly Reuters), ICE Data Services, Bloomberg, IHS Markit, S&P Capital IQ and PricingDirect. Under certain circumstances, if a vendor price is not available, a price may be obtained from a broker.

Generally, pricing service vendors use a pricing methodology involving the market approach, including pricing models, which use prices and relevant market information regarding a particular security or securities with similar characteristics to establish a valuation. Documentation from each pricing vendor is reviewed and monitored periodically to ensure they are consistent with NEAM's pricing policy procedures.

For Statutory accounting, certain investments are carried at fair value, while others may periodically be carried at fair value based on certain factors such as the NAIC's lower of amortized cost or market rule or an impairment. Assets recorded at fair value are categorized based on an evaluation of the various inputs used to measure the fair value. Supporting documentation received from pricing vendors detailing the inputs, models and processes used in the vendor's evaluation process is used by NEAM to determine the appropriate fair value hierarchy. Market Information obtained from brokers with respect to security valuations is also considered in the pricing hierarchy.

Publicly traded common equities, publicly traded exchange-traded funds (ETF) and publicly traded closed-end mutual funds are valued by one of NEAM's pricing vendors as described above and classified as Level 1. These funds generally have active secondary markets for their listed shares, which serve as the basis for their valuation.

Open-end mutual funds are classified as Level NAV which represents the exit value of the security as of the measurement date. These funds trade at their end of day NAV and are validated with observable activity resulting from the daily purchases and sales activity at NAV.

Money market mutual funds are valued and classified as Level NAV as a practical expedient to fair value.

The Company's Level 1 securities consist of equity securities whose values are based on quoted prices in active markets for identical assets. The Company's level 2 securities are comprised of available-for-sale fixed maturity securities whose fair value was determined using observable market inputs. Investments valued using these inputs include U.S. Treasury securities, obligations of states and political subdivisions, corporate and other securities, commercial and residential mortgage-backed securities, and other asset-backed securities.

The following table presents the Company's fair value hierarchy for financial instruments measured at fair value on a recurring basis as of December 31, 2020 and 2019:

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued):

Description	December 31, 2020	Fair Value measurement at reporting date using		
		Quoted price in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash and cash equivalents	\$ 1,417,608	\$ 1,417,608	\$ -	\$ -
U.S. government obligations	6,971,369	-	6,971,369	-
U.S states and local authorities	12,044,622	-	12,044,622	-
Bonds	41,441,903	-	41,441,903	-
Bond mutual funds	7,180,774	7,180,774	-	-
Equity mutual funds	24,117,134	24,117,134	-	-
Total	<u>\$ 93,173,410</u>	<u>\$ 32,715,516</u>	<u>\$ 60,457,894</u>	<u>\$ -</u>

Description	December 31, 2019	Fair Value measurement at reporting date using		
		Quoted price in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash and cash equivalents	\$ 2,641,784	\$ 2,641,784	\$ -	\$ -
U.S. government obligations	8,031,933	-	8,031,933	-
U.S states and local authorities	11,593,361	-	11,593,361	-
Bonds	38,133,622	-	38,133,622	-
Bond mutual funds	3,260,807	3,260,807	-	-
Equity mutual funds	20,588,305	20,588,305	-	-
Total	<u>\$ 84,249,812</u>	<u>\$ 26,490,896</u>	<u>\$ 57,758,916</u>	<u>\$ -</u>

There were no transfers between fair value levels during the year ended December 31, 2020 and 2019.

NOTE 4 – CONCENTRATIONS:

Premiums:

As detailed in Note 1, the Company provides reinsurance insurance coverage to PACT; additionally, PACT provided the surplus contribution to the Company, and is the sole insured.

Credit Risk:

The Company maintains its cash balances in various institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Company has not experienced any losses in such accounts.

Additionally, as of December 31, 2020 and 2019, the company has certain cash equivalent and investment balances insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 (with a limit of \$250,000 for cash) per institution. In addition the Company's investment policy provides additional coverage above the SIPC limits for any missing securities and cash in client investment accounts up to a firm aggregate limit of \$1 billion (including up to \$1.9 million for cash per client). The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 5 – INVESTMENTS:

Available-for-sale securities at December 31, 2020 and 2019 consist of various investments as indicated below:

	December 31, 2020			
	Cost	Estimated Fair Value	Gross Unrealized	
			Gains	Losses
U.S. government obligations	\$ 6,734,792	\$ 6,971,369	\$ 236,577	\$ -
U.S states and local authorities	11,250,445	12,044,622	796,375	(2,198)
Bonds	37,739,123	41,441,903	3,741,544	(38,764)
Total debt securities	<u>55,724,360</u>	<u>60,457,894</u>	<u>4,774,496</u>	<u>(40,962)</u>
Total available-for-sale securities	<u>\$ 55,724,360</u>	<u>\$ 60,457,894</u>	<u>\$ 4,774,496</u>	<u>\$ (40,962)</u>

	December 31, 2019			
	Cost	Estimated Fair Value	Gross Unrealized	
			Gains	Losses
U.S. government obligations	\$ 8,041,166	\$ 8,031,933	\$ 37,706	\$ (46,939)
U.S states and local authorities	11,367,139	11,593,361	248,104	(21,882)
Bonds	36,903,971	38,133,622	1,276,864	(47,213)
Total debt securities	<u>56,312,276</u>	<u>57,758,916</u>	<u>1,562,674</u>	<u>(116,034)</u>
Total available-for-sale securities	<u>\$ 56,312,276</u>	<u>\$ 57,758,916</u>	<u>\$ 1,562,674</u>	<u>\$ (116,034)</u>

Proceeds from the sale of investment securities available for sale were \$6,038,496 in 2020 and \$8,085,095 in 2019.

During 2020 and 2019, net realized gains (losses) on investments and the change in unrealized gains (losses) on the Company's investments recorded at fair value are determined on a specific-identification basis and were as follows:

	December 31, 2020				
	Gross Realized Gains	Gross Realized Losses	Changes in Net Unrealized Gains (Losses)	Change in FV Reflected in Earnings	Change in FV Reflected in AOCI, before tax
Debt securities	\$ 44,231	\$ -	\$ 3,286,894	\$ 44,231	\$ 3,331,125
Equity securities	10,095	(4,410)	1,767,767	1,773,452	-
	<u>\$ 54,326</u>	<u>\$ (4,410)</u>	<u>\$ 5,054,661</u>	<u>\$ 1,817,683</u>	<u>\$ 3,331,125</u>

	December 31, 2019				
	Gross Realized Gains	Gross Realized Losses	Changes in Net Unrealized Gains (Losses)	Change in FV Reflected in Earnings	Change in FV Reflected in AOCI, before tax
Debt securities	\$ 107	\$ (21,534)	\$ 3,242,460	\$ (21,427)	\$ 3,221,033
Equity securities	40,401	(31,962)	4,083,490	4,091,929	-
	<u>\$ 40,508</u>	<u>\$ (53,496)</u>	<u>\$ 7,325,950</u>	<u>\$ 4,070,502</u>	<u>\$ 3,221,033</u>

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 5 – INVESTMENTS (continued):

Management evaluates debt securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Group to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. As management has the ability to hold the securities for the foreseeable future, no declines are deemed to be other-than-temporary.

The adoption of ASU 2016-01 removed the impairment assessment for equity securities at fair value, and, beginning in 2019, changes in fair value are included in net realized and unrealized gains and losses on investments in the Company's statement of income and comprehensive income. Prior to adoption of this standard, the Company did not recognize any other-than-temporary impairments on equity securities as management has the intent and ability to hold the securities for the foreseeable future.

All investments have been valued based on quoted prices in active markets for identical assets and liabilities.

Contractual maturities of available-for-sale debt securities at December 31, 2020 and 2019 are as follows:

	<u>Estimated Fair Values</u>	
	<u>2020</u>	<u>2019</u>
1 year or less	\$ 2,825,346	\$ 753,980
Due in 1 - 5 years	9,383,322	11,130,998
Due in 5 - 10 years	23,990,088	21,334,431
Due in 10 years or more	<u>24,259,138</u>	<u>24,539,507</u>
Total investment in debt securities	<u>\$ 60,457,894</u>	<u>\$ 57,758,916</u>

Actual maturities may differ from contractual maturities because some borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

NOTE 6 – RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES:

The Company provides coverage for members of PACT for worker's compensation losses under a quota-share reinsurance arrangement as illustrated in the following table:

Fiscal Year	<u>Retention 1</u>		<u>Retention 2</u>		<u>One-time corridor deductible</u>
	<u>Quota share</u>	<u>Insurance layer</u>	<u>Quota share</u>	<u>Insurance layer</u>	
7/1/2007-7/1/2012	25%	\$2,000,000 excess of \$500,000			\$500,000
7/1/2012-7/1/2014		\$250,000 excess of \$500,000	25%	\$2,250,000 excess of \$750,000	\$500,000
7/1/2014-7/1/2017		\$500,000 excess of \$500,000	25%	\$2,000,000 excess of \$1,000,000	-
7/1/2017-7/1/2021		\$700,000 excess of \$300,000	25%	\$2,000,000 excess of \$1,000,000	-

Additionally, effective July 1, 2014, the Company also provides \$1,500,000 aggregate excess (50% quota share of the \$3,000,000 layer) above an attachment point of approximately \$10,000,000.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 6 - RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES (continued):

Loss reserve estimates are inherently uncertain because the ultimate amount the Company will pay for many of the claims it has incurred as of the balance sheet date will not be known for many years. The estimate of loss reserves is intended to equal the difference between the expected ultimate losses of all claims that have occurred as of a balance sheet date and amounts already paid. The Company establishes loss reserves based on its own analysis of emerging claims and review of the results of actuarial projections. The Company's aggregate carried reserve for unpaid losses is the sum of its reserves for each accident year and represents its best estimate of outstanding loss reserves.

The amount by which estimated losses in the aggregate differ from those previously estimated for a specific time period is known as reserve "development." Reserve development is unfavorable when losses ultimately settle for more than the amount reserved or subsequent estimates indicate a basis for reserve increases on open claims, causing the previously estimated loss reserves to be "deficient." Reserve development is favorable when estimates of ultimate losses indicate a decrease in established reserves, causing the previously estimated loss reserves to be "redundant." Development is reflected in the Company's operating results through an adjustment to incurred losses during the period in which it is recognized.

The three main components of reserves for unpaid losses are case reserves, incurred but not reported (IBNR) loss reserves and reserves for loss adjustment expenses (LAE).

When claims are reported, the Company establishes individual estimates of the ultimate cost of each claim (case reserves). These case reserves are continually monitored and revised in response to new information and for amounts paid. IBNR is an actuarial estimate of future payments on claims that have occurred but have not yet been reported. The Company also estimates and makes a provision for the extent to which the case reserves on known claims may develop. IBNR reserves apply to the entire body of claims arising from a specific time period, rather than a specific claim. Most of the Company's IBNR reserves relate to estimated future claim payments on recorded open claims.

For the year ended December 31, 2020, estimated unpaid losses have been determined to range from a recommended low of \$6,752,000 to a recommended high of \$7,411,000 based on actuarial estimates; further the actuary has projected expected losses at \$5,931,000. For the year ended December 31, 2019, estimated unpaid losses have been determined to range from a recommended low of \$5,205,000 to a recommended high of \$5,843,000 based on actuarial estimates; further the actuary has projected expected losses at \$4,403,000.

Management has estimated reserves to be \$7,182,924 and \$5,756,600 at December 31, 2020 and 2019 respectively. This estimate is based on funding the Company at the 75% confidence level as recommended by the actuary. Management has elected not to discount the reserves for anticipated investment income.

Activity in the reserve for loss and loss adjustment expenses account is summarized as follows:

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 6 - RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES (continued):

	<u>2020</u>	<u>2019</u>
Balance at January 1	\$ 5,756,600	\$ 4,549,000
Incurred related to:		
Current year	1,717,000	1,370,000
Prior years	<u>(75,999)</u>	<u>379,000</u>
Total incurred	<u>1,641,001</u>	<u>1,749,000</u>
Net paid	<u>214,677</u>	<u>541,400</u>
Balance at December 31	<u>\$ 7,182,924</u>	<u>\$ 5,756,600</u>

As a result of changes in estimates of incurred events in the prior year, the provision for losses changed by \$(75,999) and \$379,000, at December 31, 2020 and 2019, respectively, due to (lower)/higher than anticipated losses on the development of claims.

The Company's reserve estimates are based on loss experience and exposure data and have assumed future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past.

The Company compiles and aggregates its claims data by grouping the claims according to the year in which the claim occurred ("accident year") when analyzing claim payment and emergence patterns and trends over time. It has been assumed that costs associated with workers compensation claims are increasing 3.0% annually and average claim size are increasing by 4.0% annually. For the purposes of defining claims frequency, the number of reported claims includes any claim that has case reserves and/or loss and LAE payments associated with them. The Company has assumed that the average frequency of claims has an annual trend of 1.0%.

The following tables show the Company's historical incurred and cumulative paid losses and LAE development, net of reinsurance as well as IBNR loss reserves and the number of reported claims on an aggregated basis as of December 31, 2020 for each of the previous 10 accident years:

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 6 - RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES (continued):

Incurring Losses and LAE, Net of Reinsurance												2020	
Years Ended December 31,													
Accident Year	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018 (1)	2019 (1)	2020	IBNR	Cumulative number of reported claims	
(in thousands, except claims counts)													
2011	\$ 32.6	\$ 55.9	\$ 45.7	\$ 26.0	\$ 20.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1	
2012	-	32.6	55.9	45.7	26.0	20.3	-	-	-	-	-	0	
2013	-	-	60.6	64.7	44.5	33.7	-	-	-	399.8	3.9	0	
2014	-	-	-	80.7	493.0	421.5	466.4	319.9	410.6	129.8	129.8	1	
2015	-	-	-	-	514.7	694.6	623.7	389.5	274.1	196.5	196.5	0	
2016	-	-	-	-	-	494.0	774.8	636.3	309.1	311.6	225.2	1	
2017	-	-	-	-	-	-	409.7	741.8	454.1	1,867.5	539.3	1	
2018	-	-	-	-	-	-	-	393.1	1,705.1	1,869.2	1,078.1	3	
2019	-	-	-	-	-	-	-	-	788.6	1,463.1	1,401.1	0	
2020	-	-	-	-	-	-	-	-	-	907.8	907.8	1	
Total										\$ 7,145.3			
Cumulative Paid Losses and LAE, Net of Reinsurance													
Years Ended December 31,													
Accident Year	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018 (1)	2019 (1)	2020			
(in thousands)													
2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
2012	-	-	-	-	-	-	-	-	-	-	-		
2013	-	-	-	-	-	-	-	-	-	-	-		
2014	-	-	-	-	-	-	-	-	-	-	-		
2015	-	-	-	-	-	-	-	-	-	-	-		
2016	-	-	-	-	-	-	-	-	-	-	-		
2017	-	-	-	-	-	-	-	-	-	-	-		
2018	-	-	-	-	-	-	-	-	541.4	756.1	-		
2019	-	-	-	-	-	-	-	-	-	-	-		
2020	-	-	-	-	-	-	-	-	-	-	-		
Total										\$ 756.1			
										All outstanding liabilities for unpaid losses and LAE prior to 2011, net of reinsurance	793.7		
										Total outstanding liabilities for unpaid losses and LAE, net of reinsurance	<u><u>\$ 7,182.9</u></u>		

(1) Data presented for these calendar years is considered to be supplementary information, which is unaudited.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 6 - RESERVE FOR LOSS AND LOSS ADJUSTMENT EXPENSES (continued):

The following table presents the average percentage payout of incurred claims by age, net of reinsurance, as of December 31, 2020 and is presented as required supplementary information, which is unaudited:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
0.0%	3.2%	5.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The following table represents a reconciliation of claims development to the aggregate carrying amount of the liability for unpaid losses and LAE:

Liabilities for unpaid losses and LAE, net of reinsurance	\$ 7,182,924
Reinsurance recoverable on unpaid losses	-
Unallocated LAE	-
Total liability for unpaid losses and LAE	<u>\$ 7,182,924</u>

NOTE 7 - SURPLUS CONTRIBUTION:

The following is a summary of the surplus contributed to the Company from PACT pursuant to authorization by the Executive Committee of PACT:

Years	Surplus PACT Contribution
2007	\$ 5,000,000
2008	5,600,000
2009	5,000,000
2010	8,017,375
2011	3,406,464
2012	135,598
2013	-
2014	-
2015	448,242
2016	1,093,260
2017	25,000,000
2018	-
2019	-
2020	-
Total	<u>\$ 53,700,939</u>

NRS 694C.250 requires a pure captive to maintain capital of not less than \$200,000, the Company is in compliance with this requirement as of December 31, 2020 and 2019.

**PUBLIC COMPENSATION MUTUAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 8 - RELATED PARTIES:

All premiums and surplus contributions are made by PACT and all claims activity is attributable to the quota share reinsurance agreement with PACT.

Public Compensation Mutual has entered into a management services agreement with Nevada Risk Pooling, Inc. to provide captive management for the day to day operations of PCM for a five year period from July 1, 2019 to June 30, 2024. The cost of the initial base year is \$225,000 with annual increases of 3% each succeeding year.

NOTE 9 - CONTINGENCIES AND RISK MANAGEMENT:

On March 11, 2020, the World Health Organization (WHO) declared the novel Coronavirus (COVID-19) outbreak a global pandemic, constituting a “public health emergency of international concern”. The Company is responding to the recent COVID-19 outbreak with a measured, practical response. As of the date of this report, Public Compensation Mutual is able to perform all necessary business functions however, the extent of future financial impact and duration cannot be reasonably estimated at this time.

NOTE 10 - SUBSEQUENT EVENTS:

Management has evaluated subsequent events through February 12, 2021, which is the date the financial statements were available to be issued.

Casey Neilson, Inc.
Accountants and Advisors

**REPORT ON INTERNAL CONTROL AND COMPLIANCE OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
NEVADA ADMINISTRATIVE CODE 694C.210**

To the Board of Directors
Public Compensation Mutual

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Public Compensation Mutual, which comprise the balance sheet as of December 31, 2020, and the related statements of income and comprehensive income, changes in surplus, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 12, 2021.

In planning and performing our audit of the GAAP basis financial statements of Public Compensation Mutual as of and for the year ended December 31, 2020 in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Public Compensation Mutual's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, detected or corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

In connection with our audit, nothing came to our attention that caused us to believe that Public Risk Mutual failed to comply with the terms, covenants, provisions, or conditions of their bylaws, articles of incorporation, or business plan, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Company's noncompliance with the above-referenced terms, insofar as they relate to accounting matters.

This communication is intended solely for the information and use of the Board of Directors, management, others within the organization and state insurance departments to whose jurisdiction Public Compensation Mutual is subject and is not intended to be and should not be used by anyone other than these specified parties.



Carson City, Nevada
February 12, 2021

777 E. William St. Suite 206
Carson City, NV 89701
Tel 775.882.8892
Fax 775.562.2667
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September 30, 2020

To the Board of Directors
Pooling Resources Inc.
201 S. Roop St. Suite 201
Carson City, NV 89701

Dear Board members,

We have audited the financial statements of Pooling Resources Inc (PRI) for the years ended June 30, 2020 and 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards require that we provide you with the following information related to our audit which is divided into the following sections:

Section I – Required Communications with those Charged with Governance

Section II – Other Recommendations and Related Information

Section I includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the Board in our Audit Committee Letter.

Section II presents recommendations related to internal controls, procedures, and other matters during our current audit year. These comments are offered in the interests of helping the Board in its efforts toward continuous improvement, not just in the areas of internal controls and accounting procedures, but also in operations, administrative efficiency and effectiveness.

Section I – Communications Required under AU 260

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated October 30, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter regarding planning matters dated October 30, 2019.

Significant Audit Findings

There were no significant audit findings to report on.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by PRI are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the fiscal year audited.

We noted no transactions entered by PRI during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The most sensitive estimates affecting the financial statements

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting PRI's financial statements were for the accrual of compensated absences.

The estimate for compensated absences is based on accrued time valued at current pay rates as of year-end. The value of that balance will change dependent upon the pay rate at the time they are used.

We evaluated the key factors and assumptions used to develop the accounts receivable balance and compensated absences balance in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was relating to related parties. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatement

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no material errors noted and we proposed no adjustments to management. We made recommendations which are discussed in the Audit Committee Letter.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 30, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings

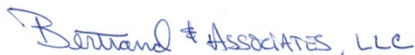
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Section II – Other Recommendations and Related Information**Other Matters**

We provided an Audit Committee recommendations letter to the General Manager. In this letter we identified any exceptions noted and recommendations.

This information is intended solely for the use of the Board of Directors charged with governance and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Bertrand & Associates LLC

POOLING RESOURCES INC (a non-profit corporation)
FINANCIAL STATEMENTS
June 30, 2020 and 2019

CONTENTS

INDEPENDENT AUDITOR'S REPORT	3
GENERAL MANAGER'S LETTER	4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Activities and Changes in Net Assets	6
Statement of Functional Expenditures	7
Statement of Cash Flows	8
Notes to the financial statements	9

BERTRAND & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Members American Institute of Certified Public Accountants

777 E. William St. Suite 206
Carson City, NV 89701
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pooling Resources Inc.
Carson City, Nevada

We have audited the accompanying financial statements of Pooling Resources Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, statement of functional expenses, and statements of cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pooling Resources Inc as of June 30, 2020 and 2019, its activities and the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bertrand & Associates, LLC

Carson City, Nevada
September 30, 2020

GENERAL MANAGER'S LETTER

Board of Directors Pooling Resources, Inc.,

As the General Manager, I am pleased to present the Pooling Resources, Inc.(PRI) Annual Audited Financial Statements for the year ending June 30, 2020, the conclusion of our 13th year of operations providing human resource consulting services to members of the Nevada Public Agency Insurance Pool (POOL) and the Public Agency Compensation Trust (PACT). As noted in part of PRI's Mission Statement, we partner with member entities to reduce employment liability by providing the resources and education for members to build strong foundations for effective Human Resources practices within their organizations.

The audited financial statements are prepared in accordance with the recommendations of the Financial Accounting Standards Board in its FASB ASC 9580210-45-1, *Financial Statements of Not-For-Profit Organizations*. As such, PRI is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Please see the audited financial statements for more details.

Through the oversight of the Board of Directors, Audit Committee, and our HR Oversight Committee, POOL/PACT Members can be assured that PRI remains financially responsible in carrying out the strategic plans of the organization and the service plans of the individual members with the grant funding provided. Members should be proud of the success we have achieved together.

PRI has been serving its membership for over 13 years. Our team of highly qualified HR professionals and support staff have a passion for HR management and are committed to providing relevant, timely, accurate, and consistent advice; and delivering high-value, high-quality services and training tailored to member needs. We take pride in our ability to help members not only reduce liability through individualized consultations on critical employment-related issues, but also in developing and sustaining effective HR programs within their own organizations. We are able to achieve these goals through our comprehensive scope of services which includes: instructor-led and online training courses, workshops, webinars, and HR briefings; on-site assessments of members' HR-related practices with recommendations; updated sample personnel policies, job descriptions, and various HR forms; "Alerts" notifying members of significant changes in an HR-related law or practice; and scholarships which assist members in attaining nationally-recognized HR certifications. We are especially proud of our annual HR leadership conference: *Navigating Today's Challenges in Public-Sector Employment* and our four certificate programs, including *Essential Management Skills* of which nearly 1,500 member-employees have completed. With this extensive scope of services, members receive a wide range of support services not offered by other agencies.

Thank you for your participation in PRI and for having confidence in our ongoing ability to meet the Mission, Vision, and Strategic Plans set for our member services consortium. We welcome your comments and suggestions to further strengthen PRI's operations and to provide you with additional information and to enhance Member services in human resources programs. I am honored to serve as General Manager. Thank you for your continued active participation as a Member of POOL/PACT.

Sincerely,

Stacy Norbeck

PRI General Manager

POOLING RESOURCES INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2020 and 2019

ASSETS	2020	2019
Current assets:		
Cash and cash equivalents	\$ 365,088	\$ 1,035,864
Investments	927,455	240,473
Accrued interest income	-	900
Grant receivable	104,000	101,917
Total current assets	<u>1,396,543</u>	<u>1,379,154</u>
Other assets:		
Prepaid expenses	<u>14,468</u>	<u>14,961</u>
Total other assets	14,468	14,961
Total assets	<u><u>1,411,011</u></u>	<u><u>1,394,115</u></u>
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	18,030	20,304
Compensated absences	<u>49,262</u>	<u>34,675</u>
Total current liabilities	67,292	54,979
Net assets -without donor restrictions	<u>1,343,719</u>	<u>1,339,136</u>
Total net assets	1,343,719	1,339,136
Total liabilities & net assets	<u><u>\$ 1,411,011</u></u>	<u><u>\$ 1,394,115</u></u>

See notes to financial statements

POOLING RESOURCES INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended June 30, 2020 and 2019

REVENUES	2020	2019
Grant income	\$ 1,248,000	\$ 1,223,000
Total revenues	<u>1,248,000</u>	<u>1,223,000</u>
 EXPENDITURES		
Program activities:		
Salaries and payroll taxes	732,748	695,002
Retirement	119,338	77,817
Health insurance costs	107,314	96,868
Member education services	33,450	39,228
Professional development	3,778	4,564
Travel	25,639	34,002
Total program activities	<u>1,022,267</u>	<u>947,481</u>
General activities:		
Casualty insurance	8,468	9,691
Dues and subscriptions	8,003	6,272
Legal and professional	12,820	11,099
Management Services	25,000	21,937
Office supplies	6,467	7,098
Rent	76,812	94,776
Technology expenses	55,289	51,271
Other operating expenses	27,563	25,537
Total supporting activities	<u>220,422</u>	<u>227,681</u>
Total expenses	<u>1,242,689</u>	<u>1,175,162</u>
Increase in operating net assets - without donor restrictions	5,311	47,838
Non-operating net investment income (loss)	(728)	15,126
Change in net assets - without donor restrictions	<u>4,583</u>	<u>62,964</u>
Net assets at beginning of year	1,339,136	1,276,172
Net assets at end of year - without donor restrictions	<u>\$ 1,343,719</u>	<u>\$ 1,339,136</u>

See notes to financial statements

POOLING RESOURCES INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the years ended June 30, 2020 and 2019

	2020			2019		
	Program	General	Total	Program	General	Total
Salaries & related taxes	\$ 622,836	\$ 109,912	\$ 732,748	\$ 590,752	\$ 104,250	\$ 695,002
Pension plan contributions	101,437	17,901	119,338	66,144	11,673	77,817
Health insurance	91,217	16,097	107,314	82,338	14,530	96,868
Member education services	33,450	-	33,450	39,228	-	39,228
Professional development	3,778	-	3,778	4,564	-	4,564
Travel	25,639	-	25,639	34,002	-	34,002
Casualty insurance	-	8,468	8,468	-	9,691	9,691
Dues & subscriptions	-	8,003	8,003	-	6,272	6,272
Legal & professional	7,507	5,313	12,820	6,500	4,599	11,099
Management services	-	25,000	25,000	-	21,937	21,937
Office supplies	5,497	970	6,467	6,033	1,065	7,098
Rent	65,290	11,522	76,812	80,560	14,216	94,776
Technology expenses	46,996	8,293	55,289	43,580	7,691	51,271
Other operating expense	-	27,563	27,563	-	25,537	25,537
Total expenses	\$ 1,003,647	\$ 239,042	\$ 1,242,689	\$ 953,701	\$ 221,461	\$ 1,175,162

See notes to financial statements

POOLING RESOURCES INC.
STATEMENT OF CASH FLOWS
For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 4,583	\$ 62,964
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease in accrued investment income	900	436
(Increase) in grants receivable	(2,083)	(2,000)
Decrease (increase) in prepaid expenses	493	(12,334)
(Decrease) in accounts payable	(2,274)	(11,396)
Increase in compensated absences	14,587	12,429
Net cash flows provided from operating activities	<u>16,206</u>	<u>50,099</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Decrease) increase in investments	<u>(686,982)</u>	<u>719,338</u>
Net cash (used) provided in investing	<u>(686,982)</u>	<u>719,338</u>
(Decrease) increase in cash and cash equivalents	(670,776)	769,437
Beginning cash at July 1	1,035,864	266,427
Cash and cash equivalents at year end, June 30	<u><u>\$ 365,088</u></u>	<u><u>\$ 1,035,864</u></u>

See notes to financial statements

POOLING RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

Pooling Resources Inc. (“PRI”) was formed and began operations July 1, 2006 solely for the purpose of providing human resource consulting services to the members of the Nevada Public Agency Insurance Pool (POOL) and the Public Agency Compensation Trust (PACT). PRI’s funding comes from a grant that commenced on July 1, 2015 and continues through to June 30, 2020.

Financial Statement Presentation

The financial statements of the PRI have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Consequently, revenue is recognized when earned and expense when the obligation is incurred. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification ASC 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants “Audit and Accounting Guide for Not-for Profit Organizations” (the Guide”). ASC 958-205 became effective January 1, 2019. Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of non-profits and changes therein are to be classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of PRI. PRI’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Donor restrictions that are temporary in nature are those restrictions which will be met by actions of PRI or by the passage of time. Donor restrictions that are perpetual in nature are those whereby the donor has stipulated the funds be maintained in perpetuity. Net assets of PRI are considered unrestricted funds. In the event that the grantor ever ceases to fund PRI, any unspent amounts are to be returned to grantors.

Accounting Method

PRI uses the accrual method of accounting. Income is recognized when earned and costs and expenses are recognized when the obligations are incurred. Accordingly, all significant receivables, payables, and other liabilities are reflected.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to PRI’s ongoing activities. Non-operating activities are limited to resources that generate return from investments.

Cash and Equivalents

For purposes of the cash flow statements, PRI considers securities with original maturities of 90 days or less to be cash equivalents.

Health insurance benefits

Beginning July 1, 2015, PRI extended health insurance benefits to include the dependents of employees.

Income taxes

PRI is exempt from the payment of income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as other than a private foundation within the meaning of Section 509(a)(1) of the Internal Revenue Code.

POOLING RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

PRI uses estimates and assumptions in preparing the financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Investments

The company has adopted and implemented FASB ASC 820-10 Fair Value Measurements which provides a framework for measuring fair value under GAAP. Investment return is presented net of investment fees. FASB ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs and establishes a fair value hierarchy which prioritizes the valuations into three levels as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly through observable market data.

Level 3: Unobservable inputs for the asset or liability, that is, inputs that affect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information in the circumstances.

Concentrations

The organization receives its sole funding from a grant jointly funded by Nevada Public Agency Insurance Pool (POOL) and Public Agency Compensation Trust (PACT). Nevada Risk Pooling (NRP) and Public Agency Risk Management Services, Inc. (PARMS) provided management services to PRI, as well as to the Nevada Public Agency Insurance Pool and Public Agency Compensation Trust.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among program activities and management and general expenses. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries & related costs	Time and Effort
Member services & travel	Time and Effort
Professional development	Time and Effort
Legal & professional	Actual allocation
Rent	Square footage
Office supplies	Time and Effort
Technology expenses	Time and Effort

Prior year reclassifications

The prior year's financial statements have been reclassified to conform to current year's presentation reporting net assets as without donor restrictions.

POOLING RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 2 – CASH

The carrying amounts of deposits at financial institutions at June 30, 2020 and 2019 were \$365,088 and \$1,035,864 which are reasonable estimates of fair value and represent Level 1 inputs. The difference between the carrying amount and the bank balance results from outstanding checks and deposits not yet reflected in the bank’s records.

The accounts are insured by the Federal Deposit Insurance Corporation and SIPC for amounts up to \$250,000 and \$500,000 respectively. At times, the account balances may exceed the institution’s federally insured limits. The balance of cash and cash equivalents held at financial institutions at June 30, 2020 and 2019 was \$392,612 and \$1,077,102 respectively.

	<u>2020</u>	<u>2019</u>
Amounts insured through FDIC	\$ 250,000	\$ 250,000
Cash equivalents insured through SIPC	-	774,764
Uninsured balances	142,612	52,338
Total deposits at financial institutions	<u>\$ 392,612</u>	<u>\$ 1,077,102</u>

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

PRI’s financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$ 365,088
Investments, at fair market value	927,455
Grant receivable	104,000
Total current assets	<u>\$ 1,396,543</u>

All grant revenues are donor restricted to the grant purpose. As PRI operates for the sole purpose of providing services to the Grantors, all its expenditures meet donor-imposed restrictions, therefore, financial assets are not reduced for donor-imposed restrictions. As part of PRI’s liquidity management, its policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. PRI keeps cash in a checking account at a local bank to meet short term cash requirements. PRI has investments held in a Vanguard brokerage account at year end and for the year ended June 30, 2019 at Wells Fargo. Amounts can be readily drawn on to meet liquidity needs. PRI prepares a budget based on anticipated grant draws which are received in 12 equal installments throughout the year.

NOTE 4 – INVESTMENTS

Fair values are based on quoted market prices or dealer quotes. If a market price is not available, fair value is estimated using quoted market prices of similar securities. This fair value represents level 1 and Level 2 inputs as described in Note 1. Net investment income represents investment income less investment expenses. Investment expense for June 30, 2020 and June 30, 2019 was \$11,733 and \$12,649.

POOLING RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 4 – INVESTMENTS (continued)

The following schedule summarizes investment returns and their classifications in the statement of activities for the years ended June 30,

	June 30, 2020	June 30, 2019
	Donor restricted	Donor restricted
Interest income	\$ 18,456	\$ 20,492
Realized gains (losses)	(2,367)	-
Unrealized gains (losses)	(5,084)	7,283
Investment expenses	(11,733)	(12,649)
Total investment return	<u>\$ (728)</u>	<u>\$ 15,126</u>

Classification of assets and fair value classifications for years ended June 30, 2020 and 2019 are as follows:

	Level 1	Level 2	Level 3	Total
Equity Bond mutual funds	\$ 691,497	\$ -	\$ -	\$ 691,497
Large Cap mutual funds	186,588	-	-	186,588
Mid Cap mutual funds	25,058	-	-	25,058
Small Cap mutual funds	24,312	-	-	24,312
Total investments	<u>\$ 927,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 927,455</u>

	Assets at fair value June 30, 2019			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	\$ 129,452	\$ -	\$ -	\$ 129,452
Residential mortgage backed	-	110,581	-	110,581
Commercial mortgage backed	-	440	-	440
Total investments	<u>\$ 129,452</u>	<u>\$ 111,021</u>	<u>\$ -</u>	<u>\$ 240,473</u>

NOTE 5 – COMPENSATED ABSENCES

Compensated Absences represents unused vacation pay that is payable to the employee upon termination. Employees of PRI are entitled to paid personal time off dependent upon length of service. Vested or accumulated paid time off that is expected to be liquidated is reported as an expenditure and liability. Amounts accrued for employees but not used totaled \$49,262 and \$34,675 for years ended June 30, 2020 and 2019.

NOTE 6 - INCOME TAXES

PRI is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Service Code. As a result, PRI files federal form 990, *Return of Organization Exempt from Income Tax*, and is not liable for payment of corporate income tax as long as PRI's activities do not involve unrelated business taxable income.

POOLING RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 6 - INCOME TAXES

PRI is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Service Code. As a result, PRI files federal form 990, *Return of Organization Exempt from Income Tax*, and is not liable for payment of corporate income tax as long as PRI's activities do not involve unrelated business taxable income.

NOTE 7 – EMPLOYEE RETIREMENT PLAN

All employees who are expected to receive at least a minimum annual compensation of \$5,000 are eligible to participate in the Simplified Employee Plan (SEP) one year after their hire date. PRI made contributions of 20% and 17% of the employees' annual compensation in 2020 and 2019. PRI's contribution to the SEP plans totaled \$119,338 and \$77,817 for years ended June 30, 2020 and 2019.

NOTE 8 – RELATED PARTY TRANSACTIONS

Nevada Public Agency Insurance Pool (NPAIP) and Public Agency Compensation Trust (PACT) are co-grantors providing funds for the operations of PRI. The grant term covers the period July 1, 2015 through June 30, 2020. The grant amounts for years ended 2020 and 2019 were \$1,248,000 and \$1,223,000 respectively. Receivables on the contract at June 30, 2020 and 2019 were \$104,000 and \$101,917. The grant was extended for a five-year period starting on July 1, 2020 through June 30, 2025. The amount for Fiscal Year 2020-21 is \$1,297,920 with a 3% annual adjustment for the next four years.

Nevada Public Agency Insurance Pool is the owner of the building in which PRI occupies a portion and to whom it paid rent in the amounts of \$76,812 and \$94,776 in 2020 and 2019 respectively. Rent is paid on a year-to-year basis and determined annually when the budget is prepared.

Effective July 1, 2019, Public Agency Compensation Trust (PACT) jointly with Nevada Public Agency Insurance Pool (NPAIP) provided a five year grant to Nevada Risk Pooling, Inc. (NRP), a nonprofit organization formed by the executive director of NPAIP, Wayne Carlson, and whose directors are Gerry Eick, Josh Foli, Chris Mulkerns, Cash Minor, and Paul Johnson. NRP received a management fee for fiscal year ended June 30, 2020 in the amount of \$25,000 to provide management oversight, grant administration and financial services to PRI under a five-year contract ending on July 1, 2024. The contract provides for a 3% adjustment in subsequent years. In fiscal year ending June 30, 2019 Public Agency Risk Management Services, Inc (PARMS) received a management fee of \$21,937 as provided in the agreement to provide for management oversight, grant administration and financial services to PRI, Wayne Carlson, sole owner of PARMS, provides Executive Director services including financial services under a separate contract with NRP.

NOTE 9 – NET ASSET RESTRICTIONS

Net assets are restricted in accordance with Section 9 of the Grant which states that any funds not expended for the purposes set forth in this Grant shall be subject to refund to Grantor, unless otherwise directed by Grantor. The Grantor may allow retention of unexpended funds for the purpose of carryover to future grants, expansion or redirection of services or service delivery methods or for any other purpose deemed appropriate by Grantor.

POOLING RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 10 – SUBSEQUENT EVENTS

On March 17, 2020, the Governor of Nevada declared a health emergency and issued an order to close all nonessential businesses until further notice. In response, PRI implemented a remote work policy for most employees, who worked from home or are on a rotation schedule. Management believes there will be no significant effects to the organization and the delivery of their services to members due to the pandemic.

Management has evaluated subsequent events through September 30, 2020 which is the date the financial statements were available to be issued.

777 E. William St. Suite 206
Carson City, NV 89701
Tel 775.882.8892
Fax 775.562.2667
Email: Michael@bertrandcpa.com

November 6, 2020

To the Board of Directors
Nevada Risk Pooling, Inc.
201 S. Roop St. Suite 201
Carson City, NV 89701

Dear Board Members,

We have audited the financial statements of Nevada Risk Pooling, Inc. (NRP) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards require that we provide you with the following information related to our audit which is divided into the following sections:

Section I – Required Communications with those Charged with Governance

Section II – Other Recommendations and Related Information

Section I includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the Board in our Audit Committee Letter.

Section II presents recommendations related to internal controls, procedures, and other matters during our current audit year. These comments are offered in the interests of helping the Board in its efforts toward continuous improvement, not just in the areas of internal controls and accounting procedures, but also in operations, and administrative efficiency and effectiveness.

Section I – Communications Required under AU 260

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated October 30, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter regarding planning matters dated October 30, 2019.

Significant Audit Findings

There were no significant audit findings to report on.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by NRP are described in Note 1 to the financial statements.

We noted no transactions entered into by PRI during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The most sensitive estimates affecting the financial statements

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting NRP's financial statements was for the accrual of compensated absences.

The estimate for compensated absences is based on accrued time valued at current pay rates as of year-end. The value of that balance will change dependent upon the pay rate at the time they are used. We evaluated the key factors and assumptions used to develop the compensated absences balance in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was relating to related parties. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatement

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no material errors noted and we proposed no adjustments to management. We made recommendations which are discussed in the Audit Committee Letter.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether resolved to our satisfaction, that could be significant to the financial

statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 6, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.


Section II – Other Recommendations and Related Information

Other Matters

We provided an Audit Committee recommendations letter to the general manager and Chief Financial Officer. In this letter we identified any exceptions noted and recommendations.

This information is intended solely for the use of the Board of Directors charged with governance and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Bertrand & Associates LLC

NEVADA RISK POOLING, INC. (a non-profit corporation)
FINANCIAL STATEMENTS
June 30, 2020

CONTENTS

GENERAL MANAGER'S LETTER	3
INDEPENDENT AUDITOR'S REPORT	4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Activities and Changes in Net Assets	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to the financial statements	9

EXECUTIVE DIRECTOR'S LETTER

Board of Directors Nevada Risk Pooling, Inc.,

As the Executive Director, I am pleased to present the Nevada Risk Pooling, Inc.(NRP) Audited Financial Statements for the year ending June 30, 2020, the conclusion of our first year of operations providing management, risk management and accounting services to the Nevada Public Agency Insurance Pool (POOL) and Public Agency Compensation Trust (PACT). The creation of NRP was the succession planning tool to transition from Public Agency Risk Management Services, Inc. (PARMS) to this non-profit cooperative corporation without stock in accordance with the provisions of NRS 81.410 et seq.

The audited financial statements are prepared in accordance with the recommendations of the Financial Accounting Standards Board in its FASB ASC 9580210-45-1, *Financial Statements of Not-For-Profit Organizations*. As such, NRP is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Please see the audited financial statements for more details.

Through the oversight of the Board of Directors , POOL/PACT Members can be assured that NRP remains financially responsible in carrying out the administrative and professional services and programs with the grant funding provided. Members should be proud of the success we have achieved together.

During our first year of operations as NRP, we have made a seamless transition and continue to provide the high-quality risk management programs and services our members requested and developed over the years. Our pooling programs provide stability by pricing for the long-term to preserve capacity and minimize the volatility otherwise experienced in the traditional insurance marketplace. Our comprehensive risk management programs in human resources, loss control, ELearning, cyber security, health and wellness, law enforcement and school security provide members with programs and services that set us apart. We continue to nurture collaborative strategic partnerships so all involved can grow, learn, and succeed together.

Thank you for your participation in POOL/PACT and for having confidence in our ongoing ability to meet the Mission, Vision, and Strategic Plans set for our member services consortium. We welcome your comments and suggestions to further strengthen the pools and NRP's operations and to provide you with additional information and to enhance Member services. I am honored to serve as your Executive Director. Thank you for your continued active participation as a Member of POOL/PACT.

Sincerely,

Wayne Carlson

NRP Executive Director

BERTRAND & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS
Members American Institute of Certified Public Accountants

777 E. William St. Suite 206
Carson City, NV 89701
Tel 775.882.8892
Fax 775.562.2667

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Nevada Risk Pooling, Inc.
Carson City, Nevada

We have audited the accompanying financial statements of Nevada Risk Pooling, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statement of activities and changes in net assets, statement of functional expenses, and statement of cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pooling Resources Inc as of June 30, 2020 its activities and the changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Bertrand & Associates, LLC

Carson City, Nevada
November 6, 2020

NEVADA RISK POOLING, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2020

ASSETS

Current assets:

Cash and cash equivalents	\$	416,772
Investments		301,674
Accounts receivable		3,000
Grant receivable		43,750
Total current assets		<u>765,196</u>

Other assets:

Prepaid expenses		<u>6,689</u>
Total other assets		6,689

Total assets 771,885

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable		23,008
Accrued payroll liability		4,660
Compensated absences		<u>49,184</u>
Total current liabilities		76,852

Net assets without donor restrictions 695,033
Total net assets 695,033

Total liabilities & net assets \$ 771,885

See notes to financial statements

NEVADA RISK POOLING, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended June 30, 2020

REVENUES

Grant income	\$ 1,700,000
Management contracts	325,000
Bookkeeping fees	24,000
Total revenues	<u>2,049,000</u>

EXPENDITURES

Salaries and payroll taxes	715,558
Retirement	119,402
Health insurance costs	106,494
Management Services	300,000
Casualty insurance	7,706
Rent	51,732
Technology expenses	45,237
Other operating expenses	11,088
Total expenses	<u>1,357,217</u>

Increase in operating net assets - without donor restrictions 691,783

Increase in non-operating net investment income 3,250

Change in net assets - without donor restrictions 695,033

Net assets at beginning of year -

Net assets at end of year - without donor restrictions \$ 695,033

See notes to financial statements

NEVADA RISK POOLING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2020

	Program	General	Total
Salaries and payroll taxes	\$ 536,668	\$ 178,890	\$ 715,558
Retirement	89,551	29,851	119,402
Health insurance costs	79,870	26,624	106,494
Management Services	-	300,000	300,000
Casualty insurance	-	7,706	7,706
Rent	38,799	12,933	51,732
Technology expenses	33,928	11,309	45,237
Other operating expenses	-	11,088	11,088
Total expenses	\$ 778,816	\$ 578,401	\$ 1,357,217

See notes to financial statements

NEVADA RISK POOLING, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 695,033
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
(Increase) in accounts receivable	(3,000)
(Increase) in grants receivable	(43,750)
(Increase) in prepaid expenses	(6,689)
Increase in accounts payable	23,008
Increase in accrued payroll	4,660
Increase in compensated absences	49,184
Net cash flows provided from operating activities	<u>718,446</u>

CASH FLOWS FROM INVESTING ACTIVITIES

(Increase) in investments	<u>(301,674)</u>
Net cash (used) in investing	<u>(301,674)</u>
Increase in cash and cash equivalents	416,772
Beginning cash at July 1	-
Cash and cash equivalents at year end, June 30	<u><u>\$ 416,772</u></u>

See notes to financial statements

NEVADA RISK POOLING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

Nevada Risk Pooling, Inc. (“NRP”) was formed and began operations July 1, 2019 for the purpose of providing management, risk management, and accounting services to the Nevada Public Agency Insurance Pool (POOL) and of Public Agency Compensation Trust (PACT), both public agencies formed pursuant to Nevada Revised Statutes chapter 277, collectively known as POOL/PACT. NRP is a non-profit cooperative corporation without stock in accordance with the provisions of NRS 81.410 et seq. The corporation is organized exclusively for charitable, religious, educational and scientific purpose under Section 501 (c)(3) of the Internal Revenue Code or corresponding section of any future federal tax code by advancing education of local government officials, lessening the burdens of government, eliminating prejudice and discrimination and defending civil rights secured by law. NRP’s funding comes from a grant that commenced on July 1, 2019 and continues through to June 30, 2024.

Financial Statement Presentation

The financial statements of the NRP have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Consequently, revenue is recognized when earned and expense when the obligation is incurred. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification ASC 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants “Audit and Accounting Guide for Not-for Profit Organizations” (the Guide”). ASC 958-205 became effective January 1, 2018. Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of non-profits and changes therein are to be classified as follows:

Net assets without donor restrictions: This category of net assets are resources over which the Board of Directors has discretionary control and are available for the various programs and administration of NRP.

Net assets with donor restrictions: Net assets with donor restrictions are resources subject to donor-imposed restrictions which will be satisfied by actions of NRP or the passage of time. Donor restricted contributions for which restrictions are met in the same reporting period are reported as unrestricted support. Net assets of NRP are considered unrestricted funds. In the event that the grantors ever cease to fund NRP, any unspent amounts are to be returned to the grantors.

Accounting Method

NRP uses the accrual method of accounting. Income is recognized when earned and costs and expense are recognized when the obligations are incurred. Accordingly, all significant receivables, payables, and other liabilities are reflected.

Measure of Operations:

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to NRP’s ongoing activities. Non-operating activities are limited to resources that generate return from investments.

Cash and Equivalents

For purposes of the cash flow statements, NRP considers securities with original maturities of 90 days or less to be cash equivalents.

NEVADA RISK POOLING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Health insurance benefits

NRP provides extended health insurance benefits to include the dependents of employees.

Income taxes

NRP is exempt from the payment of income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as other than a private foundation within the meaning of Section 509(a)(1) of the Internal Revenue Code.

Use of Estimates

NRP uses estimates and assumptions in preparing the financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Investments

The company has adopted and implemented FASB ASC 820-10 Fair Value Measurements which provides a framework for measuring fair value under GAAP. FASB ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs and establishes a fair value hierarchy which prioritizes the valuations into three levels as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly through observable market data.

Level 3: Unobservable inputs for the asset or liability, that is, inputs that affect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information in the circumstances.

Investment return is presented net of investment fees.

Concentrations

The organization receives funding from a grant jointly funded by Nevada Public Agency Insurance Pool (POOL) and Public Agency Compensation Trust (PACT). NRP has contracted with Pooling Resource Inc (PRI), Public Compensation Mutual (PCM), and Public Risk Mutual (PRM) to provide management services and contracts with other entities to provide accounting services. POOL, PACT, PRI, PCM and PRM are all related parties. See related note for more details.

Functional Expenses:

The costs of providing program and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among program activities and management and general expenses.

NEVADA RISK POOLING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Expenses:

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries & related costs	Time and Effort
Management services	Full Time Equivalent
Legal & professional	Actual allocation
Rent	Square footage
Technology expenses	Time and Effort
Other	Time and Effort

NOTE 2 – CASH

The carrying amounts of deposits at financial institutions at June 30, 2020 was \$416,772 which is the reasonable estimates of fair value and represent Level 1 inputs. The difference between the carrying amount and the bank balance results from outstanding checks and deposits not yet reflected in the bank’s records.

The accounts are insured by the Federal Deposit Insurance Corporation and SIPC for amounts up to \$250,000. At times, the account balances may exceed the institution’s federally insured limits. The balance of cash and cash equivalents held at financial institutions at June 30, 2020 was \$444,748.

Amounts insured through FDIC	\$ 250,000
Cash equivalents insured through SIPC	651
Uninsured balances	194,097
Total deposits at financial institutions	<u>\$ 444,748</u>

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

NRP’s financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$ 416,772
Investments, at fair market value	301,674
Accrued income receivable	3,000
Grant receivable	43,750
Total current assets	<u>\$ 765,196</u>

All grant revenues are donor restricted to the grant purpose. As NRP operates for the sole purpose of providing services to the grantors, all its expenditures meet donor-imposed restrictions, therefore financial assets are not reduced for donor-imposed restrictions. As part of NRP’s liquidity management, its policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. NRP keeps cash in a checking account at a local bank to meet short term cash requirements. NRP’s investments are held in a Vanguard brokerage account at year end. NRP prepares a budget based on anticipated grant draws which are received in 12 equal installments throughout the year.

NEVADA RISK POOLING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 – INVESTMENTS

Fair values are based on quoted market prices or dealer quotes. If a market price is not available, fair value is estimated using quoted market prices of similar securities. This fair value represents level 1 inputs as described in Note 1. Net investment income represents investment income less investment expenses. Net investment expense for the year was \$15.

The following schedule summarizes investment returns and their classifications in the statement of activities for the year ended June 30,

	<u>June 30, 2020</u>
Investment income	\$ 4,113
Realized gains (losses)	-
Unrealized gains (losses)	(848)
Investment expenses	<u>(15)</u>
Total investment return	<u>\$ 3,250</u>

Classification of assets and fair value classifications for year ended June 30, 2020 are as follows:

	Assets at fair value June 30, 2020			
	Level 1	Level 2	Level 3	Total
Equity Bond mutual funds	\$ 209,962	\$ -	\$ -	\$ 209,962
Large Cap mutual funds	70,820	-	-	70,820
Mid Cap mutual funds	10,519	-	-	10,519
Small cap mutual funds	10,373	-	-	10,373
Total investments	<u>\$ 301,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 301,674</u>

NOTE 5 – COMPENSATED ABSENCES

Compensated Absences represents unused vacation pay that is payable to the employee upon termination. Employees of NRP are entitled to be paid personal time off dependent upon length of service. Vested or accumulated paid time off that is expected to be liquidated is reported as an expenditure and liability.

Employees of PARMS became the employees of NRP beginning July 1, 2019 and their accrued paid time off liability at that date was assumed by NRP in the amount of \$25,812. This amount was recorded as a current year payroll cost. This cost was offset in part by PARMS as it paid employees a full bi-weekly payroll for the period ending July 5, 2019 as it overlapped the effective beginning date of payroll for NRP. The estimated cost of this payroll exclusive of taxes was \$11,172 therefore reducing the effective payroll costs assumed by NRP.

Amounts accrued at June 30, 2020 for employees but not used totaled \$49,184.

NEVADA RISK POOLING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 - INCOME TAXES

NRP is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Service Code. As a result, NRP files federal form 990, *Return of Organization Exempt from Income Tax*, and is not liable for payment of corporate income tax as long as NRP's activities do not involve unrelated business taxable income. The tax return for the year ending June 30, 2020 is the only return that is open for review.

NOTE 7 – EMPLOYEE RETIREMENT PLAN

All employees who are expected to receive at least a minimum annual compensation of \$5,000 are eligible to participate in the Simplified Employee Plan (SEP) one year after their hire date. For employees formerly employed by PARMS, the hire date was the date they began employment with PARMS. NRP made contributions of 20% of the employees' annual compensation in 2020. NRP's contribution to the SEP plans in 2020 totaled \$119,402.

NOTE 8 – RELATED PARTY TRANSACTIONS

Effective July 1, 2019, Public Agency Compensation Trust (PACT) jointly with Nevada Public Agency Insurance Pool (POOL) provided a five year grant to Nevada Risk Pooling, Inc. (NRP), a nonprofit organization formed by the executive director of NPAIP, Wayne Carlson, and whose directors are Gerry Eick, Josh Foli, Chris Mulkerns, Cash Minor, and Paul Johnson. NRP received a management fee for fiscal year ended June 30, 2020 in the amount of \$1,700,000 which included \$500,000 in startup cost to provide management oversight, grant administration and financial services to PRI under a five-year contract ending on July 1, 2024. Receivables on the contract on June 30, 2020 was \$43,750. The grant is for a five-year period starting on July 1, 2019 through June 30, 2024 in the amount of \$1,200,000. The amount for Fiscal Year 2020-21 is \$1,242,000 with a 3.5% annual adjustment for the next four years.

Public Risk Mutual (PRM) and Public Compensation Mutual (PCM) have a five-year captive management agreement with NRP effective July 1, 2019 to July 1, 2024. NRP received \$75,000 and \$225,000 respectively for fiscal year ending June 30, 2020. Effective July 1, 2020, the amounts increase 3% each year. NRP provides management oversight, administration and fiscal services to PRM and PCM as noted in the agreements.

Nevada Public Agency Insurance Pool is the owner of the building in which NRP occupies a portion and to whom it paid rent in the amount of \$51,732 in fiscal year 2020. Per the five-year lease agreement starting on July 1, 2019, the amount increases 2% annually after the first year. Minimum future lease payments for the years ended June 30 are as follows:

June 30, 2021	\$	52,767
2022	\$	53,822
2023	\$	54,898
2024	\$	55,996

Effective July 1, 2019, Pooling Resources, Inc. (PRI) entered into a management services agreement with NRP to provide management oversight, grant administration and financial services to PRI for a five-year period ending July 1, 2024. NRP received a management fee for fiscal year ended June 30, 2020 in the amount of \$25,000. The contract provides for a 3% adjustment in subsequent years.

NEVADA RISK POOLING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 8 – RELATED PARTY TRANSACTIONS (continued)

NRP entered into an agreement with Public Agency Risk Management Services, Inc. (PARMS) to obtain professional services from PARMS to act as the NRP Executive Director effective July 1, 2019 to July 1, 2022. PARMS is a service corporation wholly owned by Mr. Wayne Carlson. Contract fees for the year ended June 30, 2020 was \$300,000. Effective July 1, 2020 and annually thereafter, the base fee shall be increased by three percent (3%) annually.

NOTE 9 – NET ASSET RESTRICTIONS

Net assets are restricted in accordance with Section 9 of the Grant which states that any funds not expended for the purposes set forth in this Grant shall be subject to refund to Grantor, unless otherwise directed by Grantor. The Grantor may allow retention of unexpended funds for the purpose of carryover to future grants, expansion or redirection of services or service delivery methods or for any other purpose deemed appropriate by Grantor. As management uses all resources for grant purposes, net assets are classified as without donor restrictions.

NOTE 10 – SUBSEQUENT EVENTS

On March 17, 2020, the Governor of Nevada declared a health emergency and issued an order to close all nonessential businesses until further notice. In response, NRP implemented a remote work policy for most employees, who worked from home or are on a rotation schedule. Management believes there will be no significant effects to the organization and the delivery of their services to members due to the pandemic.

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure within the financial statements for the year ended June 30, 2020. Management has evaluated subsequent events through November 6, 2020 which is the date the financial statements were available to be issued.



POOL/PACT HR FY 20/21 ACCOMPLISHMENTS TO DATE

POOL/PACT HR partners with member entities to reduce employment liability by providing the resources and education for members to build strong foundations for effective Human Resources practices within their organizations. Below are our accomplishments and estimated comparative values from July 1, 2020, through March 31, 2021.

TRAINING DEVELOPMENT:

- 1 instructor-led course in process: Ethics in the Workplace; 2 online Essential Management Skills modules to be developed
- 14 courses revised for virtual delivery:
 - Customer Service in the Public Sector
 - Essential Management Skills - Session 1
 - Essential Management Skills - Session 2
 - Essential Management Skills - Session 3
 - Essential Management Skills - Session 4
 - Advanced Human Resources Representative - Day 1
 - Advanced Human Resources Representative - Day 2
 - Human Resources Representative - Session 1
 - Human Resources Representative - Session 2
 - Human Resources Representative - Session 3
 - Human Resources Representative - Session 4
 - Human Resources Representative - Session 5
 - Advanced Essential Management Skills - Session 1
 - Advanced Essential Management Skills - Session 2
- 4 new HR Briefings developed:
 - Catastrophic Leave
 - DOT Drug & Alcohol Clearinghouse
 - Employee Assistance Program (EAP) for Employees (Kepro)
 - Employee Assistance Program (EAP) for Managers and Supervisors (Kepro)
- 11 existing HR Briefings reviewed/revised; 18 more in process

Total Value Fiscal Year-to-Date: \$63,500

TRAINING DELIVERY:

- 48 instructor-led training sessions with 840 participants to date
- 9 Regional Trainings complete (2 more scheduled)
 - Essential Management Skills (4 full-day sessions): 4 complete
 - Influential Leadership (1 full-day session): 1 complete; 1 more scheduled
 - Human Resources Representative (5 full-day sessions): 1 complete



POOL/PACT HR FY 20/21 ACCOMPLISHMENTS TO DATE

- **TRAINING DELIVERY (continued):**

- Advanced Human Resources Representative (2 full-day sessions): 1 complete
- Advanced Essential Management Skills (2 full-day sessions): 1 complete
- So, You Want to Be a Supervisor? (1 full-day session): 1 scheduled

Note: Full-day sessions were conducted in two half-days via Zoom.

- 1 Regional Training Using Outside Resources conducted: Title IX Policy Webinar presented by Ann Alexander
- 6 Webinars conducted (2 more scheduled):
 - EAP Overview (Kepro Orientation) Day 1
 - EAP Overview (Kepro Orientation) Day 2
 - Families First Coronavirus Response Act (FFCRA) 101 for schools (webinar)
 - Coping with Change (EAP)
 - POOL/PACT 101 for newly Elected Board Members
 - Effective Stress Management (EAP)
 - Creating a Resilient Team (EAP): scheduled 4/28/21
 - Leading a Resilient Team (EAP): scheduled 6/30/21
- 1 FRISK training with 6 participants
- 1 HR Briefing with 14 participants conducted to date

Total Value Fiscal Year-to-Date: \$322,650

ANNUAL HR CONFERENCE:

- Held virtually on October 21-22, 2020
- 81 participants
- 6 sessions:
 - Transformations: Acknowledging, Assessing, Surviving and Achieving Change (Nick Kittle, Government Performance and Innovation Coach)
 - Case Law and Legal Updates (Rebecca Bruch, Esq., Lemons, Grundy & Eisenberg)
 - Six Smart HR Strategies to Address Today's Serious Skills Gap (Jon Decoteau, SHRM)
 - The Power of Developing Your People (Kandis Porter, Effective Flow Connections)
 - Inclusive Leadership for a More Engaged Workforce (Jill Atkinson, SHRM)
 - Round Table Discussions by Entity Type (POOL/PACT HR staff)
- Overall rating: 4.7 out of 5.0

Total Value Fiscal Year-to-Date: \$48,600



POOL/PACT HR FY 20/21 ACCOMPLISHMENTS TO DATE

ALERTS: 8 issued to date:

- New FMLA Forms
- Executive Actions Extend Unemployment Compensation and Defer Payroll Tax Obligations
- IRS Releases Guidance on President’s Executive Action on Payroll Tax Deferral
- Release Time to Vote
- New Division of Industrial Relations Forms
- Stimulus Bill Does NOT Mandate Continuation of EPSL and EFMLA
- 2021 HR-Related Legislation Tracking
- FFCRA Leave Remains Optional under the American Rescue Plan Act

Total Value Fiscal Year-to-Date: \$5,000

LEGISLATIVE TRACKING

- 32nd (2020) Special Session tracked; summary report released
- 81st (2021) Session tracking of HR-related legislation in process (summary report to be released by the end of June)

Total Value Fiscal Year-to-Date: \$15,000

SALARY SCHEDULE DATABASE

- Salary schedules are posted as received by members:
- To date, salary schedules available from:
 - 13 Cities and Towns
 - 15 Counties
 - 1 Hospital
 - 14 School Districts
 - 3 Special Districts

Total Value Fiscal Year-to-Date: \$1,250

POLICY DEVELOPMENT AND REVIEW

- Revised paid sick leave policies for American Rescue Plan Act
- Annual updates in review
- Sample Large, Small, School, and CDL policies will be revised and released by June 30, 2021

Total Value Fiscal Year-to-Date: \$10,000



POOL/PACT

POOL/PACT HR FY 20/21 ACCOMPLISHMENTS TO DATE

The Power of the POOL

HR ASSESSMENTS:

- PHASE I: 10 in process, 6 complete
- PHASE II: 8 in process

Total Value Fiscal Year-to-Date: \$24,625

ROUND TABLE BY ENTITY TYPE (Pilot Program):

- Conducted 5 sessions as a pilot program

Total Value Fiscal Year-to-Date: \$2,500

COACHING AND PROBLEM SOLVING

- Business Partners spend an average of 12 hours per week coaching members

Total Value Fiscal Year-to-Date: \$300,000

HR SCHOLARSHIPS: 8 new scholarships awarded to date:

- 4 aPHR
- 1 PHR
- 1 SHRM-CP
- 1 SHRM SCP
- 1 Payroll Certification

Total Value Fiscal Year-to-Date: \$7,316

Total Value of Services Fiscal Year-to-Date: \$800,441

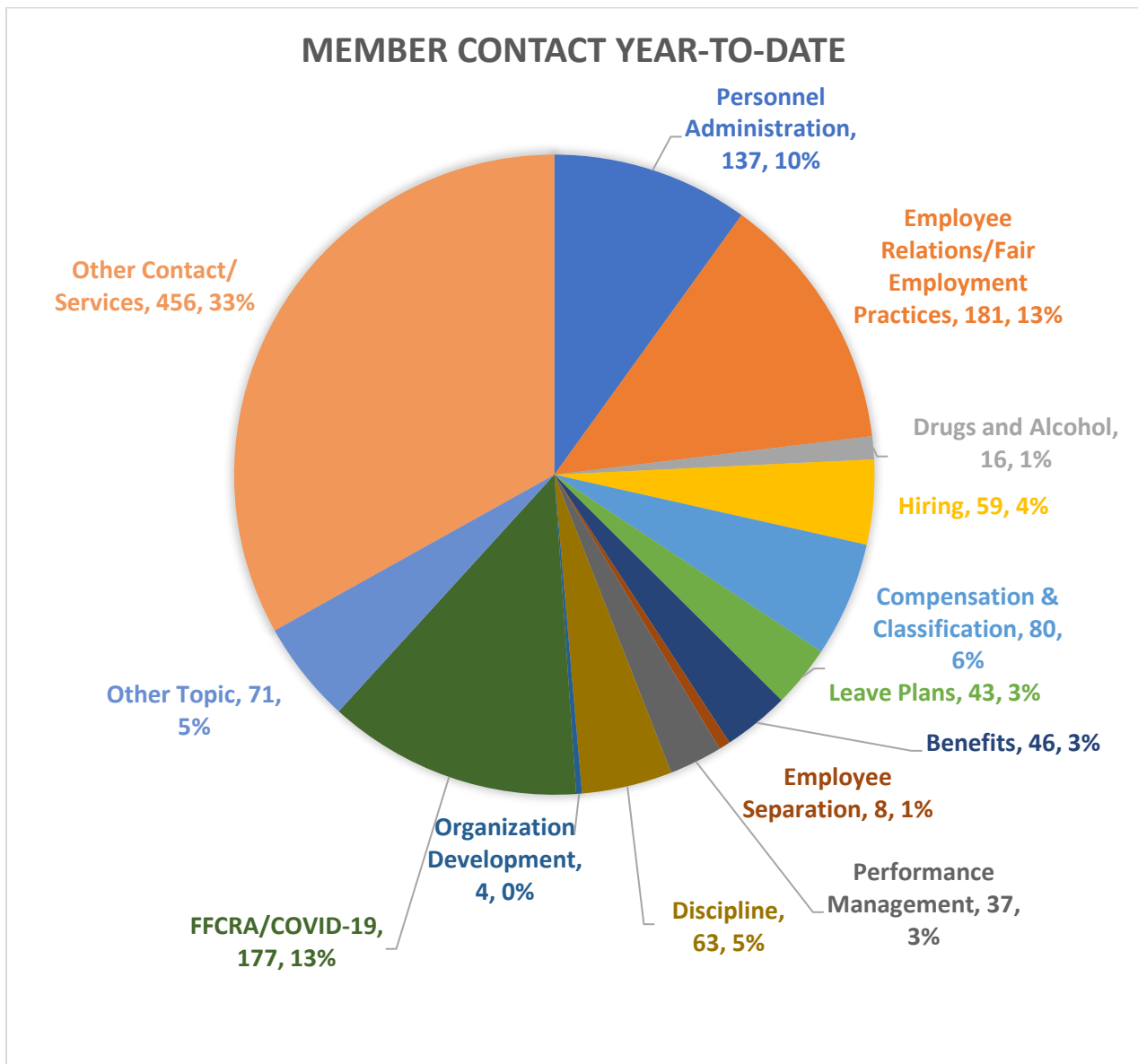


MEMBER CONTACTS

July 1, 2020 – February 28, 2021

The Power of the POOL

POOL/PACT HR Business Partners recorded 1,378 contacts with members between July 1, 2020 and February 28, 2021 as shown below.





**Nevada Public Agency Insurance Pool
Public Agency Compensation Trust**
201 S. Roop Street, Suite 102
Carson City, NV 89701-4779
Toll Free Phone (877) 883-7665
Telephone (775) 885-7475
Facsimile (775) 883-7398

Summary: POOL/PACT Risk Management Programs/Services

April 9, 2021

Marshall Smith, Risk Manager

1. **Law Enforcement**

- All Legal Liability Risk Management 2021 policy updates have been completed and available for Jail and Road Operations, including *Response to Active Resistance* and *Duty to Intervene* Policies.
- Virtual Jail/Detention Faciality Assessments are ongoing.

2. **On-Line Training Platforms**

- TargetSolutions (fire/EMS training): deployed and used by 26 departments;
- MSDSonline (SDS Control) deployed and used by 8 member entities. Established Renewal Program, 4 new accounts.

3. **School District Hazard Vulnerability Assessments**

- Jeff Kaye and his team are continuing to update the completed HVA's and EOP's for POOL/PACT's School District members.

4. **Swimming Pool Assessment Program**

- Assessments will continue in virtual/physical platform for June 2021 assessments, along with Aquatic Risk Management Webinar.

5. **Fit For Retirement Wellness Program**

- Program has been updated and will have Oversight Committee to assist with utilization and growth of program. .

6. **POOL/PACT Loss Control Committee**

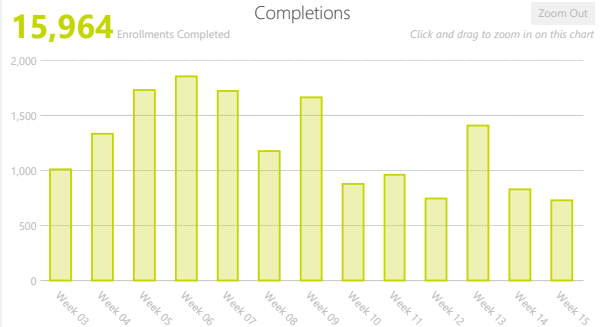
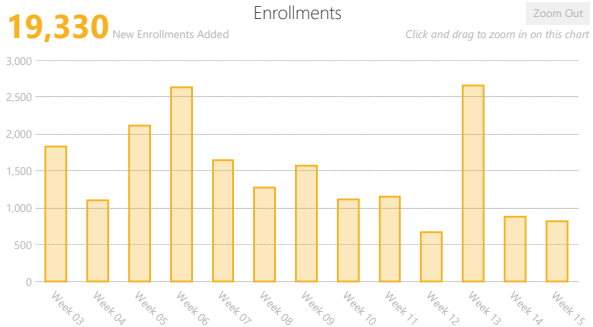
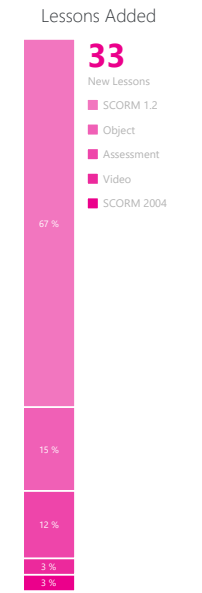
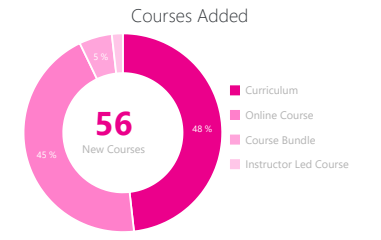
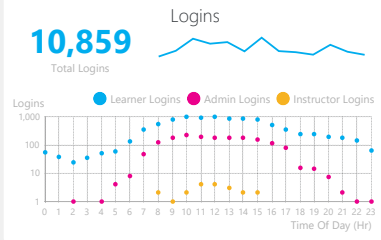
- The LCC recently made comprehensive updates to the Loss Control Excellence Program. IVGID was the first to achieve the award under the new a substantially more rigorous assessment.

8. **24-7-365 Worker's Comp Nurse Triage Program**

- We are in the process of updating this program to foster better participation in the program.

9. **Member Safety Program/Committee Review:**

- Comprehensive outreach to all members to assist with development and review of compliant safety program.



COURSE	CATEGORY	ENROLLED	COMPLETED	TOTAL TIME SPENT	AVERAGE TIME SPENT
POOL/PACT - Nevada Anti-harassment Training for Employees	HUMAN RESOURCES (HR)	1478	1410	20d 5h 44m 52s	0d 0h 20m 20s
POOL/PACT - Safe and Sober Workplace for Employees	HUMAN RESOURCES (HR)	955	870	11d 22h 12m 42s	0d 0h 18m 49s
DCSD 2020-21 TITLE IX TRAINING		911	775	5d 21h 15m 14s	0d 0h 10m 56s
POOL/PACT - Bullying in the Workplace	HUMAN RESOURCES (HR)	839	760	15d 13h 12m 18s	0d 0h 28m 22s
POOL/PACT - Whistleblower Protections - What When and How	HUMAN RESOURCES (HR)	736	720	3d 12h 54m 45s	0d 0h 6m 55s
POOL/PACT - HIPAA Privacy Rule	RISK MANAGEMENT	829	718	29d 23h 12m 34s	0d 0h 58m 35s
POOL/PACT - Workplace Violence Awareness	HUMAN RESOURCES (HR)	601	559	17d 7h 15m 32s	0d 0h 42m 23s
POOL/PACT - COVID-19: Protecting Yourself and Others	HEALTH & WELLNESS	571	543	6d 18h 36m 39s	0d 0h 17m 56s
POOL/PACT - COVID quick-tips by CDC	HEALTH & WELLNESS	519	495	0d 20h 9m 50s	0d 0h 2m 26s
POOL/PACT - COVID-19: Your Workplace	HEALTH & WELLNESS	520	492	2d 21h 42m 9s	0d 0h 8m 10s
POOL/PACT - Nevada Ethics in Government	RISK MANAGEMENT	488	473	9d 3h 57m 0s	0d 0h 27m 36s
SNHD - Fema HIPAA	HEALTH & WELLNESS	550	406	16d 2h 41m 8s	0d 0h 55m 53s
POOL/PACT - Employee Assistance Program - KEPRO	HUMAN RESOURCES (HR)	430	403	0d 0h 0m 0s	0d 0h 0m 0s
2021 eLearning		395	382	31d 17h 54m 59s	0d 1h 58m 30s
LCSD 20/21 All Staff eLearning		1022	359	32d 7h 28m 27s	0d 1h 16m 26s
POOL/PACT - Mandatory Child Abuse Reporting Laws	SCHOOL TOPICS	375	331	8d 18h 6m 11s	0d 0h 35m 9s
POOL/PACT - Bloodborne Pathogens Awareness	SAFETY	305	279	6d 8h 9m 33s	0d 0h 32m 39s
POOL/PACT - Federal Educational Rights and Privacy Act (FERPA)	SCHOOL TOPICS	300	259	4d 16h 24m 5s	0d 0h 22m 55s
POOL/PACT - OSHA Rights and Responsibilities - English Version	SAFETY	294	256	1d 11h 53m 11s	0d 0h 8m 23s
CCSD - Youth Suicide and Prevention 2021	SCHOOL TOPICS	247	218	5d 18h 33m 6s	0d 0h 36m 49s
Carson City School District Spring 2021		927	207	28d 18h 43m 29s	0d 1h 44m 34s
POOL/PACT - Acute Respiratory Illness Pandemic Training: Prevention and Response	HEALTH & WELLNESS	231	205	6d 1h 43m 41s	0d 0h 41m 24s
POOL/PACT - Students in Transition	SCHOOL TOPICS	215	192	2d 19h 38m 46s	0d 0h 18m 41s
POOL/PACT - Customer Service in the Public Sector	CUSTOMER SERVICE	213	182	10d 17h 28m 4s	0d 1h 16m 27s
POOL/PACT - Back Safety in the Workplace	SAFETY	195	155	0d 22h 22m 36s	0d 0h 8m 30s
POOL/PACT - Surviving an Active Shooter - caution: violent and graphic	RISK MANAGEMENT	169	145	1d 6h 34m 45s	0d 0h 10m 58s
POOL/PACT - Cyber Security - Data Security: Phishing	CYBER SECURITY	131	125	1d 16h 47m 21s	0d 0h 19m 32s
POOL/PACT - Nevada Anti-harassment Training for Supervisors	HUMAN RESOURCES (HR)	136	122	1d 9h 28m 23s	0d 0h 16m 21s
POOL/PACT - GHS - Hazard Communication	SAFETY	202	115	6d 16h 49m 49s	0d 1h 9m 17s
POOL/PACT - Safe and Sober Workplace - Supervisor Supplement	HUMAN RESOURCES (HR)	112	104	1d 3h 13m 3s	0d 0h 15m 42s
POOL/PACT - Cyber Security Awareness	CYBER SECURITY	119	101	0d 16h 52m 29s	0d 0h 9m 54s
POOL/PACT - Defensive Driving	SAFETY	112	86	2d 13h 15m 28s	0d 0h 42m 40s
POOL/PACT - Fire Extinguisher Safety Training	SAFETY	110	84	0d 3h 28m 24s	0d 0h 2m 28s
Eureka County - Nevada Anti-Harassment Training for Employees	HUMAN RESOURCES (HR)	98	83	1d 9h 27m 3s	0d 0h 24m 10s
POOL/PACT - Cyber Security - Data Security: Physical Security and Unit	CYBER SECURITY	87	78	1d 3h 37m 14s	0d 0h 21m 7s
POOL/PACT - Lock Out, Tag Out	SAFETY	115	77	1d 15h 1m 50s	0d 0h 29m 24s
2021 eLearning - Supervisors		74	73	1d 22h 30m 39s	0d 0h 38m 13s
POOL/PACT - Cyber Security - Data Security: Passwords	CYBER SECURITY	76	70	0d 19h 3m 23s	0d 0h 16m 20s
POOL/PACT - Open Meeting Law	RISK MANAGEMENT	91	66	1d 12h 40m 40s	0d 0h 29m 46s
Acute Respiratory Illness Pandemic Training: Prevention and Response		69	66	1d 23h 17m 5s	0d 0h 42m 49s
POOL/PACT - Cyber Security - Data Security: Malware	CYBER SECURITY	65	61	0d 21h 7m 18s	0d 0h 20m 26s
POOL/PACT - Cyber Security - Ransomware	CYBER SECURITY	65	60	0d 10h 13m 47s	0d 0h 10m 13s
POOL/PACT - Slips, Trips and Falls	RISK MANAGEMENT	66	56	1d 2h 54m 46s	0d 0h 28m 50s
POOL/PACT - Cyber Security - Data Security: Mobile Security and Third-Party	CYBER SECURITY	62	56	0d 12h 55m 38s	0d 0h 13m 45s
Eureka County - Whistleblower Protections - What When and How	HUMAN RESOURCES (HR)	109	52	0d 8h 32m 8s	0d 0h 9m 50s
POOL/PACT - You Can Protect Our Children	SCHOOL TOPICS	68	52	1d 10h 47m 40s	0d 0h 39m 51s
2020-21 DCSD Policies and Regulations		48	48	0d 0h 0m 0s	0d 0h 0m 0s
SNHD Compliance Training		76	46	3d 9h 10m 48s	0d 1h 21m 47s
SNHD Annual Training		64	42	3d 2h 7m 45s	0d 1h 34m 57s
LCSD 20/21 Nutrition Services eLearning		44	42	9d 15h 58m 49s	0d 5h 31m 24s
POOL/PACT HR Briefing - Ethics	HUMAN RESOURCES (HR)	51	38	0d 2h 6m 24s	0d 0h 3m 19s

SNHD - Customer Service & HIPAA Training		64	38	3d 22h 52m 0s	0d 2h 4m 17s
POOL/PACT - Asbestos Awareness Training	SAFETY	81	33	0d 9h 59m 31s	0d 0h 17m 35s
MANDATORY - DCSD BOARD POLICY 814 - EMAIL SIGNATURE		58	32	0d 0h 0m 0s	0d 0h 0m 0s
MANDATORY - DCSD Standard Operating Procedure: How to Wear a Mask		58	32	0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Aversive Interventions	SCHOOL TOPICS	41	32	0d 13h 43m 19s	0d 0h 25m 13s
POOL/PACT - MRSA Awareness for Correctional Employees	SAFETY	32	31	0d 7h 43m 3s	0d 0h 14m 56s
115.316 Residents with Disabilities and LEP	CUSTOMER SERVICE	56	30	0d 1h 51m 36s	0d 0h 2m 47s
2020 eLearning - WNNRYC & Pool		33	29	2d 12h 14m 0s	0d 1h 58m 27s
DCSD 2020-21 Mandatory Annual eLearning		58	28	3d 0h 2m 59s	0d 2h 19m 18s
Nye County - Bloodborne Pathogens Awareness	RISK MANAGEMENT	28	28	0d 14h 51m 59s	0d 0h 31m 51s
SNHD - Clinical Services Annual Training		36	27	5d 3h 28m 42s	0d 3h 43m 19s
POOL/PACT - Cyber Security - COVID19 Best Practices	CYBER SECURITY	26	25	0d 1h 36m 15s	0d 0h 3m 49s
POOL/PACT - Cyber Security - 18 Things to Make Your Remote Workplac	CYBER SECURITY	27	25	0d 4h 45m 12s	0d 0h 11m 24s
POOL/PACT - Heat-Related Illness	SAFETY	26	24	0d 15h 19m 47s	0d 0h 38m 19s
POOL/PACT Specialty Health 24-7-365 Program	RISK MANAGEMENT	24	21	0d 3h 15m 36s	0d 0h 9m 18s
POOL/PACT - Controlling Workplace Exposure to Bloodborne Pathogens	SAFETY	42	20	0d 14h 15m 21s	0d 0h 38m 33s
POOL/PACT - Earthquake Preparedness - What to Do if You're Near a De	SAFETY	28	20	0d 1h 34m 40s	0d 0h 4m 44s
POOL/PACT - Cyber Security - Captain Awareness - Be a Human Firewall	CYBER SECURITY	21	19	0d 0h 49m 47s	0d 0h 2m 37s
Senior Services		20	19	1d 10h 3m 21s	0d 1h 47m 32s
POOL/PACT - CQLB - The Complex Quadriplex of Lifeguard Blindness	HEALTH & WELLNESS	28	18	0d 8h 23m 9s	0d 0h 27m 46s
POOL/PACT - Cyber Security - Captain Awareness - Business Email Comp	CYBER SECURITY	18	17	0d 0h 59m 14s	0d 0h 3m 29s
POOL/PACT - Cyber Security - Captain Awareness - Be Vigilant With USB	CYBER SECURITY	20	17	0d 0h 37m 20s	0d 0h 2m 11s
POOL/PACT - Earthquake Safety - If There's No Sturdy Desk or Table	SAFETY	22	16	0d 0h 22m 56s	0d 0h 1m 26s
POOL/PACT - Taking Control of Conflict	HUMAN RESOURCES (HR)	25	16	0d 10h 39m 50s	0d 0h 39m 1s
POOL/PACT - Cyber Security - Captain Awareness - Detecting Suspicious	CYBER SECURITY	17	16	0d 1h 21m 47s	0d 0h 5m 6s
POOL/PACT - Cyber Security - Captain Awareness - Beware of Disinforma	CYBER SECURITY	17	16	0d 0h 59m 41s	0d 0h 3m 43s
POOL/PACT - Cyber Security - Captain Awareness - CEO Fraud	CYBER SECURITY	15	15	0d 0h 31m 58s	0d 0h 2m 7s
LCSD 20/21 Maintenance & Custodial eLearning		71	14	1d 9h 42m 49s	0d 0h 49m 28s
POOL/PACT - Cyber Security - KnowBe4 Security Awareness Training - 21	CYBER SECURITY	15	14	0d 19h 2m 41s	0d 1h 21m 6s
POOL/PACT - Cyber Security - Captain Awareness - Working Securely Fro	CYBER SECURITY	14	14	0d 1h 1m 20s	0d 0h 4m 22s
LCSD 20/21 Nurses eLearning		19	14	2d 19h 59m 3s	0d 4h 12m 13s
POOL/PACT - Cyber Security - Captain Awareness - Pretexting	CYBER SECURITY	13	13	0d 1h 59m 44s	0d 0h 9m 12s
Churchill County: Bloodborne Pathogens Awareness		15	13	0d 9h 47m 24s	0d 0h 45m 11s
POOL/PACT - Cyber Security - Captain Awareness - Power of Password M	CYBER SECURITY	13	13	0d 0h 37m 10s	0d 0h 2m 51s
Churchill County: Reporting Child Abuse		15	13	0d 8h 59m 45s	0d 0h 41m 31s
POOL/PACT - Working in Confined Spaces		14	12	0d 8h 36m 7s	0d 0h 42m 48s
Churchill County: New Hire Training		18	12	1d 21h 21m 13s	0d 3h 20m 26s
POOL/PACT - Cyber Security - Captain Awareness - Vetting Vendors	CYBER SECURITY	12	12	0d 0h 40m 47s	0d 0h 3m 23s
POOL/PACT - Cyber Security - Executive Series: Securely Working From H	CYBER SECURITY	12	12	0d 0h 53m 51s	0d 0h 4m 29s
NYE-HR- ANNUAL E-LEARNING for all Employees		34	12	0d 9h 53m 59s	0d 0h 49m 29s
ChurchillCSD - New Hire Training		16	12	0d 19h 57m 6s	0d 1h 39m 45s
POOL/PACT - Cyber Security - Captain Awareness - Location Sharing	CYBER SECURITY	12	12	0d 0h 28m 39s	0d 0h 2m 23s
POOL/PACT - Cyber Security - Captain Awareness - Proper Passwords	CYBER SECURITY	12	12	0d 0h 32m 1s	0d 0h 2m 40s
POOL/PACT - Slip, Trip, and Fall Prevention	SAFETY	18	12	0d 8h 24m 32s	0d 0h 39m 6s
POOL/PACT - Nevada Aversive Interventions	SCHOOL TOPICS	12	12	0d 4h 49m 43s	0d 0h 24m 8s
Nye - New Hire Safety Training (PP)	RISK MANAGEMENT	12	12	0d 4h 22m 57s	0d 0h 21m 54s
Pershing 11thjdyfs		12	12	0d 22h 52m 55s	0d 1h 54m 24s
POOL/PACT - Cyber Security - Captain Awareness - Protect Customer Cre	CYBER SECURITY	11	11	0d 0h 21m 35s	0d 0h 1m 57s
POOL/PACT - Cyber Security - Captain Awareness - Handling Printouts	CYBER SECURITY	13	11	0d 0h 30m 3s	0d 0h 2m 43s
POOL/PACT - Cyber Security - Captain Awareness - Social Engineering	CYBER SECURITY	11	11	0d 0h 25m 55s	0d 0h 2m 21s
CSYC Cultural Competency	CUSTOMER SERVICE	50	11	0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Cyber Security - Captain Awareness - Ransomware	CYBER SECURITY	11	11	0d 1h 54m 34s	0d 0h 10m 24s

POOL/PACT - Cyber Security - Captain Awareness - Prevent Tailgating	CYBER SECURITY	11	11 0d 0h 23m 12s	0d 0h 2m 6s
Carson School District Defensive driving	SCHOOL TOPICS	12	11 0d 4h 12m 42s	0d 0h 22m 58s
Catalog		11	11 0d 4h 10m 59s	0d 0h 22m 49s
NYE-IT-ANNUAL E-LEARNING -for all Employees		31	11 0d 4h 29m 24s	0d 0h 24m 29s
Boulder City - Introduction to Records Management		10	10 0d 0h 44m 11s	0d 0h 4m 25s
POOL/PACT - Cyber Security - Executive Series: Decision-Maker Email Thi	CYBER SECURITY	11	10 0d 1h 17m 31s	0d 0h 7m 41s
POOL/PACT - Cyber Security - Captain Awareness - VPN	CYBER SECURITY	10	10 0d 1h 15m 36s	0d 0h 7m 33s
SNHD Temporary Personal Safety Training	CUSTOMER SERVICE	58	10 3d 3h 29m 36s	0d 2h 52m 35s
POOL/PACT - Cyber Security - Executive Series: Safe Web Browsing With	CYBER SECURITY	10	10 0d 0h 54m 14s	0d 0h 5m 25s
POOL/PACT - Due Process	HUMAN RESOURCES (HR)	19	10 0d 10h 20m 31s	0d 0h 46m 10s
NYE-SAFETY- Mandatory E-Learning @ New Hire		30	10 0d 4h 24m 10s	0d 0h 26m 25s
POOL/PACT - Earthquake Safety - Mobility Disabilities	SAFETY	15	10 0d 1h 14m 39s	0d 0h 7m 27s
POOL/PACT - Fraud Prevention and Reporting Policy	RISK MANAGEMENT	18	10 0d 4h 5m 0s	0d 0h 24m 23s
Churchill County: Defensive Driving		10	10 0d 9h 34m 24s	0d 0h 57m 26s
POOL/PACT - Office Ergonomics	RISK MANAGEMENT	10	10 0d 2h 31m 43s	0d 0h 15m 10s
NYE-SAFETY-ANNUAL E-LEARNING for all Employees		31	9 0d 8h 35m 17s	0d 0h 52m 0s
MCFPD Training		9	8 0d 15h 43m 21s	0d 1h 57m 55s
Boulder City Core Training	RISK MANAGEMENT	8	8 0d 16h 6m 9s	0d 2h 0m 46s
BCNV Fire Extinguisher Safety Online Training	RISK MANAGEMENT	9	8 0d 0h 18m 34s	0d 0h 2m 19s
POOL/PACT - Fit for Retirement	HEALTH & WELLNESS	12	8 0d 4h 51m 16s	0d 0h 22m 54s
Boulder City - Required - Back Safety in the Workplace	RISK MANAGEMENT	8	8 0d 0h 41m 47s	0d 0h 5m 13s
POOL/PACT HR Briefing - Communication Skills 5/15/19	HUMAN RESOURCES (HR)	10	8 0d 0h 48m 59s	0d 0h 6m 7s
POOL/PACT - Absorb Admin Training		16	8 0d 16h 15m 7s	0d 1h 59m 47s
Boulder City - Required Slips, Trips and Falls	RISK MANAGEMENT	8	8 0d 2h 13m 42s	0d 0h 16m 42s
Boulder City - Mandatory Reporting	RISK MANAGEMENT	7	7 0d 4h 35m 41s	0d 0h 39m 23s
POOL/PACT - Cybersecurity - Legal Guidelines for Protecting Sensitive Inf	CYBER SECURITY	9	7 0d 2h 59m 24s	0d 0h 24m 28s
POOL/PACT - Cybersecurity - ITC Presentation at POOL/PACT Risk Manag	CYBER SECURITY	7	7 0d 10h 18m 37s	0d 1h 28m 22s
2021 eLearning - Pool/WNRYC Supervisors		7	7 0d 5h 9m 26s	0d 0h 44m 12s
Eureka County - Bullying in the Workplace	HUMAN RESOURCES (HR)	7	7 0d 10h 7m 19s	0d 1h 26m 45s
NCSO Implicit Bias Annual Training	Law Enforcement	9	7 0d 5h 58m 13s	0d 0h 51m 10s
POOL/PACT - Food Safety Series - Food Inspections	SAFETY	10	7 0d 4h 33m 33s	0d 0h 38m 57s
NCSO Sexual Harassment in the Workplace		23	6 0d 0h 34m 55s	0d 0h 5m 49s
POOL/PACT - Dealing with Difficult Board or Chair Member	RISK MANAGEMENT	6	6 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Personal Protective Equipment: General Overview	SAFETY	7	6 0d 1h 9m 34s	0d 0h 11m 35s
Eureka County - Nevada Ethics in Government	RISK MANAGEMENT	6	6 0d 4h 42m 1s	0d 0h 47m 0s
POOL/PACT - Food Safety Series - Preventing Food Contamination	SAFETY	8	6 0d 9h 53m 50s	0d 1h 38m 49s
POOL/PACT - Food Safety Series - Food Service Safety	SAFETY	8	6 0d 3h 49m 45s	0d 0h 38m 17s
Boulder City - Anti Harassment Training for Supervisors	HUMAN RESOURCES (HR)	6	6 0d 0h 23m 54s	0d 0h 3m 59s
POOL/PACT - Robert's Rules of Order	RISK MANAGEMENT	19	6 0d 10h 16m 44s	0d 1h 38m 0s
POOL/PACT - Food Safety Series - Sanitation Safety	SAFETY	9	6 0d 5h 48m 12s	0d 0h 58m 0s
Eureka County - Safe and Sober Workplace for Employees	HUMAN RESOURCES (HR)	6	6 0d 2h 47m 23s	0d 0h 27m 53s
POOL/PACT - Food Safety Series - Service Storage	SAFETY	7	5 0d 3h 56m 55s	0d 0h 47m 23s
NCSO Off Duty Issues for Law Enforcement	Law Enforcement	23	5 0d 0h 21m 27s	0d 0h 4m 17s
NCSO Subpoena Service	Law Enforcement	23	5 0d 0h 9m 38s	0d 0h 1m 55s
New Hire Orientation	RISK MANAGEMENT	7	5 1d 4h 30m 30s	0d 5h 10m 33s
CVSC - Nevada Ethics for Government	RISK MANAGEMENT	7	5 0d 4h 42m 31s	0d 0h 56m 30s
POOL/PACT - ErgoNet: A Training Guide for Healthy Office Workers	SAFETY	6	5 0d 6h 31m 0s	0d 1h 18m 12s
Pershing COVID-19 Training		7	5 0d 1h 41m 2s	0d 0h 20m 12s
POOL/PACT - Food Safety Series - Safe Temperatures for Food Storage	SAFETY	7	5 0d 5h 43m 18s	0d 0h 58m 0s
Eureka County - HIPAA Privacy Rule	RISK MANAGEMENT	5	5 0d 7h 39m 23s	0d 1h 31m 52s
Pershing County New Hire General		6	5 0d 13h 14m 1s	0d 2h 38m 48s
Boulder City - Defensive Driving	RISK MANAGEMENT	5	5 0d 1h 27m 41s	0d 0h 17m 32s

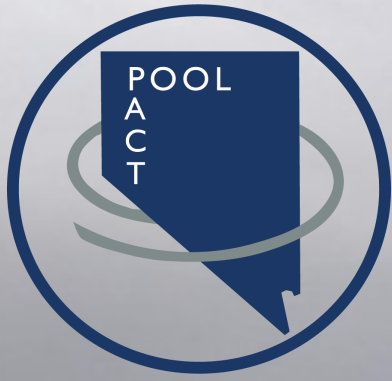
Boulder City - Bullying in the Workplace	RISK MANAGEMENT	4	4 0d 0h 17m 6s	0d 0h 4m 16s
POOL/PACT - Preventing Sexual Harassment: A Guide for Employees	HUMAN RESOURCES (HR)	5	4 0d 2h 54m 2s	0d 0h 43m 30s
POOL/PACT - Pool Chemical Safety	RISK MANAGEMENT	4	4 0d 1h 49m 7s	0d 0h 27m 16s
Boulder City - Back Safety in the Workplace	RISK MANAGEMENT	4	4 0d 0h 3m 26s	0d 0h 0m 51s
Eureka County - Open Meeting Law	RISK MANAGEMENT	6	4 0d 2h 48m 45s	0d 0h 42m 11s
2020 eLearning - WNRVC & Pool Supervisors		6	4 0d 14h 4m 42s	0d 2h 30m 32s
Boulder City - Cyber Security - Physical Threats and Unintended Disclosure	CYBER SECURITY	4	4 0d 0h 16m 16s	0d 0h 4m 4s
115.331 How Much Do You Know About Statutory Rape?		4	4 0d 0h 2m 41s	0d 0h 0m 40s
Eureka County - OSHA Rights and Responsibilities	RISK MANAGEMENT	4	3 0d 1h 15m 12s	0d 0h 25m 0s
Boulder City - Cybersecurity - Malware	CYBER SECURITY	3	3 0d 0h 17m 50s	0d 0h 5m 56s
Boulder City - Cyber Security - Ransomware	CYBER SECURITY	3	3 0d 0h 12m 21s	0d 0h 4m 7s
Boulder City - Cyber Security - Phishing	HUMAN RESOURCES (HR)	3	3 0d 0h 27m 53s	0d 0h 9m 17s
POOL/PACT - HR Briefing - Time Management	HUMAN RESOURCES (HR)	4	3 0d 0h 36m 11s	0d 0h 12m 3s
CVSC Nevada Anti Harassment Annual Training	HUMAN RESOURCES (HR)	3	3 0d 0h 55m 20s	0d 0h 18m 26s
NYE-NCSO-BBP & MRSA-ANNUAL		3	3 0d 0h 54m 53s	0d 0h 18m 17s
Boulder City - Complex Quadriplex of Lifeguard Blindness	RISK MANAGEMENT	3	3 0d 0h 25m 9s	0d 0h 8m 23s
Boulder City - Nevada Anti Harassment Training	HUMAN RESOURCES (HR)	3	3 0d 0h 47m 43s	0d 0h 15m 54s
POOL/PACT - Law Enforcement - Strip Search Training	Law Enforcement	3	3 0d 0h 0m 0s	0d 0h 0m 0s
Carson School District - Suicide Prevention and Intervention	SCHOOL TOPICS	4	3 0d 0h 40m 21s	0d 0h 13m 27s
Boulder City - Nevada Ethics in Govt	RISK MANAGEMENT	3	3 0d 0h 9m 15s	0d 0h 3m 5s
JIREH Physical Intervention Review	RISK MANAGEMENT	3	3 0d 0h 23m 6s	0d 0h 7m 42s
115.331 Staff Training on Professional Boundaries	CUSTOMER SERVICE	3	3 0d 0h 23m 14s	0d 0h 7m 44s
Boulder City - Cyber Security - Passwords	CYBER SECURITY	3	3 0d 0h 14m 57s	0d 0h 4m 59s
Boulder City - Open Meeting Law	RISK MANAGEMENT	3	3 0d 0h 16m 7s	0d 0h 5m 22s
Boulder City - Cyber Security Awareness	CYBER SECURITY	3	3 0d 0h 4m 19s	0d 0h 1m 26s
CVSC - Pool Chemical Safety	RISK MANAGEMENT	3	3 0d 0h 54m 14s	0d 0h 18m 4s
Boulder City - Law Enforcement Strip Search Training	Law Enforcement	3	3 0d 0h 0m 0s	0d 0h 0m 0s
NCSO Human Trafficking Annual Training	Law Enforcement	3	2 0d 1h 0m 0s	0d 0h 30m 0s
NCSO Officer Well Being Annual Training	Law Enforcement	3	2 0d 0h 27m 7s	0d 0h 13m 33s
NCSO Developmental Disabilities Annual Training	Law Enforcement	3	2 0d 0h 57m 17s	0d 0h 28m 38s
Churchill County Code of Ethical Standards		2	2 0d 0h 3m 5s	0d 0h 1m 32s
NCSO Crisis Intervention & De-escalation Annual Training	Law Enforcement	3	2 0d 0h 50m 38s	0d 0h 25m 19s
POOL/PACT - The Performance Management Process	HUMAN RESOURCES (HR)	4	2 0d 2h 46m 0s	0d 1h 22m 27s
Churchill County: Anti-Harassment Training for Supervisors		3	2 0d 0h 39m 55s	0d 0h 19m 57s
WBC Team Member Training	HUMAN RESOURCES (HR)	53	2 0d 7h 51m 46s	0d 2h 21m 34s
Churchill County: Safe and Sober Workplace for Supervisors		3	2 0d 0h 15m 32s	0d 0h 7m 46s
CVSC Hazard Communication - GHS	RISK MANAGEMENT	3	2 0d 1h 51m 45s	0d 0h 55m 47s
Carson School District Spring eLearning 2020	SCHOOL TOPICS	41	2 0d 10h 56m 57s	0d 2h 24m 42s
Boulder City - HIPAA Privacy Rule	RISK MANAGEMENT	3	2 0d 1h 56m 25s	0d 0h 57m 20s
115.313 Ethics and Facility Culture	CUSTOMER SERVICE	2	2 0d 0h 6m 11s	0d 0h 3m 5s
NCSO Mental Illness Annual Training	Law Enforcement	3	2 0d 1h 16m 13s	0d 0h 24m 53s
Boulder City - Lock Out, Tag Out	RISK MANAGEMENT	2	2 0d 0h 32m 47s	0d 0h 16m 23s
Boulder City - Kepro Orientation Video and Documentation	HUMAN RESOURCES (HR)	2	2 0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Mandatory Reporting for Parks and Rec Employees	RISK MANAGEMENT	2	2 0d 1h 17m 55s	0d 0h 38m 57s
2020 eLearning - Supervisors		2	2 0d 9h 58m 9s	0d 4h 59m 4s
NCSO Active Assailant for Dispatchers 2020	Dispatch	3	2 0d 1h 56m 34s	0d 0h 58m 17s
CVSC Open Meeting Law	RISK MANAGEMENT	2	2 0d 0h 52m 6s	0d 0h 26m 3s
POOL/PACT HR Briefing - Leadership Styles	HUMAN RESOURCES (HR)	4	2 0d 0h 9m 6s	0d 0h 4m 33s
POOL/PACT - Cybersecurity - Physical Threats and Unintended Disclosure	CYBER SECURITY	1	1 0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Workplace Violence Awareness	HUMAN RESOURCES (HR)	1	1 0d 1h 8m 4s	0d 1h 8m 4s
POOL/PACT - 24/7/365 Review		1	1 0d 0h 16m 20s	0d 0h 16m 20s
Boulder City - Safe and Sober Workplace Supervisor Supplement	HUMAN RESOURCES (HR)	1	1 0d 0h 3m 54s	0d 0h 3m 54s

NCSO Annual OC Recertification	Law Enforcement	1	1 0d 0h 0m 58s	0d 0h 0m 58s
POOL/PACT - Schools - Mosaic - Preventing Discrimination and Harassme	SCHOOL TOPICS	5	1 0d 0h 31m 47s	0d 0h 31m 47s
Boulder City - Cox Phone Training	CUSTOMER SERVICE	1	1 0d 0h 0m 40s	0d 0h 0m 40s
Boulder City - Heat-Related Illness	RISK MANAGEMENT	1	1 0d 0h 6m 9s	0d 0h 6m 9s
Boulder City - COVID-19: Protecting Yourself and Others	RISK MANAGEMENT	1	1 0d 0h 1m 7s	0d 0h 1m 7s
POOL/PACT - Schools - Show Respect! Prevent Harassment in Schools	SCHOOL TOPICS	5	1 0d 0h 13m 21s	0d 0h 13m 21s
Boulder City - Cyber Security - COVID19 Best Practices	CYBER SECURITY	1	1 0d 0h 1m 39s	0d 0h 1m 39s
IHGID - Core Board Training 3-31-2021	HUMAN RESOURCES (HR)	2	1 0d 3h 49m 1s	0d 2h 59m 36s
Safe and Sober Workplace & Anti Harrasment		1	1 0d 0h 21m 19s	0d 0h 21m 19s
POOL/PACT - Active Shooter On Site: What Every Employee Should Do -	RISK MANAGEMENT	1	1 0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Safe and Sober Workplace for Employees	HUMAN RESOURCES (HR)	1	1 0d 0h 7m 5s	0d 0h 7m 5s
Boulder City - Due Process	HUMAN RESOURCES (HR)	2	1 0d 0h 15m 45s	0d 0h 6m 50s
NYE-OFFICE- ANNUAL E-LEARNING		1	1 0d 2h 57m 26s	0d 2h 57m 26s
Bullying in the Workplace		1	1 0d 0h 47m 59s	0d 0h 47m 59s
Boulder City - Asbestos Awareness	RISK MANAGEMENT	2	1 0d 0h 26m 18s	0d 0h 26m 13s
NCSO Conduct Unbecoming Remedial		1	1 0d 0h 16m 24s	0d 0h 16m 24s
Principle of Supervision and Control	CUSTOMER SERVICE	1	1 0d 0h 16m 21s	0d 0h 16m 21s
Safe and Sober Workplace		1	1 0d 0h 7m 4s	0d 0h 7m 4s
Verbal De-Escalation	RISK MANAGEMENT	1	1 0d 0h 4m 27s	0d 0h 4m 27s
Churchill County: Fit for Retirement		2	1 0d 0h 19m 38s	0d 0h 19m 38s
Nevada Ethics in Government		3	1 0d 0h 32m 59s	0d 0h 32m 59s
Boulder City - COVID-19: Your Workplace	RISK MANAGEMENT	1	1 0d 0h 1m 25s	0d 0h 1m 25s
Mandatory Child Abuse Reporting Laws		1	1 0d 0h 25m 9s	0d 0h 25m 9s
Carson School District FERPA	SCHOOL TOPICS	1	1 0d 4h 1m 27s	0d 4h 1m 27s
POOL/PACT - Creating a Bully-Free Workplace: Employee Edition	HUMAN RESOURCES (HR)	2	1 0d 0h 28m 13s	0d 0h 28m 3s
Esmeralda County School District - Bundle 2	SCHOOL TOPICS	0	0 0d 0h 0m 0s	0d 0h 0m 0s
NCSO Brady Law PP 2020		1	0 0d 0h 0m 0s	0d 0h 0m 0s
Churchill County Policies		0	0 0d 0h 0m 0s	0d 0h 0m 0s
Family Engagement	SCHOOL TOPICS	3	0 0d 0h 0m 0s	0d 0h 0m 0s
Anti Harrasment		0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - MRSA Awareness in Hospitals		0	0 0d 0h 0m 0s	0d 0h 0m 0s
115.311 PREA Coordinated Response	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
TOWN OF TONOPAH Admin New Hires	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Pershing 11thjdyfsamended		9	0 0d 0h 0m 0s	0d 0h 0m 0s
CVSC - Bloodborne Pathogens Awareness	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Confined Spaces - Review Quiz	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
NYE-PW-HAZWOPER-ANNUAL		0	0 0d 0h 0m 0s	0d 0h 0m 0s
CVSC - Food Service Safety	CUSTOMER SERVICE	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Use of Force JIREH Refresher	RISK MANAGEMENT	2	0 0d 0h 7m 52s	0d 0h 0m 0s
Working with Resistant Teens	CUSTOMER SERVICE	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Required Office Ergonomics	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Churchill County: Whistleblower Protections		0	0 0d 0h 0m 0s	0d 0h 0m 0s
Robert's Rules of Order		1	0 0d 0h 4m 4s	0d 0h 0m 0s
Boulder City - Required Electrical Safety (Pending Course Add)	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Teaching Science Safely	SCHOOL TOPICS	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Required GHS - Hazard Communication	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
LCSD Maintenance & Custodial		0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Acute Respiratory Illness Pandemic Training: Prevention an	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Desert Pine County - Hazard Communication Test		8	0 0d 0h 0m 0s	0d 0h 0m 0s
CVSC - Bullying in the Workplace	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s
115.315 Cross Gender and Transgender Pat Search	Law Enforcement	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Lincoln County SD Core Training 2020	SCHOOL TOPICS	0	0 0d 0h 0m 0s	0d 0h 0m 0s

2019-20 DCSD Policies and Procedures		0	0 0d 0h 0m 0s	0d 0h 0m 0s
IHGID - Core Courses New Hires 6-15-2020	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s
NYE-PW-Flagger- ANNUAL		0	0 0d 0h 0m 0s	0d 0h 0m 0s
NCSO WMC Training for Deputies	Law Enforcement	0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Addressing Misconduct in a School Environment - ARCHIVE	SCHOOL TOPICS	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Course Bundle Test		0	0 0d 0h 0m 0s	0d 0h 0m 0s
September 2020 Mandatory Training	HUMAN RESOURCES (HR)	1	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Youth Suicide Prevention in Schools	SCHOOL TOPICS	0	0 0d 0h 0m 0s	0d 0h 0m 0s
NCSO WMC Training for Supervisors	Law Enforcement	0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Transporting Students with Special Needs	SCHOOL TOPICS	1	0 0d 0h 0m 0s	0d 0h 0m 0s
Eco-Valley Middle School Team with Mark Korinek	SCHOOL TOPICS	0	0 0d 0h 0m 0s	0d 0h 0m 0s
NCDC Tablet Checkout Status tutorial	Detention	0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - HR Briefing - Meeting Management	HUMAN RESOURCES (HR)	1	0 0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Specialty Health 24/7/365 Program	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
CWSD Cyber-Security Preview	CYBER SECURITY	0	0 0d 0h 0m 0s	0d 0h 0m 0s
LCSD Nutritional Services Training Courses		0	0 0d 0h 0m 0s	0d 0h 0m 0s
LCSD 19/20 All Staff Courses		6	0 0d 2h 42m 39s	0d 0h 0m 0s
Fire Extinguisher Safety Training	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
OSHA rights and regulations		0	0 0d 0h 0m 0s	0d 0h 0m 0s
Eureka County - Mandatory Child Abuse Reporting Laws	SCHOOL TOPICS	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Pershing r.king		0	0 0d 0h 0m 0s	0d 0h 0m 0s
Lincoln County SD Board Members	SCHOOL TOPICS	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Policy Test - Proof of Concept for Absorb	Law Enforcement	0	0 0d 0h 0m 0s	0d 0h 0m 0s
NYE-Fire extinguisher Hands-On training		0	0 0d 0h 0m 0s	0d 0h 0m 0s
Desert Pine County - Re-Enrollment Example 2021		8	0 0d 0h 0m 0s	0d 0h 0m 0s
JIREH Scenario Based Training	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT HR - Influential Leadership	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s
NCSO Exigency and the Community Care Taker Exception	Law Enforcement	0	0 0d 0h 0m 0s	0d 0h 0m 0s
2020 eLearning		0	0 0d 0h 0m 0s	0d 0h 0m 0s
Gerlach Core Courses	RISK MANAGEMENT	1	0 0d 2h 26m 20s	0d 0h 0m 0s
Desert Pine Curriculum Test		1	0 0d 0h 0m 0s	0d 0h 0m 0s
Open Meeting Law		2	0 0d 0h 6m 10s	0d 0h 0m 0s
Boulder City - Required Heat-Related Illness	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
NYE-Emergencies-ANNUAL E-LEARNING all Employees		0	0 0d 0h 0m 0s	0d 0h 0m 0s
Desert Pine County New Hires	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
CVSC - Customer Service in the Public Sector	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s
March Mandatory Training	HUMAN RESOURCES (HR)	1	0 0d 0h 0m 0s	0d 0h 0m 0s
NYE-B&G & PW- OSHA 10 Construction		0	0 0d 0h 0m 0s	0d 0h 0m 0s
IVGID - Customer Service Experiment V3		1	0 0d 0h 0m 5s	0d 0h 0m 0s
NYE-PW-Traffic Workzone- ANNUAL		0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - COMPENSATION DISCRETIONARY C Work Out of Class (Tra	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Desert Pine County - Re-Enrollment test 3		8	0 0d 0h 0m 0s	0d 0h 0m 0s
Elko County Supervisor Annual Training	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Schools - Mosaic: Preventing Discrimination and Harassme	SCHOOL TOPICS	0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Hazard Communications - NON GHS - ARCHIVED COURSE		0	0 0d 0h 0m 0s	0d 0h 0m 0s
Willis Course Access - All		0	0 0d 0h 0m 0s	0d 0h 0m 0s
Eureka County - Pool Chemical Safety	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - HR Briefing - Job Descriptions	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s
NYE-HR- ANNUAL E-LEARNING for all Supervisors		0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT HR - Essential Management Skills in the Public Sector (Fall 20	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - HR Briefing - Policy Implementation	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s
CVSC Communication Skills	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s

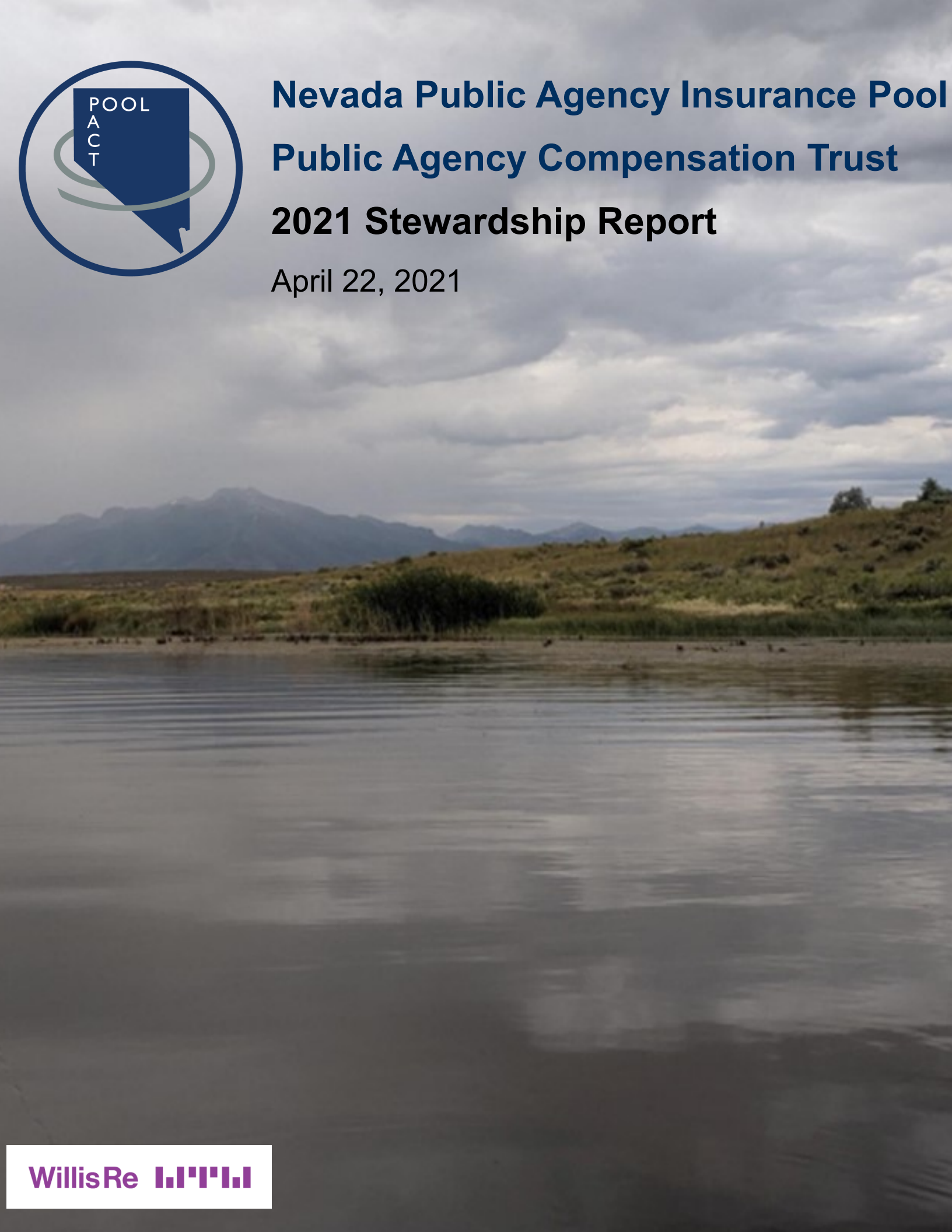
POOL/PACT - Food Safety Series - Kitchen Safety	SAFETY	2	0	0d 0h 0m 0s	0d 0h 0m 0s
Desert Pine County - Re-Enrollment Example		8	0	0d 0h 0m 0s	0d 0h 0m 0s
Sun Valley GID - Williams	RISK MANAGEMENT	0	0	0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Tippetts Cert test		0	0	0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT Electrical Powerpoint Test	RISK MANAGEMENT	0	0	0d 0h 0m 0s	0d 0h 0m 0s
GHS Test		8	0	0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT HR - So, You Want to be a Supervisor?	HUMAN RESOURCES (HR)	0	0	0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Achieving A Harassment-Free Workplace - ARCHIVED COURSE	HUMAN RESOURCES (HR)	0	0	0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - OSHA Rights and Responsibilities	RISK MANAGEMENT	0	0	0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Required Hearing Conservation (1) Pending Course Add	RISK MANAGEMENT	0	0	0d 0h 0m 0s	0d 0h 0m 0s
NYE-PW-Crane-5 YEARS		0	0	0d 0h 0m 0s	0d 0h 0m 0s
115.361 PREA Refresher Knowledge, Suspicion, and Reporting	Law Enforcement	0	0	0d 0h 0m 0s	0d 0h 0m 0s
Esmeralda County Schools - Moller Assignment	SCHOOL TOPICS	0	0	0d 0h 0m 0s	0d 0h 0m 0s
NYE- Blood Borne Pathogens -ANNUAL		0	0	0d 0h 0m 0s	0d 0h 0m 0s
NYE-B&G Employees-ANNUAL E-LEARNING (Part 1)		0	0	0d 0h 0m 0s	0d 0h 0m 0s
NYE-PW-MSHA Surface Mine Safety - NEW MINER		0	0	0d 0h 0m 0s	0d 0h 0m 0s
February 2020 Mandatory Training		0	0	0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Prevencion de contaminacion de los alimentos (Preventing	RISK MANAGEMENT	0	0	0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT HR Briefing - Adopting POOL/PACT HR's Sample Personnel P	HUMAN RESOURCES (HR)	0	0	0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Test Course Upload Cert		0	0	0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Office Ergonomics	RISK MANAGEMENT	0	0	0d 0h 0m 0s	0d 0h 0m 0s
NYE-CPR/First AID- 2 YEARS		0	0	0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Required - Bloodborne Pathogens Awareness (1)	RISK MANAGEMENT	1	0	0d 0h 4m 15s	0d 0h 0m 0s
Boulder City - Required - Bloodborne Pathogens Awareness (2)	RISK MANAGEMENT	0	0	0d 0h 0m 0s	0d 0h 0m 0s
NCSO-SAU- ANNUAL E-LEARNING		0	0	0d 0h 0m 0s	0d 0h 0m 0s
115.331 Vulnerable Population(s) and Trauma	CUSTOMER SERVICE	0	0	0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Required BCPD Training - Defensive Driving	RISK MANAGEMENT	0	0	0d 0h 0m 0s	0d 0h 0m 0s
NYE-PW Employees-ANNUAL E-LEARNING (Part 1)		0	0	0d 0h 0m 0s	0d 0h 0m 0s
Professional Learning Communities (2nd Semester) 2021		0	0	0d 0h 0m 0s	0d 0h 0m 0s
Desert Pine County Instructor Led Course October	HUMAN RESOURCES (HR)	0	0	0d 0h 0m 0s	0d 0h 0m 0s
Churchill County Acute Respiratory Illness Pandemics		1	0	0d 0h 0m 0s	0d 0h 0m 0s
NYE-Forklift/Platform-Instructor Led-RENEW 3 YEARS		0	0	0d 0h 0m 0s	0d 0h 0m 0s
NYE-New Hire Safety Training (ILT)		0	0	0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Required Lock Out Tag Out	RISK MANAGEMENT	0	0	0d 0h 0m 0s	0d 0h 0m 0s
CVSC - COVID19 Best Practices	CYBER SECURITY	0	0	0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Required Asbestos Awareness Training	RISK MANAGEMENT	0	0	0d 0h 0m 0s	0d 0h 0m 0s
Desert Pine County Instructor-Led Course Customer Service	CUSTOMER SERVICE	0	0	0d 0h 0m 0s	0d 0h 0m 0s
LCSD 19/20 Nurses Training Courses		0	0	0d 0h 0m 0s	0d 0h 0m 0s
Desert Pine County - Course Bundle 3		7	0	0d 0h 0m 0s	0d 0h 0m 0s
NYE-PW-MSHA Surface Mine Safety Refresher- ANNUAL		0	0	0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Required Hearing Conservation (2) Pending Course Add	RISK MANAGEMENT	0	0	0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Schools - Avoiding Supervisory Pitfalls	SCHOOL TOPICS	0	0	0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Two Covid-Review Courses	RISK MANAGEMENT	0	0	0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT ILT Test		0	0	0d 0h 0m 0s	0d 0h 0m 0s
SNHD Staffing Agency/Volunteer Personnel Safety Training	RISK MANAGEMENT	32	0	0d 0h 0m 0s	0d 0h 0m 0s
TOWN OF TONOPAH/TONOPAH PUBLIC UTILITIES	HUMAN RESOURCES (HR)	5	0	0d 0h 0m 0s	0d 0h 0m 0s
White Pine County - Maintenance Completions	RISK MANAGEMENT	1	0	0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - All Courses Preview		0	0	0d 0h 0m 0s	0d 0h 0m 0s
DCSD 2019-20 Annual Mandatory E-Learning		0	0	0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - HR Bundle for Internal Use	HUMAN RESOURCES (HR)	0	0	0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Preventing Sexual Harassment: A Guide for Supervisors	HUMAN RESOURCES (HR)	4	0	0d 0h 0m 0s	0d 0h 0m 0s
NCSO From PC to Conviction	Law Enforcement	0	0	0d 0h 0m 0s	0d 0h 0m 0s

CVSC - Safe and Sober Workplace	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT HR Briefing - Buddy to Boss - 5/1/2019	HUMAN RESOURCES (HR)	2	0 0d 0h 0m 0s	0d 0h 0m 0s
Desert Pine Course Bundle - Test 4		8	0 0d 0h 0m 0s	0d 0h 0m 0s
Desert Pine County - You can Protect our Children Test One		8	0 0d 0h 0m 0s	0d 0h 0m 0s
DCLTSA - Safety Program		0	0 0d 0h 0m 0s	0d 0h 0m 0s
Pershing c.shank		0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - The Performance Management Process	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Desert Pine County Defensive Driving	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
115.341 Resident Screening and Vulnerability Assessment	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Required Core Leadership Training	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s
ChurchillCSD - 20-21 School Year Mandatory Trainings		0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT HR Essential Management Skills in the Public Sector - Session	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Gerlach GID - Govt Curriculum		1	0 0d 0h 0m 0s	0d 0h 0m 0s
Google Level 1 Certification	SCHOOL TOPICS	1	0 0d 0h 0m 0s	0d 0h 0m 0s
Elko County Employee Annual Training	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Google Certification Level II		2	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Employee Assistance Program (EAP) Orientation Video	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s
ClearTouch Interactive On-Demand Course	SCHOOL TOPICS	6	0 0d 0h 0m 0s	0d 0h 0m 0s
TRIGID - Core Courses		0	0 0d 0h 0m 0s	0d 0h 0m 0s
IMPLICIT BIAS ABSORB PART 1 2020		0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Schools - Hiring Staff Who Work With Minors	SCHOOL TOPICS	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Pershing County defensive Driving	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
2021 eLearning - Pools/WNRYC		47	0 0d 0h 0m 0s	0d 0h 0m 0s
Esmeralda County School District - Cornforth	SCHOOL TOPICS	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Nye - What form should I use		0	0 0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - GHS Hazard Communication	RISK MANAGEMENT	2	0 0d 0h 19m 30s	0d 0h 0m 0s
POOL/PACT - Seguridad en la cocina (Kitchen Safety)	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
LCSD 19/20 Board of Trustees Courses		0	0 0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Required - Working in Confined Spaces	RISK MANAGEMENT	1	0 0d 0h 2m 25s	0d 0h 0m 0s
Boulder City - Surviving an Active Shooter	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
New Hire Week 2020	SCHOOL TOPICS	0	0 0d 0h 0m 0s	0d 0h 0m 0s
PREA Standard 115.318 Upgrades to Facilities and Technologies	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
Churchill County: Advisory Board		0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT Master HR Course Template	HUMAN RESOURCES (HR)	0	0 0d 0h 0m 0s	0d 0h 0m 0s
LCSD Transportation Training Courses		0	0 0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Slips Trips and Falls	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
POOL/PACT - Active Shooter Response for Schools K-12 - ARCHIVED	SCHOOL TOPICS	0	0 0d 0h 0m 0s	0d 0h 0m 0s
ECSD Board Member Curriculum 2021	GOVERNMENT	2	0 0d 0h 0m 0s	0d 0h 0m 0s
Pershing County School District New Employee Orientation		0	0 0d 0h 0m 0s	0d 0h 0m 0s
IHGID - October New Hire Curriculum		0	0 0d 0h 0m 0s	0d 0h 0m 0s
Esmeralda County School District - Bundle 3	SCHOOL TOPICS	0	0 0d 0h 0m 0s	0d 0h 0m 0s
February 2020 Mandatory Training		1	0 0d 0h 0m 0s	0d 0h 0m 0s
NYE-PW-Traffic Control- ANNUAL		0	0 0d 0h 0m 0s	0d 0h 0m 0s
NYE-B&G & PW- OSHA 30 Construction - Supervisor		0	0 0d 0h 0m 0s	0d 0h 0m 0s
Boulder City - Required - Defensive Driving	RISK MANAGEMENT	0	0 0d 0h 0m 0s	0d 0h 0m 0s
LCSD Food Services		0	0 0d 0h 0m 0s	0d 0h 0m 0s
December 2020 Mandatory Training - City of Fernley		1	0 0d 0h 0m 0s	0d 0h 0m 0s



Nevada Public Agency Insurance Pool Public Agency Compensation Trust 2021 Stewardship Report

April 22, 2021





Contents

Executive Summary	3
Service Team	4
2021 Key Dates	4
State of the Market	5
NPAIP Renewal	6
PACT Renewal	9
NPAIP and PACT Claims Data	10
Risk Control Services	11
Broker Services	15

Executive Summary

Willis Re Pooling is pleased to present our Stewardship Report to Nevada Public Agency Insurance Pool and Public Agency Compensation Trust. Preparing this Stewardship report allows NPAIP, PACT and Willis Re Pooling the opportunity to take stock of goals, performance, obstacles and opportunities presented during the past year. More importantly, such an exercise provides a foundation for defining future action and continuously enhancing performance.

Willis Re Pooling has had the privilege of serving NPAIP and PACT since 1987. In addition to celebrating our joint achievements, the purpose of this report is to review the current services provided, review your current programs, update you on the current insurance marketplace and review other services and products utilized and that are available to NPAIP and PACT.

We serve in concert with NPAIP and PACT risk management, operations and senior management staff. It is through a focused, coordinated partnership that the integral goals of managing risk, protecting human and financial assets (and supporting NPAIP's and PACT's organizational health and welfare) will be reached, and from which a stream of future accomplishments will flow.

This report will highlight:

- Important updates in the current insurance marketplace
- Your current program and renewal updates
- The current services provided
- Accomplishments with regard to our agreed-upon goals

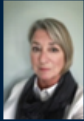












We believe our relationships with key markets and our expertise in program design and alternatives have made us a leader in partnering with successful and growing organizations. We would like to express our appreciation to NPAIP and PACT for choosing Willis Re Pooling as your (Re)insurance Broker and Consultant. We look forward to continuing to work and grow together for many years to come.

Major Accomplishments

We cite just a few of the major accomplishments from the past year:

- Achieved relative pricing stability in the hard insurance market
- Capacity has been maintained
- Maintained availability of all current self-insured retentions
- Achieved concurrency with reinsurance contracts
- Continue to cultivate long term relationships in the marketplace
- Sought options that would be beneficial to evaluate for POOL/ PACT and their members:
 - Obtained additional property options to increase retention/attachment from \$500,000 to \$1M, \$1.5M and \$2M
 - Obtained alternative liability options to the primary \$2.5M excess \$500,000 SIR school placement
 - Obtained liability quotes with optional retentions for the non-school portion of the \$2.5M excess \$500,000 layer
 - Obtained additional liability quotes at various participation levels for the \$7M excess \$3M layer
 - Obtained an alternative option for school cyber layer of \$1.75M excess \$250,000
- Worked with POOL staff, vendors, and carriers to ensure the renewal proposals can be released to agents early May
- Continually updated NPAIP and PACT SharePoint site containing relevant program documents i.e. policies, invoices, quotes, binders, coverage forms, etc.

Your Service Team

Account Relationship		Client Services		Risk Control		Advisory	
 Client Advocate Mary Wray		 Stephen Romero Vice President	 Rick Hudson Risk Control Manager	 John Hayden National Practice Leader			
WTW London Property		 Amalia Lyons Account Executive	 Josh Wilson Sr. Risk Consultant	Actuarial			
 Steve Firman Director - Broking	 Spruha Patel Lead Associate Broker	 Courtney Giesseman Senior Vice President	 Steven Meglio Risk Consultant	 Maureen Stazinski Director			
 Lucy Renew Associate Broker				Catastrophe Analytics			
				 Ann Marie Staehnke Willis Re Cat Modeling			

2021 Key Dates

Date	Purpose
November 13, 2020	NPAIP CAT Modelling Review
December 14, 2020	Pre-Renewal Strategy Virtual Meeting
January—April	Renewal Update Discussions
January 19, 20, 21 & 28, 2021	London Syndicate Virtual Meetings (10)
January 20, 2021	GEM Underwriting Virtual Meeting
February 2, 2021	NPAIP/PACT Renewal Optional Structures Discussion
February 3, 2021	Old Republic Underwriting Virtual Meeting
February 4, 2021	Great American Underwriting Virtual Meeting
February 16, 2021	Executive Committee Meeting—State of the Market Update
February 17, 2021	Brit Underwriting Virtual Meeting
February 23, 2021	United Educators Underwriting Virtual Meeting
April 5, 2021	Executive Committee Meeting—State of the Market and Quote Overview
April 22, 2021	Annual Board Meetings and Renewal Presentation

State of the Market

Most agree that 2020 will be remembered as a horrible year. The coronavirus continues to hurt our populations and our economies. It's also exacerbated the hard insurance market, now 21 months old, which has proven to be one of historic proportions. In our last report we asked the same question: How long will it last? We were referring to the hard market and the pandemic. To answer both questions, we still can't offer a precise end date, but we can say that both will end, and both will leave indelible changes.

Property

The current property environment is full of challenges, and we anticipate continued hardening through 2021. Until underwriting profitability returns, expect little relief in rate, with continued pull-back in sublimits and tightening of policy wordings.

- Catastrophe losses and continued attritional losses amid uncertainty surrounding COVID-19 are just a few factors contributing to the sustained rate pressure buyers are experiencing. The level and magnitude of these increases vary greatly by the class of business, account loss history and perceived rate adequacy of the account.
- The elevated frequency of events continues to put pressure on the marketplace; 2020 third quarter natural catastrophe losses for U.S. property/casualty insurance were the largest since the third quarter of 2017 when we experienced hurricanes Harvey, Irma and Maria.
- The Atlantic hurricane season has moved to the Greek alphabet for only the second time in history.
- Renewals are taking much longer to complete, with participation from many more carriers needed to replicate expiring limits.
- Final decisions on pricing and capacity are being driven by home office. While relationships still matter, the quality of your data will impact how favorably you are considered versus your peers.

Casualty

The increase in severity for liability losses of all types is crudely attributed to "social inflation." The excess liability marketplace continues to experience extensive disruption. Deteriorating loss trends continue to negatively impact underwriting profitability driving underwriters to require continued, significant rate increases, to narrow underwriting appetites, to reevaluate coverage grants, and to require changes to program structures, i.e., reducing available capacity and requiring higher attachment points.

- Loss severity is increasing along with the percentage of claims that are litigated. The median value of the top 50 U.S. verdicts in 2019 is estimated to be \$88 million, which would mark a 62% increase from 2018's median value of \$54.33 million. We have seen the median value of the top 50 U.S. verdicts increase by 318% since 2014. The recent numbers have become the benchmark for future claims and are the result of aggressive litigation, litigation financing, the impact of changing attitudes of juries and social inflation. (Data from Chubb and Lewis Brisbois)
- Nuclear verdicts (greater than \$100 million) and large settlements, even in jurisdictions perceived as conservative, are another major driver of the current market.
- Excess liability predictions are even more eye-popping than in 2020: the lowest expected increases are now 30% (for low/moderate hazard risks); and the highest remain at a staggering 150% (for high hazard risks).
- Securing coverage for wildfire, concussion/traumatic brain injury (TBI) litigation, sexual assault and molestation (SAM) and most recently communicable disease, is proving more and more difficult.
- Reinsurer feedback in the public entity sector largely concerns law enforcement, jail liability, and sexual abuse and molestation claims (SAM). Of note are exceedingly high demands forcing underwriters to reevaluate both their limit and coverage offerings for risks where these exposures exist.

Workers' Compensation

- 2019's combined ratio for private carriers was 85, up from 83 in 2018, marking the sixth consecutive year of underwriting profit. However, we believe this stretch of profitability could be under threat due to COVID-19 claims. Presumptive legislation regarding COVID-19 cases could play a large role.
- Workers' compensation continues to be the casualty line of business with the most COVID-19 claim activity. The circumstances around coverage are complex, vary by state, and are impacted by new presumptive legislation.
- The NCCI estimates that average indemnity claim severity for accident year 2019 will be 4% higher than accident year 2018. This trend is in line with the projected countrywide average wage increase for 2019.
- Over the last five years, auto accidents accounted for 28% of workers compensation claims above \$500K.
- New medical technology along with increased use of existing technology may inflate loss costs by 40% to 50% and are a key driver in mega claims.
- Telehealth, which has seen a large increase in utilization during the COVID-19 pandemic, continues to play a key role in the industry by providing more efficient access to high quality medical care, mitigating medical expenses and lost time from work, and resulting in reduced claim severity.

Cyber Risk

Given the dramatic increase in ransomware incidents during the pandemic, in both frequency and severity across all industries, organizations that are proactive in assessing their cyber resilience, and are able to demonstrate this resilience to underwriters, will fare the best. Cyber renewals are now averaging premium increases in the 25% to 40% range, with no losses and strong cyber risk management protocols in place.

- Claims and losses related to the coronavirus pandemic are expected to continue, as organizations may be more vulnerable than usual due to employees working remotely on potentially less secure networks with less secure hardware.
- Heavily exposed industries are likely to see increases on the higher side of our predictions: health care, higher education, public entities, manufacturing, financial institutions, construction and large media and technology companies.
- The human element continues to be the leading cause of cyber loss, contributing to 64% of the claims included in our 2020 Reported Claims Index.
- The market reaction? More underwriting coupled with reduction of terms, limits, and sublimits, as well as increased rates and deductibles/retentions.



2021 NPAIP Property and Casualty Renewal

The renewal process began in December 2020 when Willis Re Pooling met with NPAIP's management and staff to strategize on the 2021 renewal. We were directed to submit the renewal information to the incumbent markets and to explore alternatives through additional markets and placement structures. NPAIP is able to utilize PRM's capacity as needed to mitigate rate increases or capacity short falls incurred from the markets, providing increased flexibility in the overall program placement. The illustrations in the structure graphs and participation are largely as expiring, and additional options are currently under consideration and subject to the approval of the Board.

The underwriting information was uploaded into our website submission, Risk Intelligence Link. The property and casualty information consisted of historical data, exposure information and comparisons, loss information, policy language, annual report, financial and actuarial reports, as well as detailed specifications for the underwriting community.

The 2021-2022 NPAIP renewal has been quoted by the following markets:

- County Reinsurance Limited (CRL)
- United Educators (UE)
- Old Republic
- Great American
- Brit
- Governmental Entities Mutual
- Public Risk Mutual (PRM)
- Lloyd's of London

Liability

County Reinsurance Limited (CRL) has quoted the expiring 30% of \$2.5M in excess of the \$500,000 retention, and 40% of \$2.25M excess of \$750,000 retention, with CRL sharing the non-school layer with PRM. United Educators (UE) has quoted 100% of the school portion, but with a separate \$1M retention for sexual abuse and molestation (SAM), a cyber exclusion and an annual policy aggregate of \$12.5M. Old Republic and Great American have also provided options to replace UE, and these alternatives are currently being evaluated. CRL has provided an alternate cyber quote, replacing UE and PRM capacity of \$1.75M excess of NPAIP's \$250,000 retention; PRM will continue providing the \$1M excess of \$2M layer to both school and non-school members.

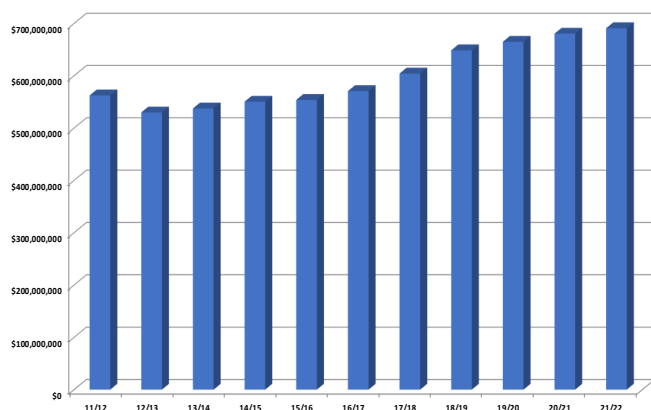
The \$7M x \$3M layer is shared by 3 reinsurers, 35% Governmental Entities Mutual, Brit 40%, and 25% by Public Risk Mutual. Options have been received from GEM to expand their capacity to 50%, 60% or 100% of this layer. The total combined casualty limits available to the membership remains at \$10,000,000.

Property

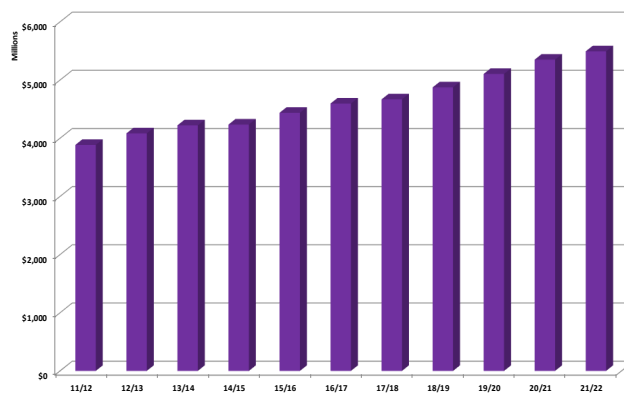
Lloyd's of London has provided property reinsurance to NPAIP since 2004. Currently 23 syndicates participate in the program, and several others have been approached for the 2021 renewal. In addition to the current attachment point of \$500,000, quotes have been provided with Lloyd's attaching at \$1M, \$1.5 and \$2M, allowing NPAIP and PRM to take on additional risk in the underlying layer(s); PRM currently provides \$300,000 in excess of NPAIP's \$200,000 retention.

London renewal limits for 2021 have been offered at \$300 million, as expiring. The \$150M sublimit for Earthquake and Flood, and the \$25M sublimit as respects Flood Zone A remain unchanged. The full placement continues to be completed as of the release of this report.

NPAIP Payroll



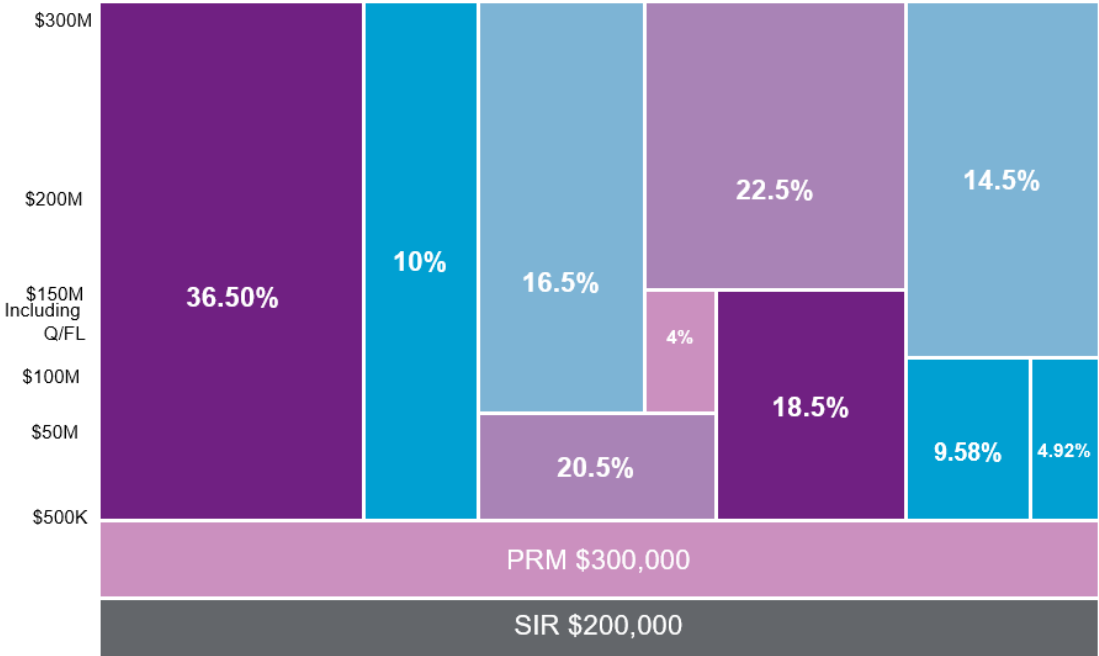
NPAIP TIV



Nevada Public Agency Insurance Pool

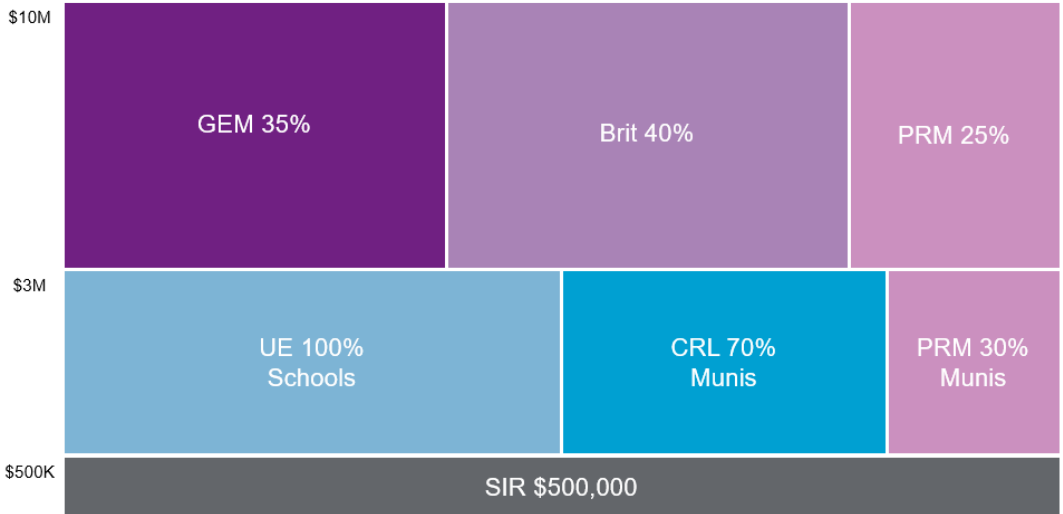
2021 Property Structure – Lloyd’s of London

(Final Structure to be confirmed)



2021 Liability Structure

(Final structure to be confirmed)



2021 Cyber Structure



NPAIP Additional Coverage

Equipment Breakdown

The incumbent carrier, Boiler Re, of the Travelers Indemnity Company was approached for the 2021 Equipment Breakdown Renewal. Boiler Re has partnered with NPAIP since 2005 and has provided their services to the members through jurisdictional inspections. The Equipment Breakdown limit is \$100,000,000.

Environmental Liability

An Environmental Liability policy provided by Ironshore was added to the NPAIP coverage offering effective 7/1/2017. This coverage provides Third Party Claims for Bodily Injury, Property Damage or Remediation Expense, First Party Remediation Expenses, Emergency Response Expenses and Business Interruption with a \$2,000,000 Each Incident Limit, an Aggregate Limit of \$10,000,000 and a \$250,000 Each Incident Deductible (\$25,000 deductible to the Member per the NPAIP Coverage Agreement).

Terrorism—Property and Liability

The Liability Terrorism policy provides \$10M limits with a \$250,000 retention, and the Property Terrorism policy provides \$10M limits with a \$200,000 retention. These policies are placed with the incumbent through Lloyds and 2021 will be the second year of a 2 year policy.

Student Accident

In 2016, the Student Accident coverage offering was expanded to include all students, all grades, for injuries that occur on or off school premises for school activities, during interscholastic sports, including football, field trips, and while being transported. The 2021 program offers limits of \$25,000 per accident with a \$250 deductible to the student.

Airport Liability

In 2019, NPAIP procured a three year term policy for the members that request coverage for airport liability. There are currently 17 local and municipal airports owned by the NPAIP membership participating in the program. Members limits range from \$1,000,000 to \$10,000,000.

Tenant User Liability Insurance Program

NPAIP Tenant User Liability Insurance Program (TULIP) is a One Beacon Entertainment program written through Atlantic Specialty and is a no cost program to NPAIP or the members. Limits are \$1,000,000 for Bodily Injury coverage and \$50,000 for Property Damage providing insurance to third party users of various venues and facilities for events. Payment is made by the third party on the One Beacon website allowing the member to have a ready source of insurance cover without involvement in the financial transaction.



2021 PACT Renewal

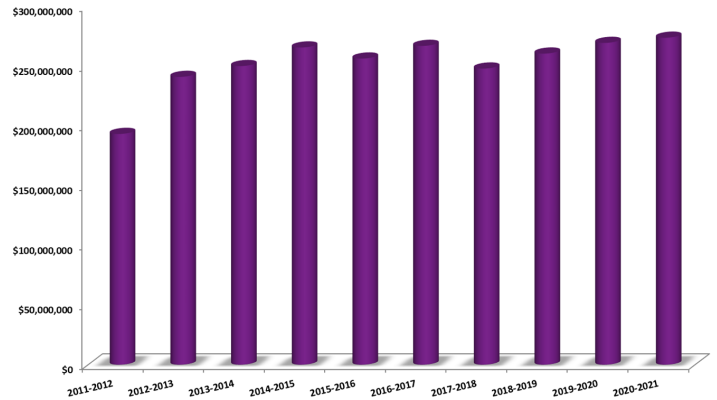
PACT management and Willis Re Pooling met virtually to develop the renewal strategies for PACT and determined that the submission would be released to the incumbent markets for the 2021 Renewal. The illustration in the structure graph and participation are as expiring and are subject to the approval of the Board.

PCM provides \$700,000 excess PACT's \$300,000 SIR. PCM quota shares \$2,000,000 excess of \$1,000,000, on a 25/75 basis, with CRL.

Safety National provides both the specific excess attaching at \$3M, as well as a portion of the aggregate excess. The aggregate excess is on a 50/50 quota share between PCM and Safety National.

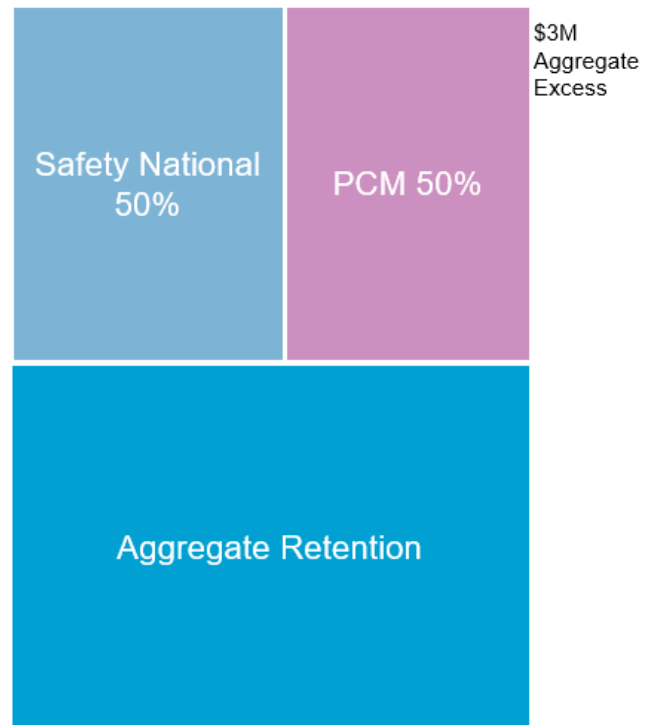
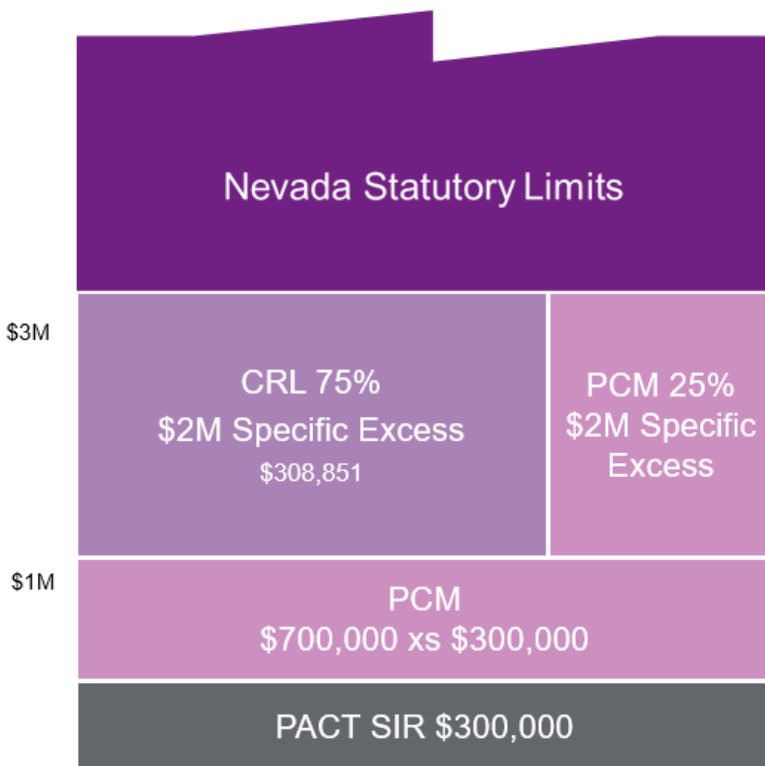
Willis Re Pooling created a website submission for all markets to use during the renewal process. The website included the PACT application, payroll information, historical information, concentration of risk, financial statements, actuarial information, annual report, loss data, Nevada Revised Statutes information, and PACT program requirements.

Historical Payroll
(2019—2021 estimated and non-audited)



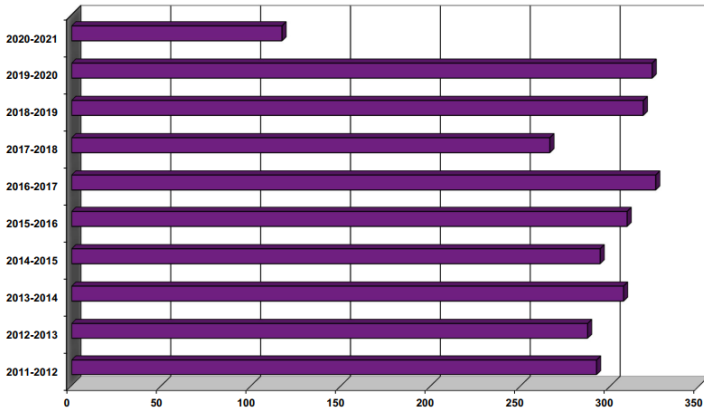
Public Agency Compensation Trust

2021 Workers Compensation Structure

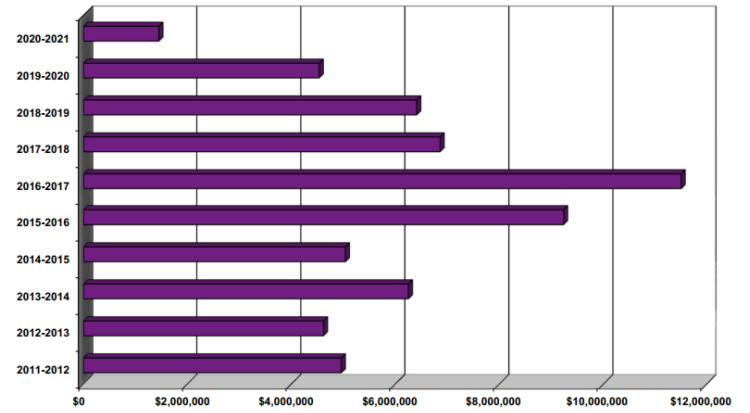


Claims Data 2011-2020 as of December 31, 2020

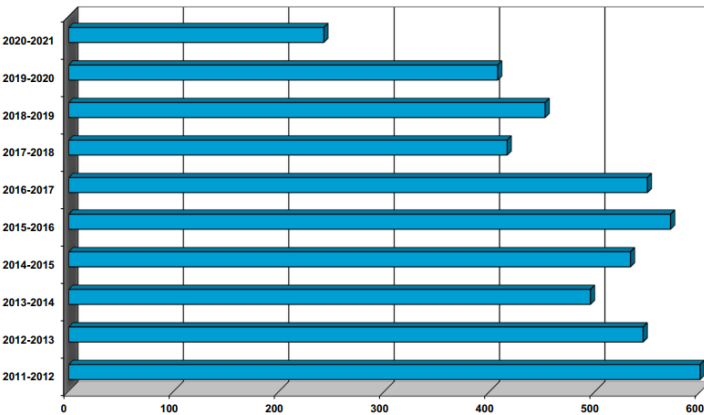
NPAIP - Number of Claims



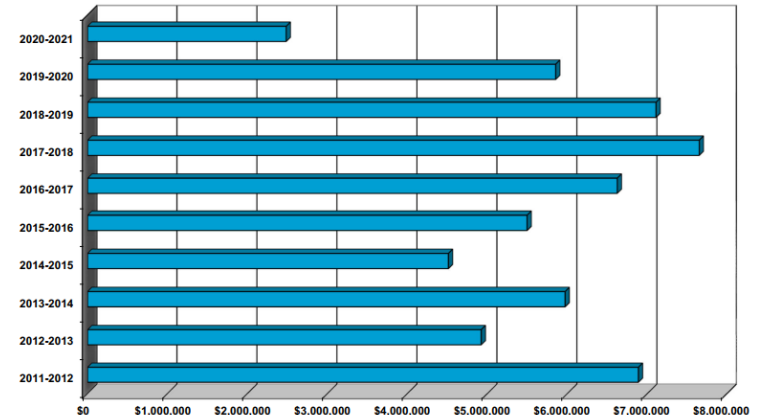
NPAIP - Total Incurred



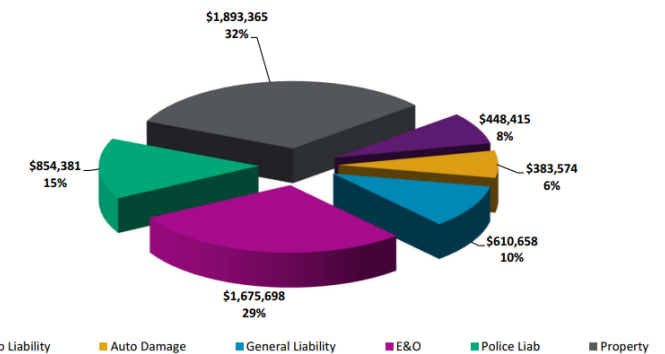
PACT - Number of Claims



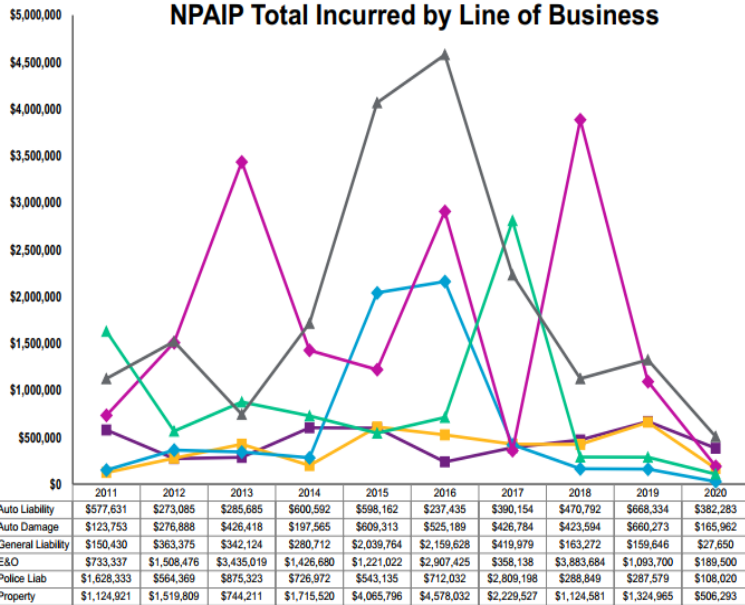
PACT - Total Incurred



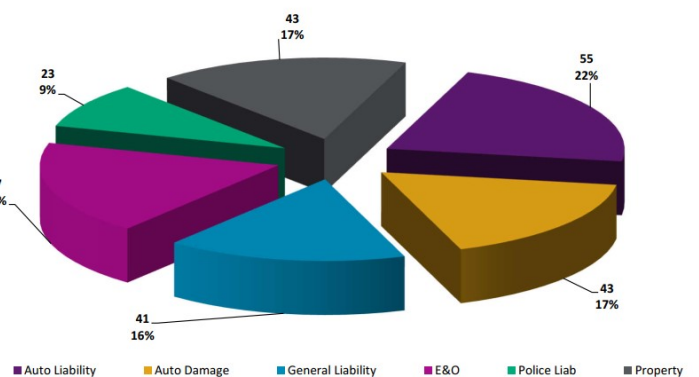
Yearly Average Claims Incurred by Line 2011 Through 2020



NPAIP Total Incurred by Line of Business



Yearly Average Number of Claims by Line 2011 through 2020



Risk Control Services

Member Services

The Willis Re Pooling risk control consultants work with NPAIP/PACT leadership to bring innovative ideas; assisting and supporting the NPAIP and PACT members in their efforts to accomplish and sustain policies and practices that control, reduce or eliminate exposures that have the potential to incur a loss.

Member support is accomplished primarily by determining the needs of the member's risk control profile and selecting the appropriate services. Keeping up with workplace safety initiatives is critical to protecting member employees. The COVID-19 pandemic has temporarily altered the way we provide service. Members are required to consider public health as a part of their daily operations and adapt in the way they provide services. With physical distancing requirements and travel and indoor gatherings discouraged, the potential of virtual or remote services are expanding. This approach enables both work-from-home employees and in-the-field workers to access NPAIP/PACT risk control services.

The risk control programs selected for each member requires time to successfully complete and implement. Size of the project, member commitment, resources of the member entity and other factors determine whether the member accesses one service or several services over the course of a year. Supporting the member in fully completing a service allows for periodic follow-up in consecutive years, but if additional support in any program is needed, time will be made available.

Allocation of services is provided to all members of NPAIP and PACT and are not based on a criteria of member size, loss history or premium/contribution amount. Services are generally provided to members or their agents upon demand on a first come first serve basis. However, service requests are prioritized depending on urgency and to make the most efficient use of resources and travel schedules including holding multi-member training courses.

The team is involved in a variety of activities with members including:

- Introductory meetings with liaisons, department heads and supervisors
- Major concentration on PACT (workers compensation) issues including regulatory compliance through site surveys and virtual surveys
- Consultants work with members individually to provide extensive training programs and assist in development of safety programs.
- Assistance with responses to OSHA fines and sanctions
- Assistance with development of safety committees, accident review boards, inspections, programs, etc.
- Providing assistance to local officials in increasing Member participation in OSHA training classes
- Work closely with claims adjusters to identify claims trends and areas of concern
- Assisting Members in receiving recognition under POOL's Loss Control Excellence Programs
- Conduct training activities with new safety liaisons
- Regular meetings with safety committees to provide guidance
- Consultants attend training and increase knowledge and understanding to provide the latest Best Practices for NPAIP and PACT members
- Establish effective and sustainable risk control systems with Members
- Work closely with NPAIP and PACT Loss Control Committee and staff to determine focus of programs and services



Services Menu

Risk Control Program Analysis

Risk control consultants can perform an analysis of an entity's operations and current risk control programs. Improvements or enhancements to the member's current program can be suggested while recognizing the portions of the program that need no adjustment.

Policies and Procedures Review

Safety and other policies and procedures that relate to loss potential can be submitted for review and comment. Areas that are identified as being deficient or expose the client to previously unknown liability are highlighted so that the member can evaluate and adjust accordingly.

CPR/AED/First Aid

Classes have been updated to reflect the newest standards. In-person and virtual classes are available. All certifications apply for 2 years.

Site Surveys

Member buildings and operations can be surveyed with an eye towards loss prevention and control in the areas of Workers Compensation, Property, Liability and Security. Findings are documented and presented to the member with recommendations for corrective actions. Site Surveys can be conducted in-person or virtually.

Park and Playground Surveys

Playground equipment inspections are provided in accordance with the U.S. Consumer Products Safety Commission guidelines.

Crime Prevention Through Environmental Design (CPTED)

Risk control consultants can perform a site survey using CPTED strategies with recommendations to reduce criminal behavior and enhance environmental safety.

Accident Investigation

Risk control consultants can help with the investigation of specific accidents and/or training of personnel responsible for loss control and safety within the organization in regard to proper investigation techniques and disposition of an accident.

OSHA Compliance Assistance

Entities can request assistance in identifying those operations within their organizations that are required to have specific written safety programs. In the event of regulatory enforcement action against an entity, risk control representatives can provide support with hazard abatement and hearings.

Safety and Loss Control Committees

Meetings with safety and loss control committees can be helpful in strategic planning, making presentations and assisting in the smooth operation of these committees.

Claims Analysis

Analysis of recent and past claims can be performed, to help pinpoint areas of concern or claim trends.

Resource Center

Risk control consultants are available to provide reference material, research, and answer questions on loss control issues based on specific needs of the member.

Information Distribution

Announcements, bulletins, guidelines and other materials on existing and emerging risk topics are distributed to NPAIP and PACT, providing this safety related information for the quarterly newsletters.

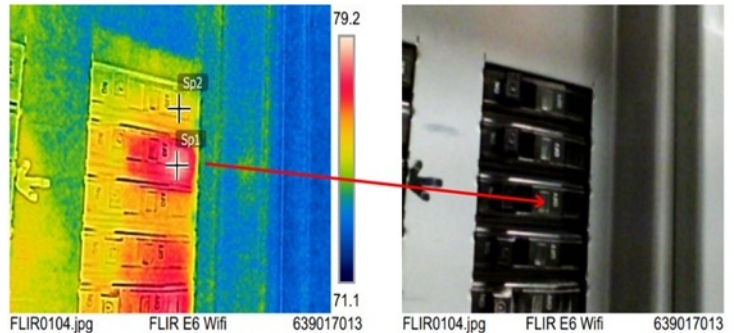


Risk Control Services

Thermography - Infrared (IR) Thermal Imaging of Electrical and Mechanical Components

Electrical systems require periodic maintenance and inspection to ensure power is supplied to buildings and facilities in a safe and efficient manner. Thermal imaging is the fastest and safest method of early problem detection on electrical and mechanical equipment. A thermal imaging scan increases confidence in equipment, decreases the potential for fire loss, reduces high-energy costs, and helps avoid business interruption.

When thermal images are captured with an infrared camera, the "vital signs" of potential faults are instantly recorded with the IR image. Analysis and reports are completed with the visual information needed to take correction action.



Virtual CPR

For members seeking to maintain productivity and renew skillsets amid the COVID-19 pandemic, a virtual CPR class is a practical option. Whether a members' department is learning CPR for the first time or they need to renew their CPR certification virtual CPR training in conjunction with a remote skills verification helps members stay up to date with the latest techniques and remain ready to respond to a sudden cardiac arrest emergency.

Designed for adults, virtual CPR classes make it easy to gain the skills needed to respond during cardiac or breathing emergencies. A virtual CPR class, with remote skills verification, is a great choice for members that need to keep their staff certified and prepared to respond to a sudden cardiac arrest emergency in the workplace. Members benefit from real-time feedback and guidance from an instructor to correctly demonstrate the required skills and complete certification



Playground Safety Survey

According to the Consumer Product Safety Commission, each year, more than 200,000 children ages 14 and younger go to U.S. hospital emergency departments with injuries associated with playground equipment. Most injuries occur when a child falls from the equipment onto the ground. Many of these accidents could have been prevented by implementing a playground safety program.

Risk control consultants can perform park and playground safety surveys to assist members with playground safety issues including hazard identification, equipment specifications, surfacing requirements and risk management methods.



Risk Control Consultative Services

Defensive Driving (DDC)
Emergency Management
Workplace Violence
CPR/AED (In-Person and Virtual)
Ergonomics
Accident Investigation
Hospital Injury Prevention
Slip/Trip/Fall
Stress
Fleet Safety
Safety Committees

Back Injury Prevention
Playground Safety
Fall Protection
Personal Safety Awareness
P.P.E.
Hazard Communication
Eye/Hand protection
Machine Guarding
Hand and Power Tool
Electrical
CPTED Surveys

Confined Space
Trenching/Shoring
Scaffold Safety
Wellness Initiative
Security Assessment
ADA compliance
Respiratory Protection
Digital Detox Training
Occupational Fatigue Training

Activities Scheduled for 2021-2022

- Support NPAIP and PACT Loss Control Committee in development of Injury Management Programs
- First Aid/CPR/AED Training (In-Person and Virtual)
- Respirator Fit Testing: Quantitative respirator fit testing
- Fire Extinguisher Training: Member safety practices, recognition of specific types of fire, and the effects of proper and improper use of fire extinguishers
- Fleet defensive driver training to include law enforcement vehicles, fire and ambulance apparatus, maintenance vehicles and passenger vehicles
- Facility Surveys (In-Person and Virtual)
- ADA Compliance
- Conduct research for Risk Management Bulletins as requested by risk management staff
- Wellness and body mechanics
- Parks & Playground Safety Inspections
- Thermography



Brokerage and Consulting Services

Brokerage Services

- Survey incumbent carriers with respect to their coverage and pricing intentions prior to renewal and report findings to NPAIP/PACT.
- Develop renewal marketing strategy and submit recommendations to NPAIP/PACT for approval.
- Develop renewal timeline and submit to NPAIP/PACT for approval.
- Based on approved marketing strategy, ascertain what additional data may be needed for renewal and develop application.
- Arrange for and attend meetings with key markets and NPAIP/PACT.
- Examine completed data and request clarification when necessary.
- Prepare thorough marketing website submissions including, review with NPAIP/PACT prior to release.
- Market the insurance program and any requested options to secure the broadest coverage at the lowest cost with financially secure insurers.
- Respond to underwriter inquiries for additional information (obtaining answers from NPAIP/PACT when necessary), and follow up for receipt of quotes prior to agreed due date.
- Review all pricing and reinsurance contracts, specimen coverage forms and endorsements received from underwriters and negotiate pricing and program enhancements where possible with respect to coverages and program structure.
- Prepare and distribute member proposals including historical exposure graphs.
- Bind coverages approved by the NPAIP/PACT Board of Directors and as directed.
- Prepare invoices for insurance/reinsurance premiums.
- Review/quote/report/invoice all member midterm changes to carriers.
- Review insurance/reinsurance contracts received and request corrections from underwriters as necessary.
- Respond to NPAIP/PACT requests for coverage changes.

Administrative Services

- Handle special projects relating to insurance and risk management as directed by the Executive Director.
- Attendance at Board of Director Meetings, market meetings and additional meetings at the request of NPAIP/PACT.
- At the direction of the Executive Director, prepare and/or gather materials for the Board of Directors and as needed.
- Assist with filing reports and applications required by state administrative agencies – surplus lines.

Other Services

- Consult on policy design as needed.
- Monitor NPAIP/PACT's insurer financial ratings, advising NPAIP/PACT of changes.
- Provide annual client Symposium to present ideas and solutions regarding emerging pooling topics as well as networking opportunities with other leaders in the pooling arena.
- Present Stewardship Report annually to Board of Directors.
- Loss Control support by a team of full time loss control consultants.
- Willis Re Pooling Loss Control Electronic Library & Video's.
- Work with NPAIP/PACT Leadership to meet with the Members and the Member's local agents, to provide information on services and renewal materials for the Member Boards.



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Assigned to: Davies Claims Solutions

GOAL: Provide effective claims and litigation management systems for the benefit of members. Assist members in understanding claims trends and members' role in

Objectives:	Strategies:	Target Date	Progress/Status Report
POOL			
Excellence in claims management	POOL claims audit every three years after 2014	2021 2020	Independent audit completed March 2021. Results to be reported at the POOL/PACT Annual Meeting CRL Audit completed December 2020. P&C score 95.5%
Reduce claims severity	Use effective litigation management; # cases resolved < authority, < \$50,000 and < SIR Large loss report (cases with total incurred xs \$300k) Attend two HR and one Law Enforcement training course; attend litigation workshop	annually annually	# of litigated claims closed in 2020 calendar year=111. Total incurred \$7,503,016. Total recovered from reinsurance \$2,028,036. Total legal paid \$2,589,086. All but three cases resolved for less than the SIR. 81 cases resolved < \$25,000 authority. 13 cases resolved between \$25,001 and \$50,000. 12 cases resolved between \$50,001 and \$150,000.00. 1 claim resolved for \$350k. Three claims resolved in excess of the POOL's \$500k SIR. Two were GL claims with multiple plaintiffs and one was an EO claim alleging sexual abuse of students.
Develop claims adjuster capabilities	Conduct lessons learned workshop and publications from case histories ; Trends Reports	annually	Will be included in 2021 POOL/PACT Board Meeting packet Davies staff regularly attends webinars sponsored by various vendors and reinsurers throughout the year. All staff attend annual fraud training through G4S.
Enhance members understanding of loss trends and risks Enhance defense and members' counsel capacity to prevent and contain litigation	Assist Members with internal claims management and prevention; Conduct litigation strategy educational workshop	annually	The Large Loss Report and Stewardship reports are presented annually at the POOL PACT Board Meetings and incorporate trends analysis.
Train members on claims management practices	Train members on internal claims reporting, adjusters role, members role	ongoing	The 2021 Litigation Strategy Workshop date TBA Donna, Cynthia, Jasmine and Barbie participate in monthly/quarterly claims meetings with Douglas County and quarterly meetings with Nye County. Meetings held with Members upon Member request.
PACT			
Excellence in claims management	PACT claims audit every three years after 2014	2020 2020	Audit performed March 2020; results to annual board meeting April 2020; reserves were within acceptable range of +/- 10% of audit recommendation. Next audit 2023. CRL Audit completed December 2020. WC score 97.2%
Reduce claims severity	Police/fire members cardiac wellness program expand to more members	ongoing	CWP member participation expansion is handled by Specialty Health.
Assist members' understanding of loss causes and trends	Produce annual claims trend analysis reports and review with members during quarterly visits	ongoing	Planning to resume in person meetings once it is safe to do so; coordinate virtual claims meetings with members who would like to participate.
Utilize Subsequent Injury Fund	Identify potential SIF cases and file timely	ongoing	Davies screens all new claims for potential SIF recovery. Over the past year we have received \$322,715.76 reimbursements through SIF.
Identify claims that qualify for COLA reimbursement thru DIR	Identify potential COLA reimb cases and file timely Consult for medical management of difficult cases; identify potential heart/lung problems in any claim for fire or law enforcement; involve SH in cardiac wellness training	ongoing	Annual COLA reimbursement submission completed for PTD and survivor benefit claims that were deemed qualified. Submitted request for PTD/Survivor COLA benefits to DIR. This is the first annual submission for this reimbursement; awaiting outcome. Monthly meetings are held with SH for review of complex claims selected for case management. All requests for surgery, physical therapy and diagnostic testing (other than x-rays) are submitted to SH for preauthorization utilization review.
Utilize SpecialtyHealth MCO	Utilize SH to identify potential medical complexities in all new claims Train members on internal claims communications with employees, adjusters role, members role, SH role with filing claims, evidence preservation, documnetation, and claim reviews.	ongoing	All new claims are submitted to SH for Medical Director review of diagnosis correlation to injury mechanism. All claims meeting prespecified injury criteria (major joint or spine involvement, etc.) are assigned for MCO case management. In person visits with members have been delayed due to the COVID-19 pandemic. Monthly claim reviews have been done with Douglas County and quarterly claim reviews have been done with Nye County. Mettings available to all members upon request.
Train members on claims management practices	Conduct quarterly visits with members for training purposes on rotating basis.	annually	In person visits with members have been delayed due to the COVID-19 pandemic.

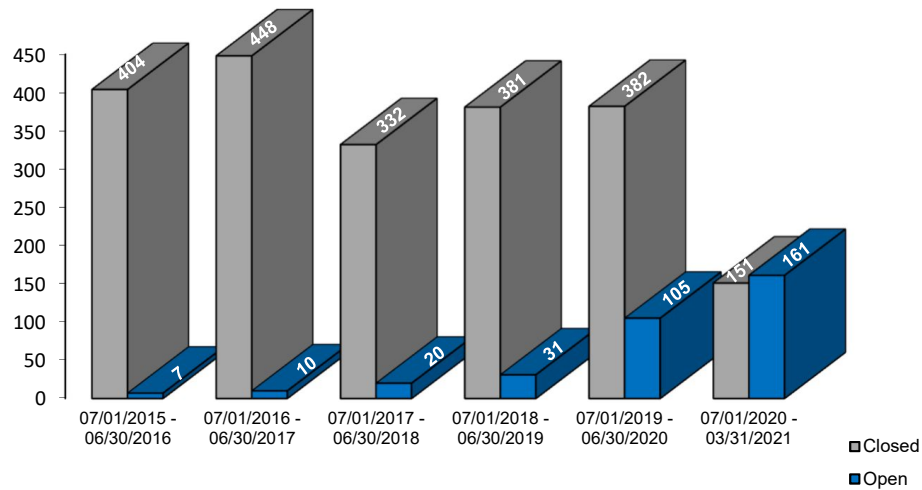


Liability Report



Total Claims by Policy Year excluding Incidents 07/01/2015 - 03/31/2021

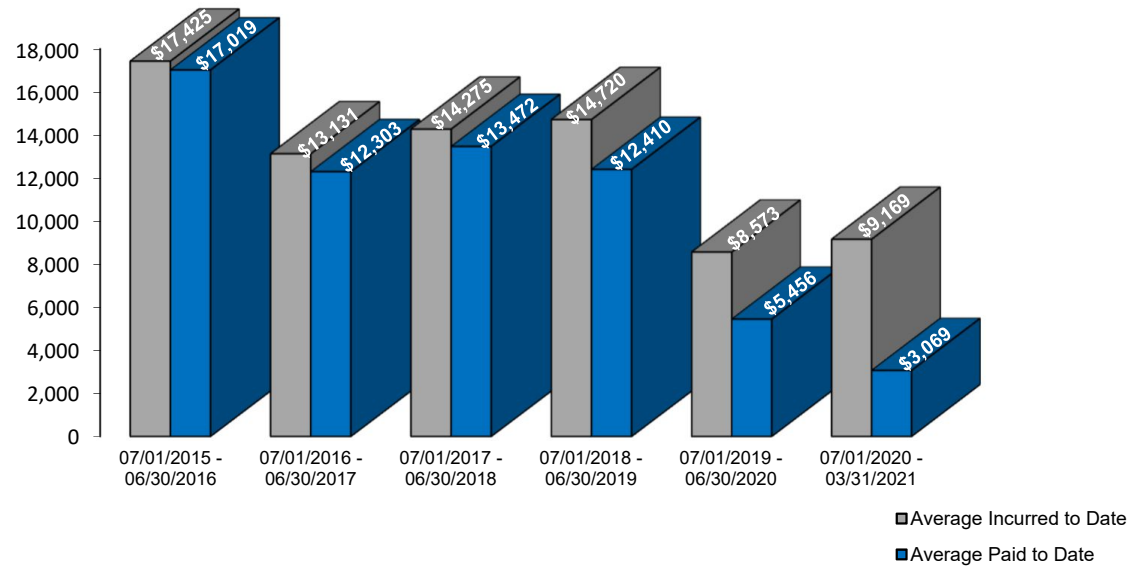
Policy Year	Total Claims	
	Closed	Open
07/01/2015 - 06/30/2016	404	7
07/01/2016 - 06/30/2017	448	10
07/01/2017 - 06/30/2018	332	20
07/01/2018 - 06/30/2019	381	31
07/01/2019 - 06/30/2020	382	105
07/01/2020 - 03/31/2021	151	161





Average Incurred & Paid by Policy Year 07/01/2015 - 03/31/2021

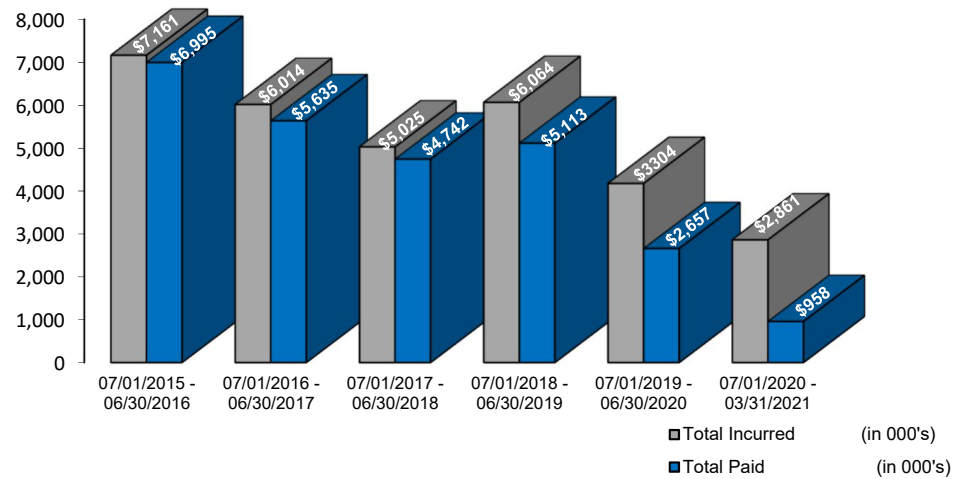
Policy Year	Average Incurred to Date	Average Paid to Date
07/01/2015 - 06/30/2016	\$17,425	\$17,019
07/01/2016 - 06/30/2017	\$13,131	\$12,303
07/01/2017 - 06/30/2018	\$14,275	\$13,472
07/01/2018 - 06/30/2019	\$14,720	\$12,410
07/01/2019 - 06/30/2020	\$8,573	\$5,456
07/01/2020 - 03/31/2021	\$9,169	\$3,069





Incurred vs Paid by Policy Year 07/01/2015 - 03/31/2021

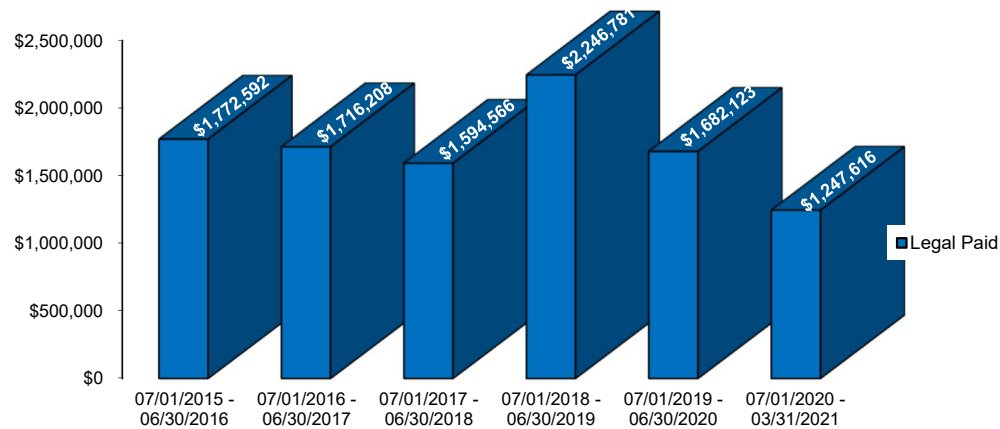
Policy Year	All Claims	
	Total Incurred (in 000's)	Total Paid (in 000's)
07/01/2015 - 06/30/2016	\$7,161	\$6,995
07/01/2016 - 06/30/2017	\$6,014	\$5,635
07/01/2017 - 06/30/2018	\$5,025	\$4,742
07/01/2018 - 06/30/2019	\$6,064	\$5,113
07/01/2019 - 06/30/2020	\$4,175	\$2,657
07/01/2020 - 03/31/2021	\$2,861	\$958





Legal Expenses Paid to Date by Policy Year for All Claims 07/01/2015 - 03/31/2021

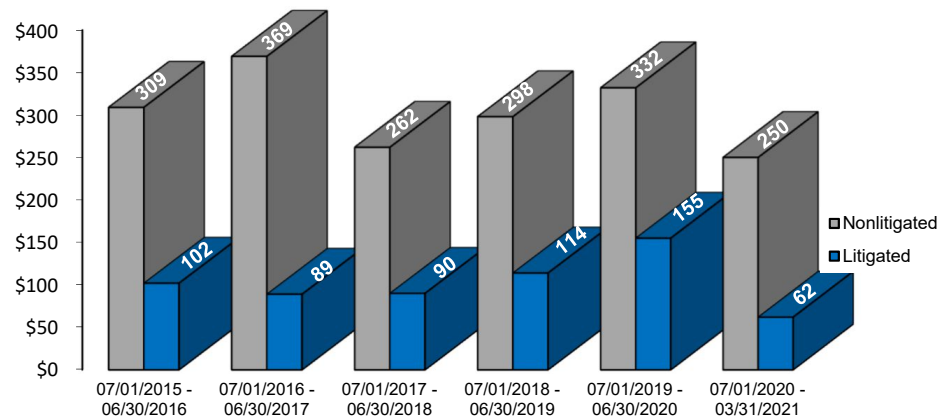
Policy Year	Legal Expenses Paid to Date
07/01/2015 - 06/30/2016	\$1,772,592
07/01/2016 - 06/30/2017	\$1,716,208
07/01/2017 - 06/30/2018	\$1,594,566
07/01/2018 - 06/30/2019	\$2,246,781
07/01/2019 - 06/30/2020	\$1,682,123
07/01/2020 - 03/31/2021	\$1,247,616
Grand Total	\$10,259,886





Litigated Claims by Policy Year for claims reported 07/01/2015 - 03/31/2021

Policy Year	Litigated Claims	
	Nonlitigated	Litigated
07/01/2015 - 06/30/2016	309	102
07/01/2016 - 06/30/2017	369	89
07/01/2017 - 06/30/2018	262	90
07/01/2018 - 06/30/2019	298	114
07/01/2019 - 06/30/2020	332	155
07/01/2020 - 03/31/2021	250	62





Lag Time Average - by Location

07/01/2015 - 03/31/2021

Location	Avg. Days
Alamo Sewer And Water Gid	190
Amargosa Library District	4
Beatty Water & Sanitation District	23
Boulder City (City Of)	51
Caliente (City Of)	65
Canyon Gid	16
Carlin (City Of)	70
Carson City School District	23
Churchill County	75
Churchill County Mosquito & Weed Abateme	29
Churchill County School District	5
Douglas County	52
Douglas County Mosquito Abatement District	26
Douglas County School District	29
Douglas County Sewer Improvement District #1	36
East Fork Swimming Pool District	37
Elko (City Of)	44
Elko Central Dispatch	21
Elko Co. Agricultural Assoc., Db a Elko Co. Fair Board	8
Elko Convention & Visitors Authority	14
Elko County	63
Elko County School District	19
Elko Tv District	28
Ely (City Of)	44
Esmeralda County	68
Esmeralda County School District	15
Eureka County	20



Lag Time Average - by Location 07/01/2015 - 03/31/2021

Location	Avg. Days
Eureka County School District	2
Fernley (City Of)	26
Fernley Swimming Pool District	1
Gardnerville (Town Of)	10
Gardnerville Ranchos Gid	20
Genoa (Town Of)	4
Humboldt County	23
Humboldt County School District	15
Humboldt General Hospital	11
Incline Village Gid	21
Indian Hills Gid	5
Kingsbury Gid	40
Lakeridge Gid	3
Lander County	44
Lander County School District	27
Lincoln County	28
Lincoln County School District	68
Lovelock (City Of)	3
Lyon County	69
Lyon County School District	20
Mesquite (City Of)	12
Minden (Town Of)	31
Minden Gardnerville Sanitation District	51
Mineral Co Housing Authority	45
Mineral County	68
Mineral County School District	31
Moapa Valley Water District	4



Lag Time Average - by Location 07/01/2015 - 03/31/2021

Location	Avg. Days
Mt Charleston Fire Protection District	10
Nevada Association Of Counties	148
Nevada Commission For The Reconstruction	38
Nevada Public Agency Insurance Pool	35
Nevada Rural Housing Authority	14
Nevada-Tahoe Conservation District	28
North Lake Tahoe Fpd	14
North Lyon Fire Protection District	43
Northern Nye County Hospital District	26
Nv Association Of Conservation Districts	6
Nye County	73
Nye County School District	52
Pahrump (Town Of)	69
Palomino Valley General Improvement Dist	41
Pershing County	29
Pershing County School District	141
Pershing Water Conservation District	9
Round Mountain (Town Of)	16
Rtc Washoe County	34
Sierra Fpd	2
Silver Springs Stagecoach Hospital District	2
Skyland Gid	10
Smokey Valley Library District	75
Southern Nevada Health District	43
Stagecoach Gid	15
Storey County	55
Storey County School District	14



Lag Time Average - by Location

07/01/2015 - 03/31/2021

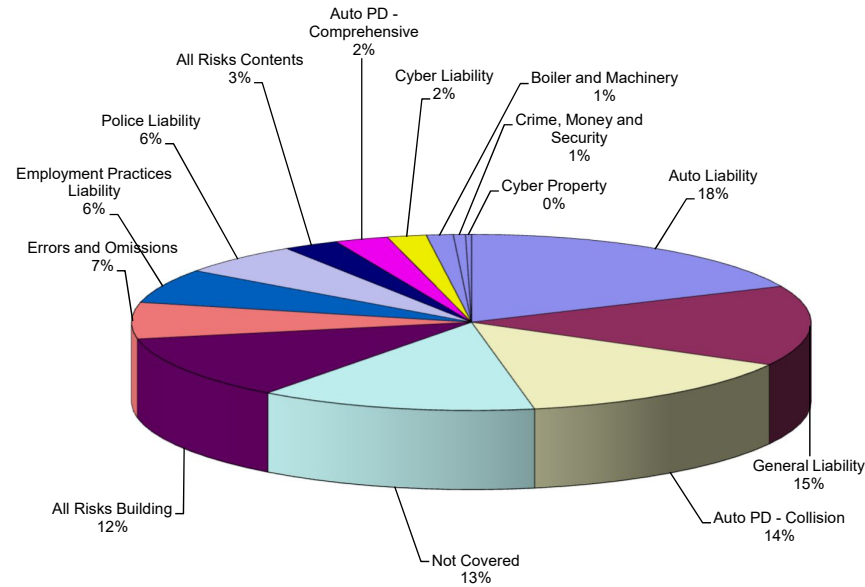
Location	Avg. Days
Sun Valley Gid	16
Tahoe Douglas District	3
Tahoe Reno Industrial Gid	12
Tahoe-Douglas Fpd	23
Tonopah (Town Of)	13
Tonopah Library District	0
Truckee Meadows Fpd	20
Virgin Valley Water District	67
Virginia City Convention & Tourism Autho	6
Walker Basin Conservancy	24
Walker River Irrigation District	37
Wells (City Of)	9
West Wendover (City Of)	15
West Wendover Recreation District	11
Western Nevada Regional Youth Center	92
White Pine Co. Tourism & Rec. Board,Db a Bristlecone Convention Center	1
White Pine County	66
White Pine County Fire Protection	1
White Pine County School District	39
Winnemucca (City Of)	63
Yerington (City Of)	6
Zephyr Heights Gid	9



Frequency of Claims by Coverage

07/01/2015 - 03/31/2021

Coverage	# of Claims
Auto Liability	445
General Liability	358
Auto PD - Collision	341
Not Covered	320
All Risks Building	286
Errors and Omissions	162
Employment Practices Liability	154
Police Liability	143
All Risks Contents	64
Auto PD - Comprehensive	62
Cyber Liability	45
Boiler and Machinery	31
Crime, Money and Security	14
Cyber Property	7

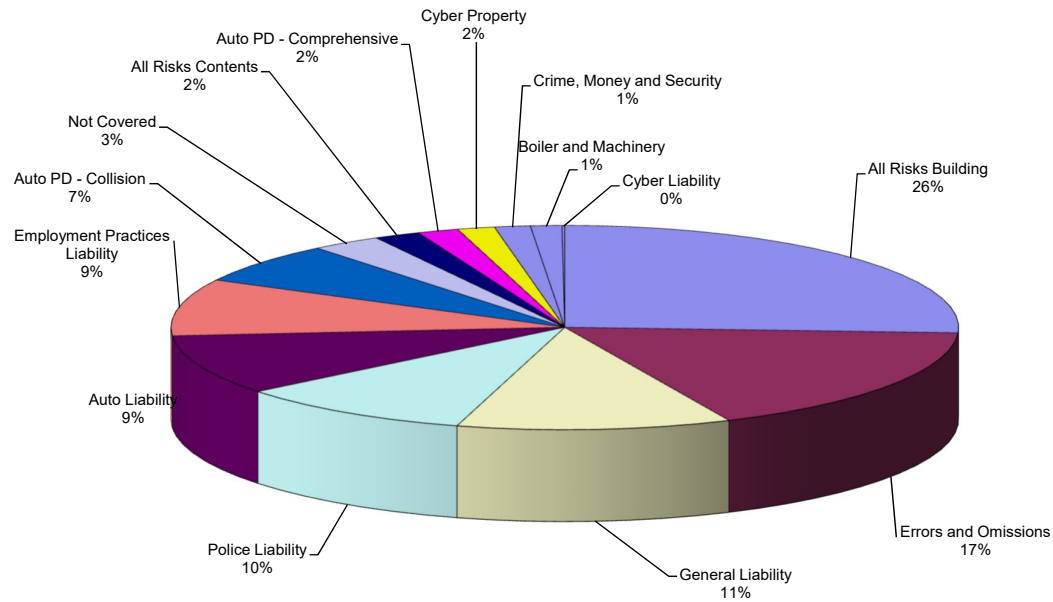




Severity of Claims by Coverage

07/01/2015 - 03/31/2021

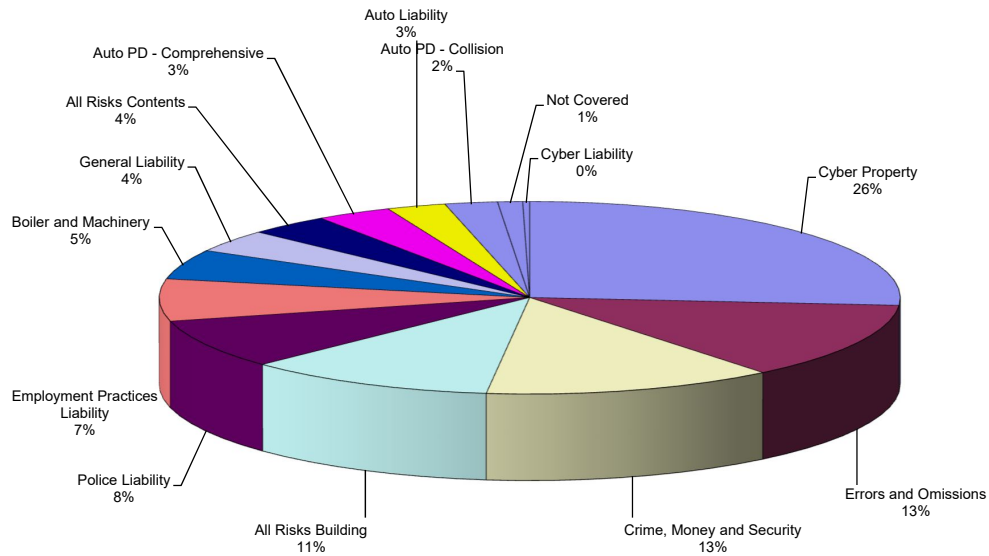
Coverage	Total Incurred
All Risks Building	\$ 8,094,477
Errors and Omissions	\$ 5,416,568
General Liability	\$ 3,516,900
Police Liability	\$ 3,062,382
Auto Liability	\$ 2,967,717
Employment Practices Liability	\$ 2,817,596
Auto PD - Collision	\$ 2,031,108
Not Covered	\$ 900,105
All Risks Contents	\$ 589,689
Auto PD - Comprehensive	\$ 529,607
Cyber Property	\$ 477,175
Crime, Money and Security	\$ 459,829
Boiler and Machinery	\$ 401,931
Cyber Liability	\$ 35,266





Average Incurred by Coverage 07/01/2015 - 03/31/2021

Coverage	Average Incurred
Cyber Property	\$ 68,168
Errors and Omissions	\$ 33,436
Crime, Money and Security	\$ 32,845
All Risks Building	\$ 28,302
Police Liability	\$ 21,415
Employment Practices Liability	\$ 18,296
Boiler and Machinery	\$ 12,966
General Liability	\$ 9,824
All Risks Contents	\$ 9,214
Auto PD - Comprehensive	\$ 8,542
Auto Liability	\$ 6,669
Auto PD - Collision	\$ 5,956
Not Covered	\$ 2,813
Cyber Liability	\$ 784





Historical Data Excluding Incidents 07/01/2015 - 03/31/2021

	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18	07/01/18 - 06/30/19	07/01/19 - 06/30/20	07/01/20 - 03/31/21
Nbr of Claims						
Open	7	10	20	31	105	161
Closed	404	448	332	381	382	151
Total	411	458	352	412	487	312
Total Incurred						
Open	\$362,680	\$685,138	\$807,673	\$1,371,295	\$2,599,095	\$2,370,993
Closed	\$6,798,859	\$5,328,851	\$4,217,000	\$4,693,194	\$1,575,958	\$489,617
Total	\$7,161,539	\$6,013,989	\$5,024,672	\$6,064,488	\$4,175,053	\$2,860,609
Total Paid						
Open	\$195,820	\$305,698	\$525,292	\$419,599	\$1,081,116	\$467,984
Closed	\$6,798,859	\$5,328,851	\$4,217,000	\$4,693,194	\$1,575,958	\$489,617
Total	\$6,994,679	\$5,634,549	\$4,742,291	\$5,112,792	\$2,657,074	\$957,601
Average Incurred						
Open	\$51,811	\$68,514	\$40,384	\$44,235	\$24,753	\$14,727
Closed	\$16,829	\$11,895	\$12,702	\$12,318	\$4,126	\$3,242
Average Incurred	\$17,425	\$13,131	\$14,275	\$14,720	\$8,573	\$9,169
Open Claims						
Claims	7	10	20	31	105	161
Total	7	10	20	31	105	161



Summary by Location 07/01/2015 - 03/31/2021

Location	# of Claims	# Open Claims	Total Incurred
Alamo Sewer And Water Gid	2	0	\$46,123
Amargosa Library District	1	0	\$2,143
Beatty Water & Sanitation District	5	0	\$27,051
Boulder City (City Of)	112	15	\$846,065
Caliente (City Of)	11	0	\$54,673
Canyon Gid	2	1	\$98,850
Carlin (City Of)	10	2	\$68,368
Carson City School District	53	8	\$1,035,460
Churchill County	27	8	\$326,596
Churchill County Mosquito & Weed Abateme	3	0	\$4,641
Churchill County School District	11	1	\$127,980
Douglas County	178	28	\$2,436,413
Douglas County Mosquito Abatement District	2	0	\$10,813
Douglas County School District	77	6	\$662,235
Douglas County Sewer Improvement District #1	10	1	\$5,000
East Fork Swimming Pool District	4	1	\$5,695
Elko (City Of)	118	13	\$1,361,012
Elko Central Dispatch	2	0	\$3,718
Elko Co. Agricultural Assoc., Dba Elko Co. Fair Board	1	0	\$9,402
Elko Convention & Visitors Authority	2	0	\$4,468
Elko County	98	19	\$723,029
Elko County School District	95	6	\$3,203,180
Elko Tv District	1	1	\$8,059
Ely (City Of)	40	5	\$224,986
Esmeralda County	32	5	\$660,959
Esmeralda County School District	8	2	\$66,724
Eureka County	44	2	\$299,626
Eureka County School District	7	2	\$275,770
Fernley (City Of)	29	2	\$271,344
Fernley Swimming Pool District	1	0	\$1,935



Summary by Location

07/01/2015 - 03/31/2021

Location	# of Claims	# Open Claims	Total Incurred
Gardnerville (Town Of)	11	0	\$38,508
Gardnerville Ranchos Gid	8	0	\$25,129
Genoa (Town Of)	2	1	\$500
Humboldt County	47	6	\$454,341
Humboldt County School District	42	0	\$463,321
Humboldt General Hospital	2	1	\$280,000
Incline Village Gid	77	7	\$674,692
Indian Hills Gid	4	0	\$24,947
Kingsbury Gid	10	2	\$136,445
Lakeridge Gid	2	0	\$7,356
Lander County	37	4	\$545,845
Lander County School District	8	1	\$93,296
Lincoln County	31	4	\$762,992
Lincoln County School District	24	1	\$653,579
Lovelock (City Of)	3	3	\$18,595
Lyon County	73	9	\$1,439,781
Lyon County School District	72	13	\$1,433,904
Mesquite (City Of)	13	0	\$32,855
Minden (Town Of)	9	0	\$189,515
Minden Gardnerville Sanitation District	4	0	\$211,173
Mineral Co Housing Authority	1	0	\$0
Mineral County	46	11	\$1,023,290
Mineral County School District	24	2	\$288,100
Moapa Valley Water District	5	2	\$13,246
Mt Charleston Fire Protection District	4	1	\$120,655
Nevada Association Of Counties	1	0	\$1,147
Nevada Commission For The Reconstruction	6	0	\$7,785
Nevada Public Agency Insurance Pool	3	0	\$36,288
Nevada Rural Housing Authority	11	1	\$21,309
Nevada-Tahoe Conservation District	5	0	\$5,342



Summary by Location

07/01/2015 - 03/31/2021

Location	# of Claims	# Open Claims	Total Incurred
North Lake Tahoe Fpd	8	0	\$154,060
North Lyon Fire Protection District	8	0	\$77,250
Northern Nye County Hospital District	1	0	\$378
Nv Association Of Conservation Districts	1	0	\$0
Nye County	289	58	\$3,085,282
Nye County School District	84	10	\$872,250
Pahrump (Town Of)	18	3	\$281,838
Palomino Valley General Improvement Dist	3	0	\$7,522
Pershing County	38	10	\$266,964
Pershing County School District	7	0	\$9,459
Pershing Water Conservation District	2	1	\$11,095
Round Mountain (Town Of)	5	3	\$61,743
Rtc Washoe County	11	1	\$288,501
Sierra Fpd	1	0	\$0
Silver Springs Stagecoach Hospital District	2	1	\$28,330
Skyland Gid	3	0	\$6,680
Smokey Valley Library District	1	0	\$4,827
Southern Nevada Health District	30	9	\$373,375
Stagecoach Gid	5	1	\$93,068
Storey County	66	9	\$1,208,878
Storey County School District	24	3	\$143,908
Sun Valley Gid	8	2	\$23,050
Tahoe Douglas District	3	0	\$11,648
Tahoe Reno Industrial Gid	5	1	\$132,685
Tahoe-Douglas Fpd	7	2	\$23,931
Tonopah (Town Of)	8	1	\$37,720
Tonopah Library District	1	0	\$3,161
Truckee Meadows Fpd	16	0	\$215,845
Virgin Valley Water District	1	0	\$423,949
Virginia City Convention & Tourism Autho	1	0	\$50,621



Summary by Location

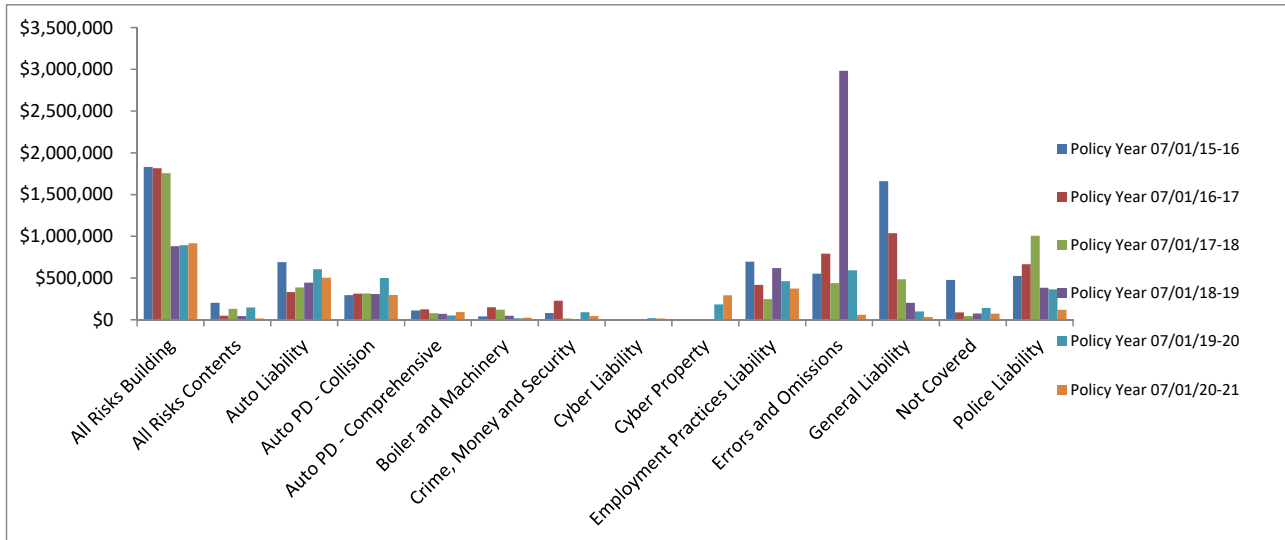
07/01/2015 - 03/31/2021

Location	# of Claims	# Open Claims	Total Incurred
Walker Basin Conservancy	13	3	\$74,909
Walker River Irrigation District	3	0	\$644
Wells (City Of)	7	1	\$20,640
West Wendover (City Of)	47	1	\$208,510
West Wendover Recreation District	11	0	\$271,925
Western Nevada Regional Youth Center	4	0	\$92,089
White Pine Co. Tourism & Rec. Board	2	0	\$1,985
White Pine County	59	4	\$227,780
White Pine County Fire Protection	1	1	\$5,000
White Pine County School District	21	3	\$422,744
Winnemucca (City Of)	22	4	\$81,374
Yerington (City Of)	11	5	\$113,896
Zephyr Heights Gid	3	0	\$4,586
TOTAL	2432	334	\$31,300,351



Total Incurred by Coverage by Policy Year

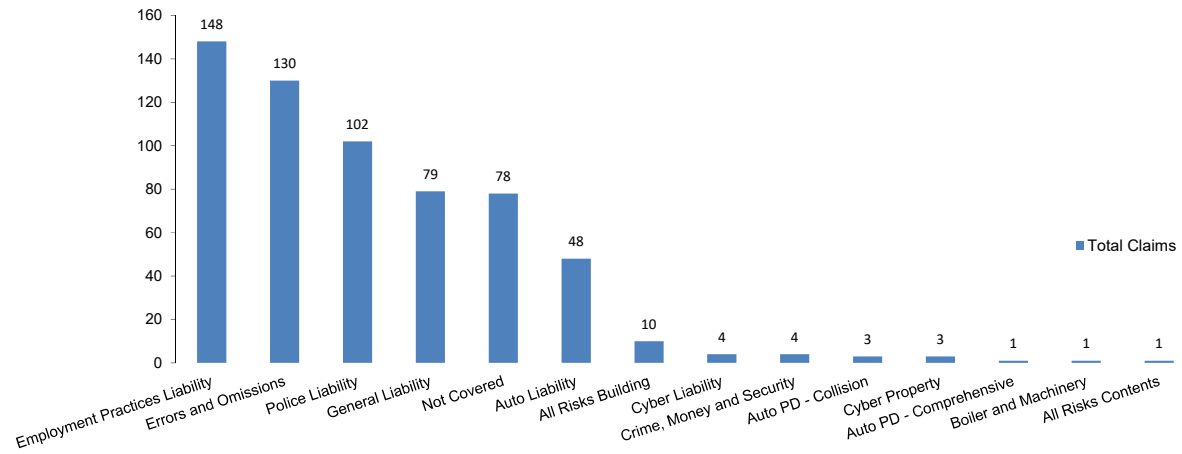
Coverage	Policy Year 07/01/15-16	Policy Year 07/01/16-17	Policy Year 07/01/17-18	Policy Year 07/01/18-19	Policy Year 07/01/19-20	Policy Year 07/01/20-21
All Risks Building	\$1,830,629	\$1,815,572	\$1,755,506	\$882,452	\$894,162	\$916,156
All Risks Contents	\$202,826	\$48,194	\$131,291	\$43,855	\$147,818	\$15,704
Auto Liability	\$690,771	\$332,254	\$387,740	\$445,415	\$606,524	\$505,011
Auto PD - Collision	\$295,654	\$312,656	\$315,033	\$308,568	\$501,194	\$298,003
Auto PD - Comprehensive	\$111,244	\$125,378	\$78,157	\$71,184	\$51,343	\$92,301
Boiler and Machinery	\$39,891	\$150,408	\$119,948	\$48,828	\$17,856	\$25,000
Crime, Money and Security	\$80,872	\$227,569	\$15,814	\$290	\$90,284	\$45,000
Cyber Liability	\$0	\$0	\$0	\$0	\$19,975	\$15,291
Cyber Property	\$0	\$0	\$0	\$0	\$184,675	\$292,500
Employment Practices Liability	\$695,745	\$418,864	\$248,254	\$619,658	\$461,575	\$373,500
Errors and Omissions	\$551,578	\$791,962	\$438,218	\$2,982,530	\$593,279	\$59,000
General Liability	\$1,660,452	\$1,036,703	\$484,204	\$203,272	\$99,382	\$32,887
Not Covered	\$477,365	\$88,920	\$43,912	\$75,267	\$142,406	\$72,236
Police Liability	\$524,512	\$665,509	\$1,006,594	\$383,169	\$364,579	\$118,020





Litigated Claims by Coverage for Policy Years 07/01/2015 - 03/31/2021

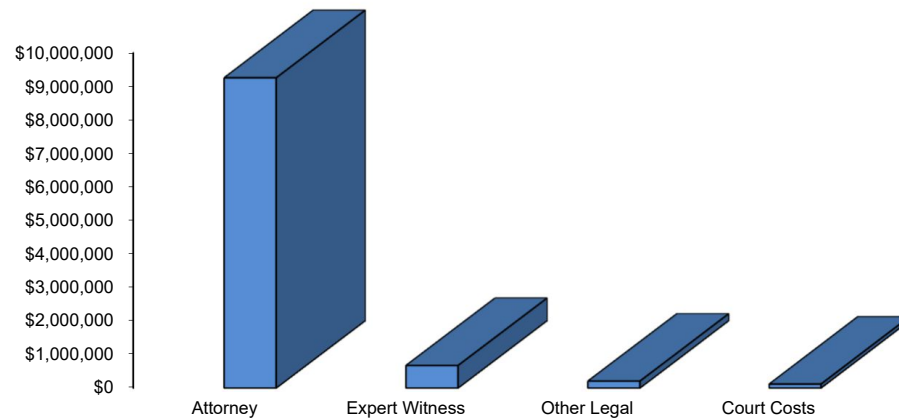
Litigated Claims by Coverage	
Coverage	Total Claims
Employment Practices Liability	148
Errors and Omissions	130
Police Liability	102
General Liability	79
Not Covered	78
Auto Liability	48
All Risks Building	10
Cyber Liability	4
Crime, Money and Security	4
Auto PD - Collision	3
Cyber Property	3
Auto PD - Comprehensive	1
Boiler and Machinery	1
All Risks Contents	1





Legal Expenses Paid by Type for 07/01/2015 - 03/31/2021

Legal Expenses paid by Type	
Legal Expense Type	Amount
Attorney	\$9,261,612
Expert Witness	\$673,888
Other Legal	\$206,217
Court Costs	\$118,170
Grand Total	\$10,259,887



■ Amount

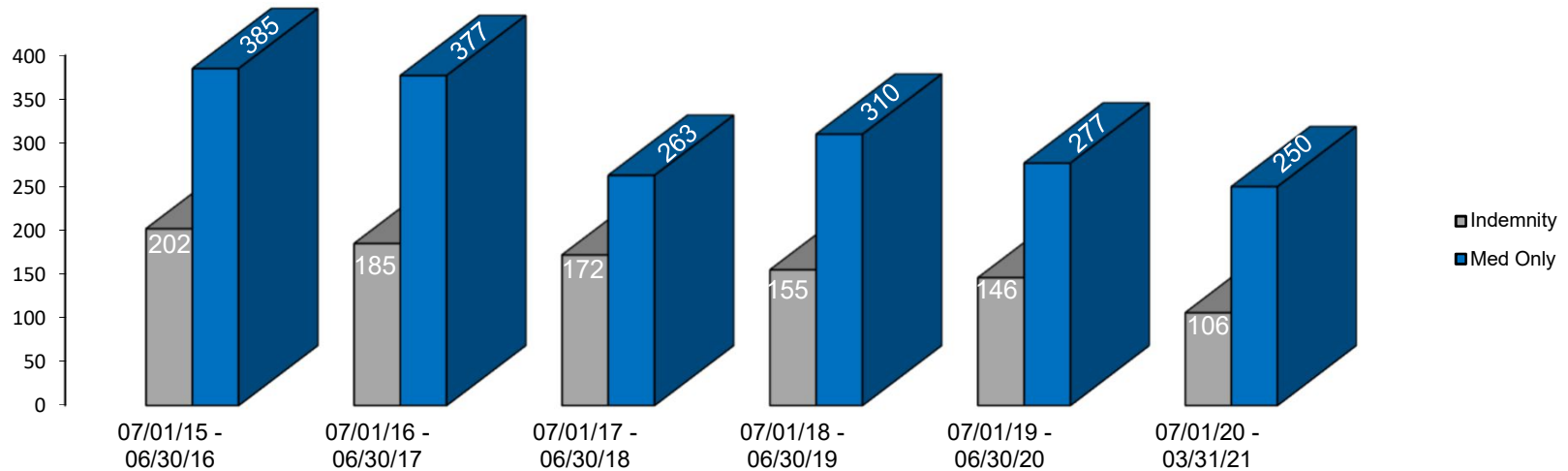


Worker's Compensation Report



Claim Frequency excluding Incidents 07/01/2015 - 03/31/2021

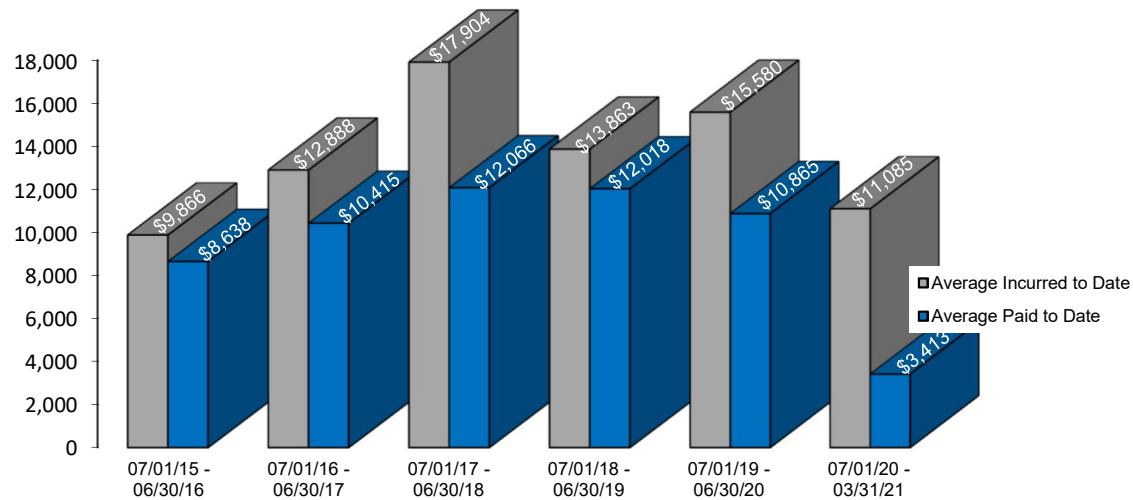
Policy Year	Indemnity		Medical Only		Total Claims
	Open	Closed	Open	Closed	
07/01/15 - 06/30/16	11	191	0	385	587
07/01/16 - 06/30/17	14	171	0	377	562
07/01/17 - 06/30/18	11	161	1	262	435
07/01/18 - 06/30/19	24	131	3	307	465
07/01/19 - 06/30/20	41	105	8	269	423
07/01/20 - 03/31/21	62	44	130	120	356
					2,828





Average Incurred & Paid by Policy Year 07/01/2015 - 03/31/2021

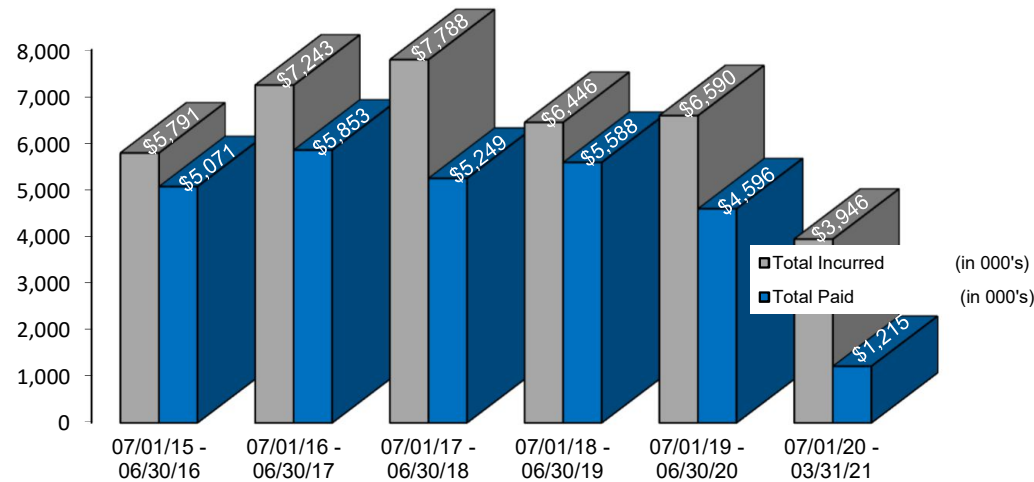
Policy Year	Average Incurred to Date	Average Paid to Date
07/01/15 - 06/30/16	\$9,866	\$8,638
07/01/16 - 06/30/17	\$12,888	\$10,415
07/01/17 - 06/30/18	\$17,904	\$12,066
07/01/18 - 06/30/19	\$13,863	\$12,018
07/01/19 - 06/30/20	\$15,580	\$10,865
07/01/20 - 03/31/21	\$11,085	\$3,413





Incurred vs Paid by Policy Year 07/01/2015 - 03/31/2021

Policy Year	All Claims	
	Total Incurred (in 000's)	Total Paid (in 000's)
07/01/15 - 06/30/16	\$5,791	\$5,071
07/01/16 - 06/30/17	\$7,243	\$5,853
07/01/17 - 06/30/18	\$7,788	\$5,249
07/01/18 - 06/30/19	\$6,446	\$5,588
07/01/19 - 06/30/20	\$6,590	\$4,596
07/01/20 - 03/31/21	\$3,946	\$1,215





Lag Time Average by Location

07/01/2015 - 03/31/2021

Location	Avg. Days
Wells (City Of)	44
Eureka County School District	43
Tahoe Transportation	33
White Pine County Tourism & Recreation Board	25
Caliente (City Of)	24
Lincoln County School District	23
Churchill County Communications	23
Tonopah (Town Of)	21
East Fork Fire & Paramedic District	21
Rtc Washoe County	21
Tahoe-Douglas Fpd	21
West Wendover (City Of)	21
Truckee Meadows Fpd	20
Winnemucca (City Of)	18
North Lyon County Fire Protection District	18
Beatty Water & Sanitation District	17
Elko (City Of)	16
Grover C. Dils Medical Center	15
Pershing County School District	15
Humboldt General Hospital	15
Churchill County	14
White Pine County Fp District	14
Eureka County	14
Pershing County	14
Elko County	14
Esmeralda County	14
Battle Mountain General Hospital	14



Lag Time Average by Location

07/01/2015 - 03/31/2021

Location	Avg. Days
White Pine County School District	14
Nye County	13
Carlin (City Of)	13
Pahrump (Town Of)	13
Humboldt County	12
Lander County School District	12
Mason Valley Fpd	11
Douglas County Mosquito Abatement Distri	11
Lander County	11
Storey County	11
Pershing County Water Conservation Distr	11
Mount Grant General Hospital	10
Genoa (Town Of)	10
Central Lyon County Fpd	10
Mineral County	10
Incline Village General Improvement Dist	10
Esmeralda County School District	9
Douglas County	9
Mineral County School District	9
Boulder City (City Of)	9
Lyon County	9
Lovelock (City Of)	9
North Lake Tahoe Fpd	9
Nevada Rural Housing Authority	8
Smith Valley Fpd	8
Lincoln County	8
Pershing General Hospital	7



Lag Time Average by Location

07/01/2015 - 03/31/2021

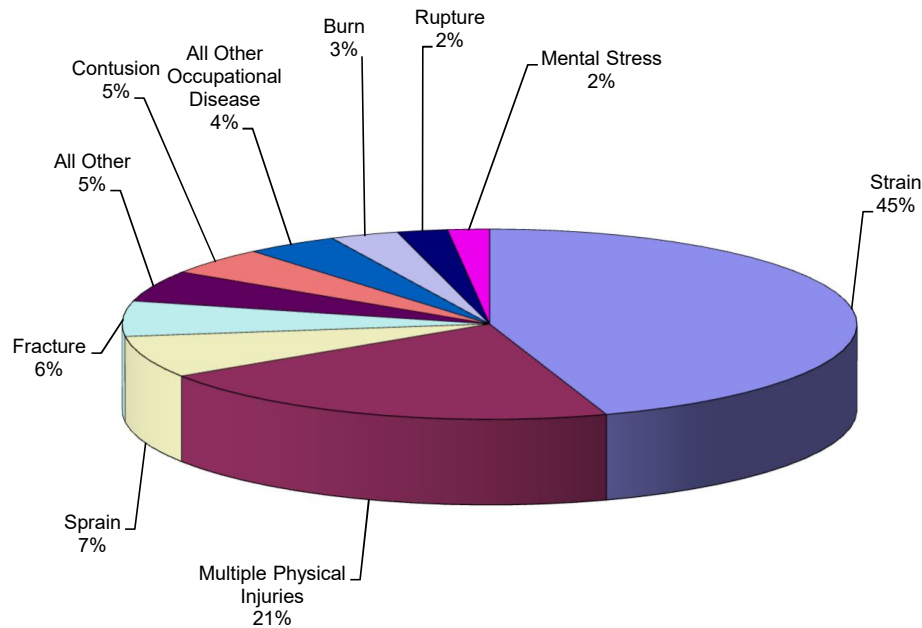
Location	Avg. Days
White Pine County	7
Ely (City Of)	7
Round Mountain (Town Of)	7
Mesquite (City Of),Personnel Director	7
Indian Hills Gid	6
White Pine Historical Railroad Foundatio	6
Mt Charleston Fire Protection District	5
Pahranagat Valley Fd	5
Palomino Valley Gid	5
Southern Nevada Health District	5
East Fork Swimming Pool District	5
Yerington (City Of)	5
Virgin Valley Water District	4
Fernley (City Of)	4
Churchill County Mosquito & Weed Abatement Distric	4
Douglas Co Sewer Improvement District #1	3
Walker River Irrigation	3
Washoe Co Fire Suppression Dist	3
Minden (Town Of)	3
Gardnerville (Town Of)	3
Minden Garnerville Sanitation District	3
Nv Association Of Conservation Districts	2
Canyon Gid	2
Topaz Ranch General Improvement District	2
Nevada-Tahoe Conservation District	1



Top Ten Nature of Injury

07/01/2015 - 03/31/2021

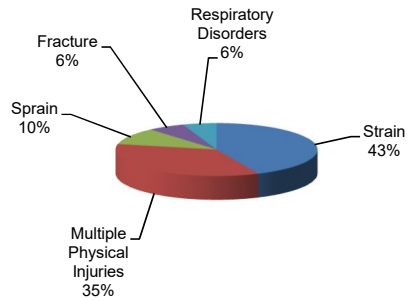
Nature of Injury	# of Claims	Total Incurred
Strain	822	\$ 14,476,581
Multiple Physical Injuries	172	\$ 6,754,276
Sprain	243	\$ 2,292,881
Fracture	84	\$ 1,933,529
All Other	193	\$ 1,716,448
Contusion	328	\$ 1,499,067
All Other Occupational Disease	14	\$ 1,316,451
Burn	33	\$ 972,219
Rupture	11	\$ 714,339
Mental Stress	26	\$ 592,933



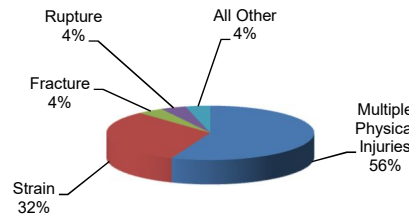


Nature of Injury Trends for 07/01/2015 - 03/31/2021

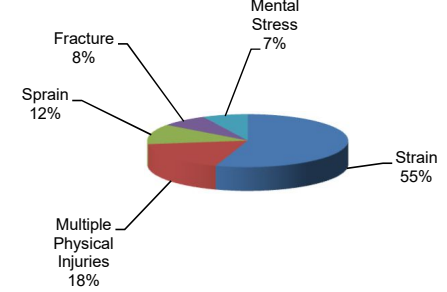
2015 Top 5 Nature



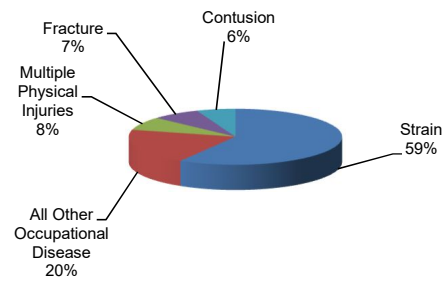
2017 Top 5 Nature



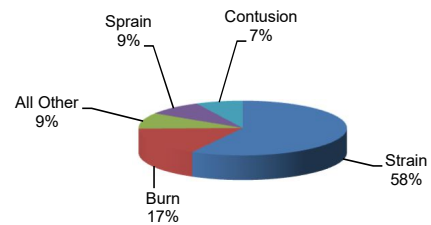
2019 Top 5 Nature



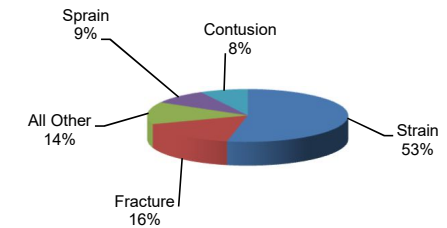
2016 Top 5 Nature



2018 Top 5 Nature



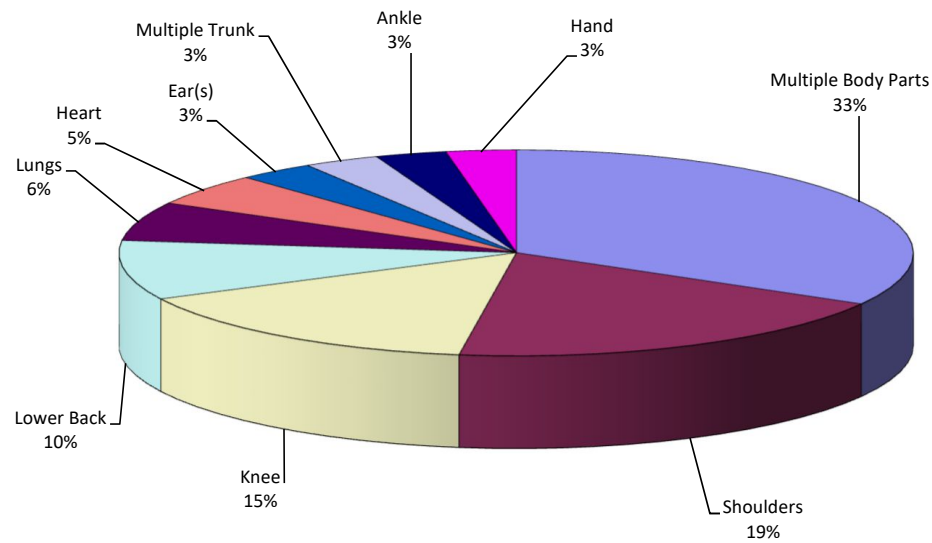
2020 Top 5 Nature





Top Ten Part of Body 07/01/2015 - 03/31/2021

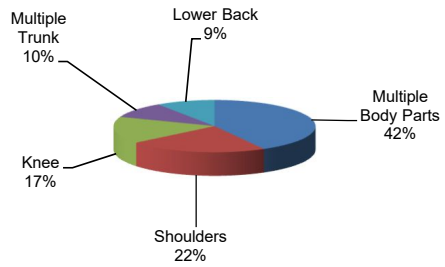
Part of Body	# of Claims	Total Incurred
Multiple Body Parts	314	\$ 9,958,969
Shoulders	184	\$ 5,690,593
Knee	273	\$ 4,573,404
Lower Back	222	\$ 2,784,908
Lungs	100	\$ 1,828,861
Heart	36	\$ 1,510,853
Ear(s)	35	\$ 929,492
Multiple Trunk	15	\$ 925,171
Ankle	92	\$ 863,763
Hand	150	\$ 854,292



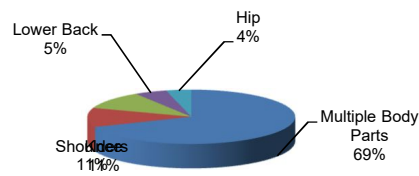


Body Part Trends for 07/01/2015 - 03/31/2021

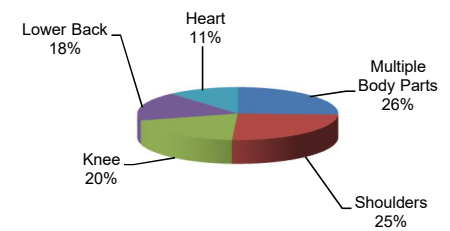
2014 Top 5 Body Part



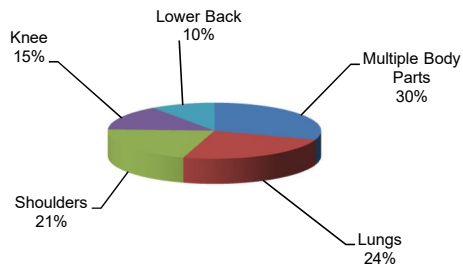
2016 Top 5 Body Part



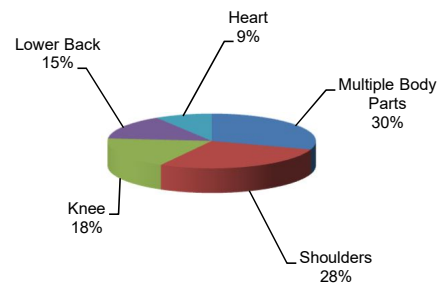
2018 Top 5 Body Part



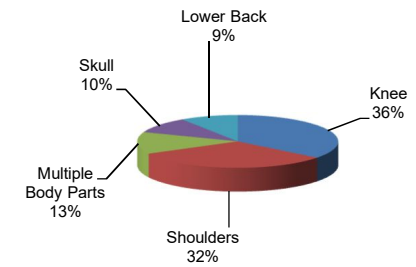
2015 Top 5 Body Part



2017 Top 5 Body Part



2019 Top 5 Body Part

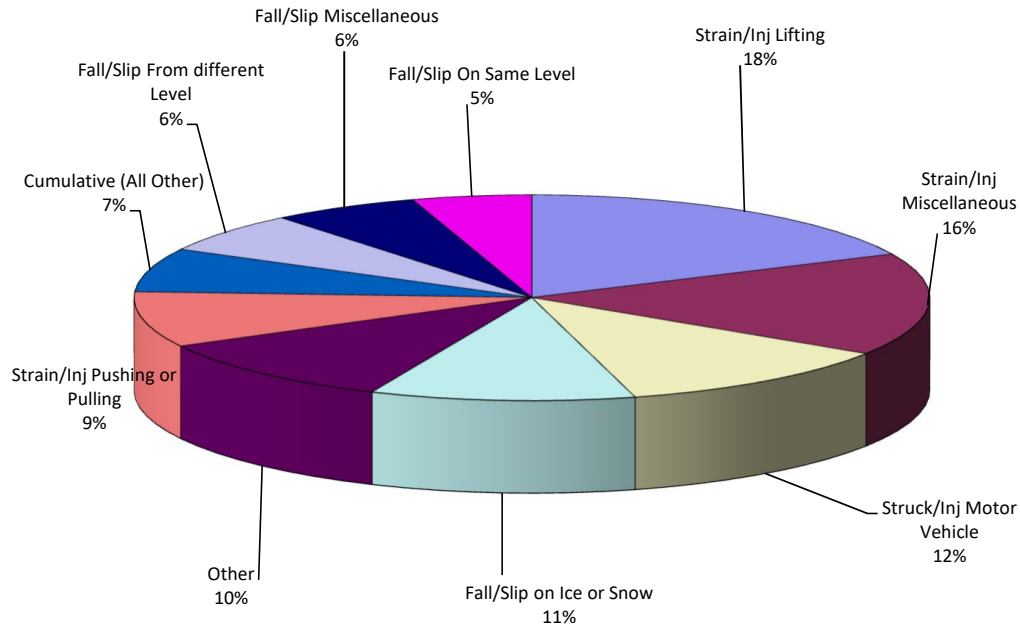




Top Ten Cause of Injury

07/01/2015 - 03/31/2021

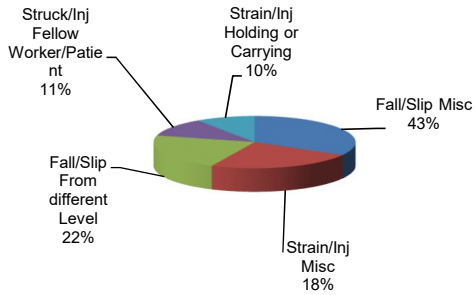
Cause of Injury	# of Claims	Total Incurred
Strain/Inj Lifting	222	\$ 4,404,868
Strain/Inj Miscellaneous	293	\$ 3,938,238
Struck/Inj Motor Vehicle	18	\$ 2,844,362
Fall/Slip on Ice or Snow	124	\$ 2,622,315
Other	175	\$ 2,591,795
Strain/Inj Pushing or Pulling	110	\$ 2,127,456
Cumulative (All Other)	16	\$ 1,680,010
Fall/Slip From different Level	52	\$ 1,554,243
Fall/Slip Miscellaneous	83	\$ 1,467,508
Fall/Slip On Same Level	116	\$ 1,184,176



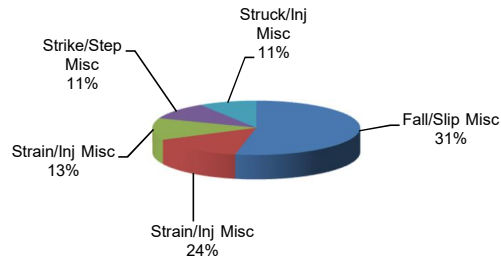


Cause of Injury Trends for 07/01/2015 - 03/31/2021

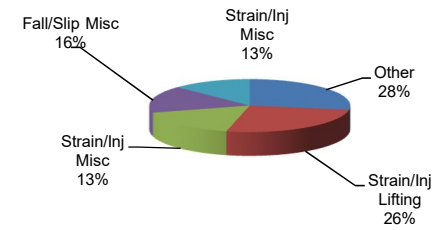
2015 Top 5 Cause of Injury



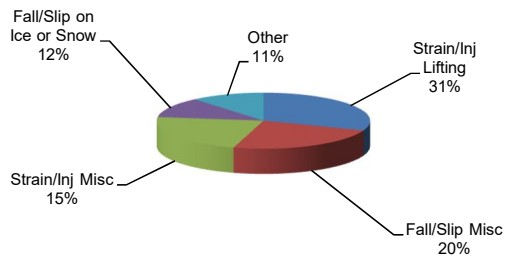
2017 Top 5 Cause of Injury



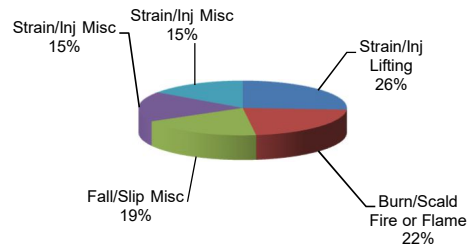
2019 Top 5 Cause of Injury



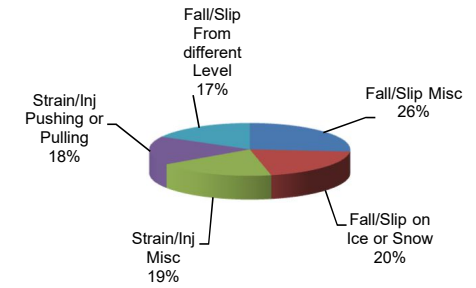
2016 Top 5 Cause of Injury



2018 Top 5 Cause of Injury



2020 Top 5 Cause of Injury





Historical Data Excluding Incidents 07/01/2015 - 03/31/2021

	07/01/15 - 06/30/16	07/01/16 - 06/30/17	07/01/17 - 06/30/18	07/01/18 - 06/30/19	07/01/19 - 06/30/20	07/01/20 - 03/31/21
Nbr of Claims						
Indemnity	202	185	172	155	146	106
Med Only	385	377	263	310	277	250
Total	587	562	435	465	423	356
Total Incurred						
Indemnity	\$5,509,312	\$6,829,189	\$7,365,989	\$6,000,294	\$6,139,661	\$3,345,148
Med Only	\$281,750	\$413,782	\$422,262	\$445,816	\$450,525	\$600,982
Total	\$5,791,062	\$7,242,972	\$7,788,251	\$6,446,110	\$6,590,186	\$3,946,129
Total Paid						
Indemnity	\$4,788,949	\$5,439,244	\$4,867,553	\$5,162,514	\$4,216,354	\$982,864
Med Only	\$281,750	\$413,782	\$381,108	\$426,055	\$379,664	\$232,098
Total	\$5,070,699	\$5,853,026	\$5,248,661	\$5,588,569	\$4,596,018	\$1,214,961
Average Incurred						
Indemnity	\$27,274	\$36,915	\$42,826	\$38,712	\$42,052	\$31,558
Med Only	\$732	\$1,098	\$1,606	\$1,438	\$1,626	\$2,404
Average Incurred	\$9,866	\$12,888	\$17,904	\$13,863	\$15,580	\$11,085
Open Claims						
Indemnity	11	14	11	24	41	62
Med Only	0	0	1	3	8	130
Total	11	14	12	27	49	192



Summary by Location

07/01/2015 - 03/31/2021

Location	# of Claims	# Open Claims	Total Incurred
Nye County	401	69	\$8,177,141
East Fork Fire & Paramedic District	129	26	\$4,037,916
Lyon County	163	20	\$2,354,727
North Lake Tahoe Fpd	123	11	\$2,120,759
Truckee Meadows Fpd	55	8	\$1,504,278
Elko County	132	11	\$1,480,768
Lander County	62	6	\$1,467,272
Tahoe-Douglas Fpd	71	6	\$1,429,981
Incline Village General Improvement Dist	151	11	\$1,376,743
Elko (City Of)	108	12	\$1,315,969
Pahrump (Town Of)	73	13	\$1,176,108
Boulder City (City Of)	92	7	\$1,169,445
Humboldt County	57	4	\$854,888
Ely (City Of)	27	4	\$735,142
Central Lyon County Fpd	41	7	\$712,806
Storey County	44	4	\$689,166
Churchill County	68	10	\$650,101
Douglas County	99	2	\$604,443
Humboldt General Hospital	78	7	\$584,587
Pershing County	30	6	\$555,503
White Pine County	46	2	\$401,689
Esmeralda County School District	7	3	\$303,058
Mineral County	48	4	\$284,864
Winnemucca (City Of)	33	3	\$271,516
Pershing County School District	23	2	\$262,072
Tahoe Transportation	1	1	\$206,411
Eureka County	23	2	\$205,340
Esmeralda County	12	1	\$191,573
Caliente (City Of)	5	1	\$178,095
Mount Grant General Hospital	69	7	\$159,643



Summary by Location

07/01/2015 - 03/31/2021

Location	# of Claims	# Open Claims	Total Incurred
Tonopah (Town Of)	8	1	\$155,579
Battle Mountain General Hospital	35	0	\$152,875
Southern Nevada Health District	56	2	\$140,772
White Pine County School District	40	3	\$138,688
Lander County School District	20	1	\$129,256
Grover C. Dils Medical Center	44	4	\$119,922
Carlin (City Of)	17	2	\$119,154
Yerington (City Of)	23	1	\$118,471
Pershing General Hospital	39	1	\$102,665
Lincoln County School District	18	1	\$100,991
North Lyon County Fire Protection District	17	2	\$95,402
Eureka County School District	7	0	\$91,336
Lovelock (City Of)	14	2	\$81,762
Lincoln County	17	3	\$77,689
Mt Charleston Fire Protection District	1	1	\$72,500
Gardnerville (Town Of)	2	0	\$69,090
West Wendover (City Of)	27	5	\$68,417
Pershing County Water Conservation Distr	8	1	\$66,491
Mason Valley Fpd	12	0	\$54,910
Wells (City Of)	8	1	\$52,225
White Pine Historical Railroad Foundatio	14	1	\$44,560
Mineral County School District	19	0	\$43,830
Mesquite (City Of),Personnel Director	8	0	\$39,330
Virgin Valley Water District	1	0	\$33,553
East Fork Swimming Pool District	22	0	\$27,786
Nevada Rural Housing Authority	10	1	\$24,312
White Pine County Fp District	9	1	\$24,187
Churchill County Communications	8	0	\$16,431
Fernley (City Of)	18	0	\$16,027
White Pine County Tourism & Recreation Board	1	0	\$11,988



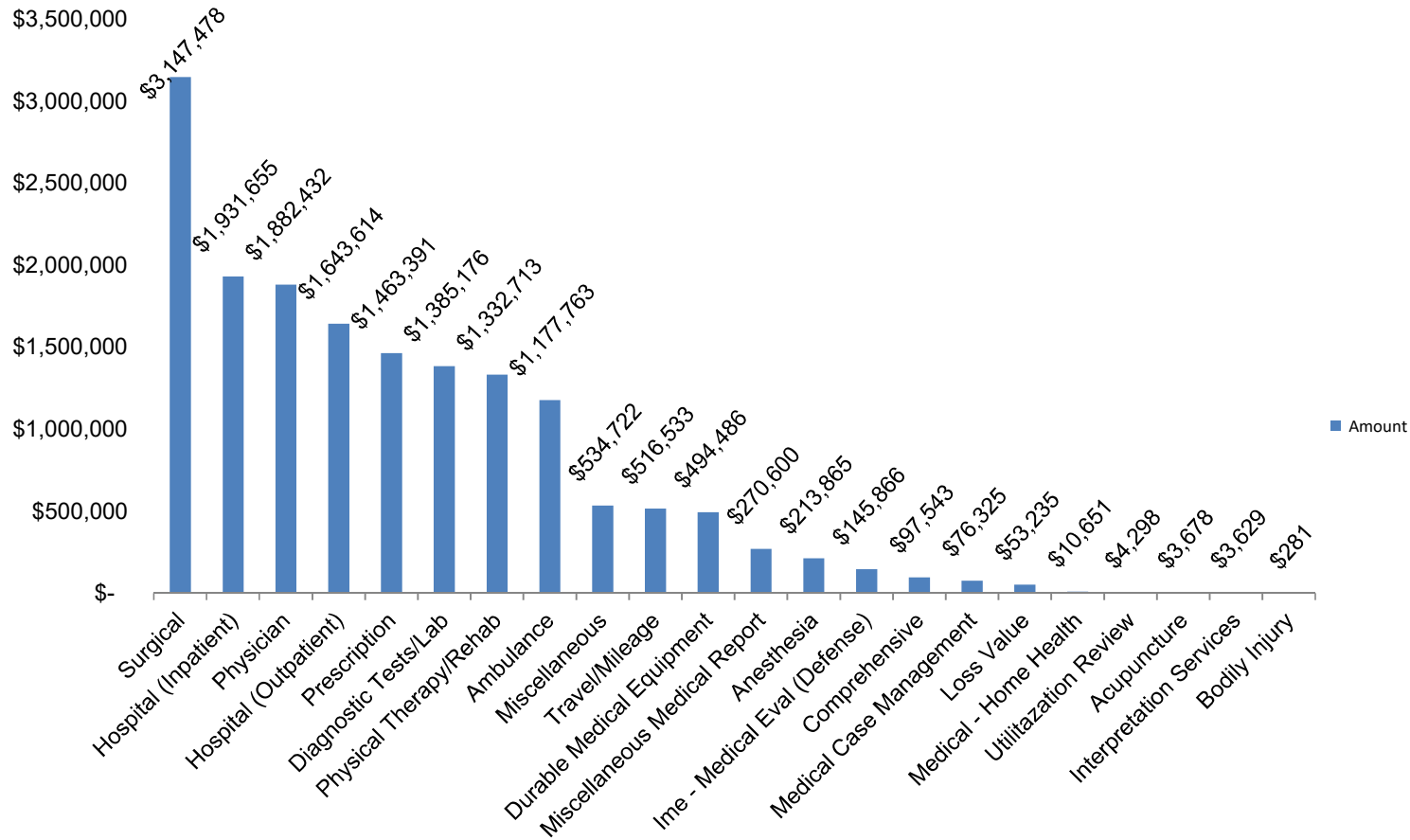
Summary by Location

07/01/2015 - 03/31/2021

Location	# of Claims	# Open Claims	Total Incurred
Beatty Water & Sanitation District	1	0	\$10,043
Round Mountain (Town Of)	5	0	\$6,424
Rtc Washoe County	4	0	\$5,510
Minden (Town Of)	4	0	\$3,335
Washoe Co Fire Suppression Dist	1	0	\$3,245
Churchill County Mosquito & Weed Abatement Distric	2	0	\$3,170
Douglas Co Sewer Improvement District #1	3	0	\$3,109
Genoa (Town Of)	1	0	\$2,814
Walker River Irrigation	1	1	\$2,607
Nv Association Of Conservation Districts	1	0	\$2,381
Canyon Gid	1	0	\$2,230
Smith Valley Fpd	1	0	\$1,875
Douglas County Mosquito Abatement Distri	1	0	\$1,333
Minden Garnerville Sanitation District	2	0	\$1,171
Palomino Valley Gid	1	0	\$908
Topaz Ranch General Improvement District	2	0	\$765
Indian Hills Gid	1	0	\$617
Pahranagat Valley Fd	1	0	\$485
Nevada-Tahoe Conservation District	1	0	\$484
Total	2828	305	\$37,804,710

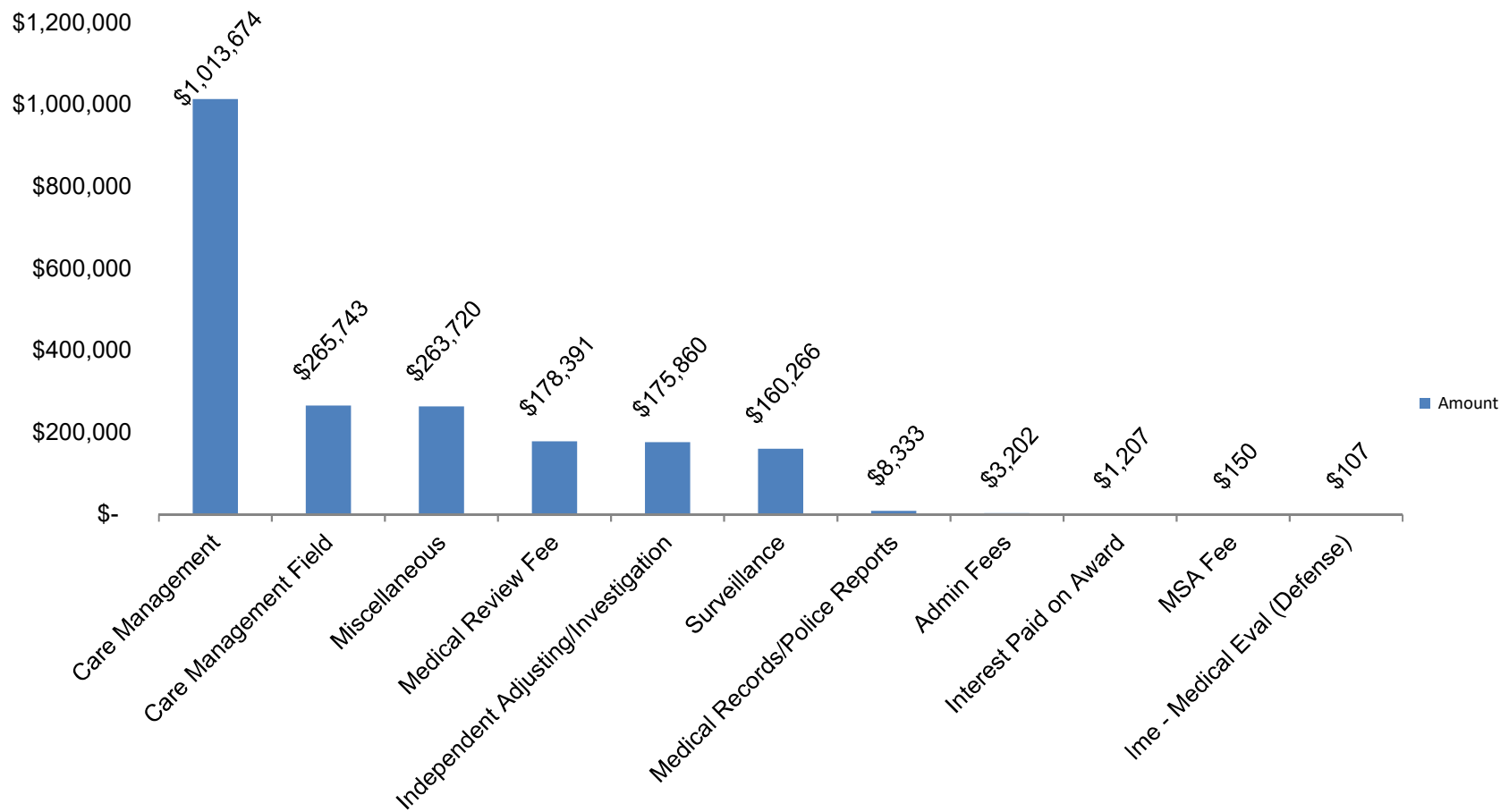


Medical Payments by Type 07/1/2015 - 03/31/2021



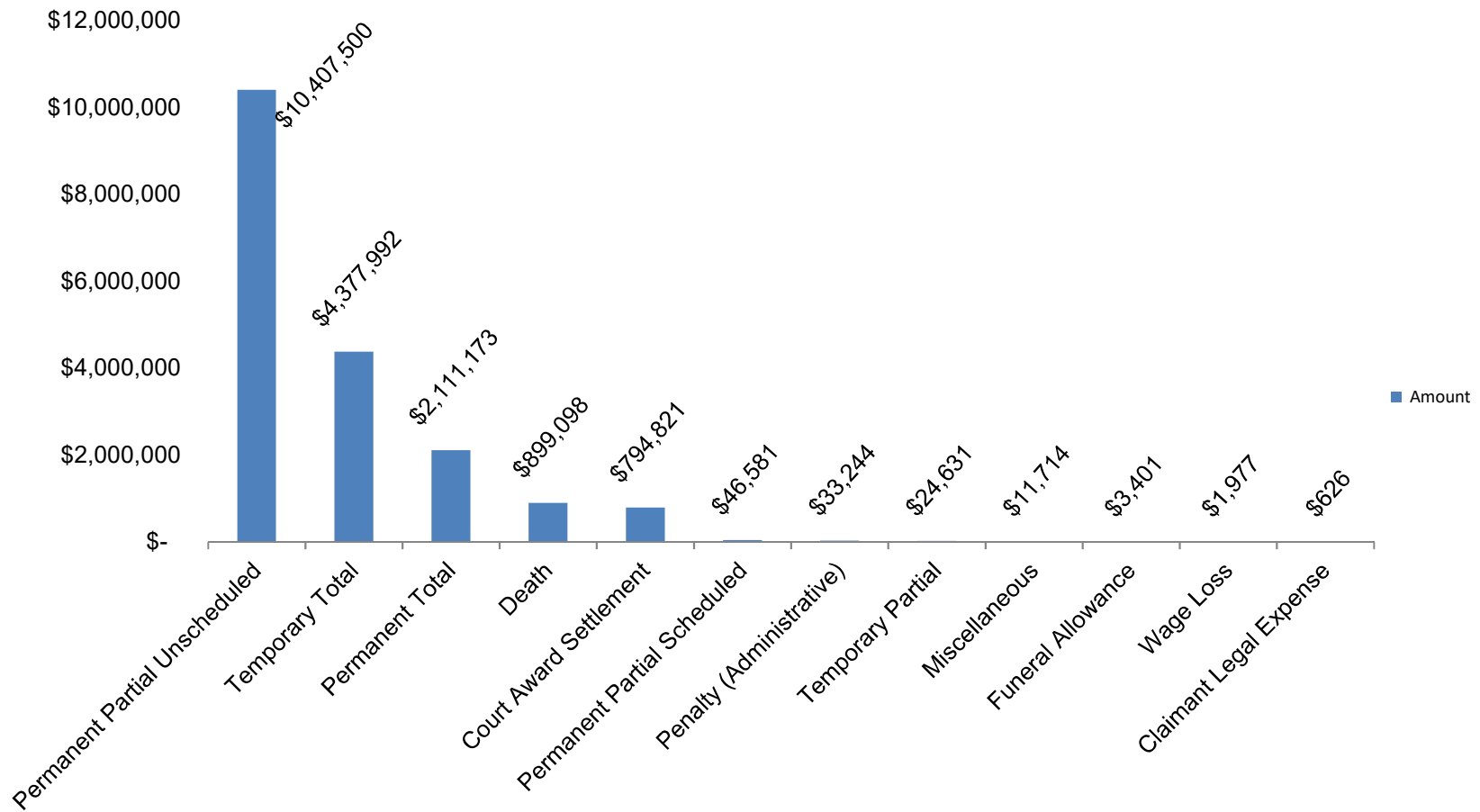


Expense Payments by Type 07/01/2015 - 03/31/2021





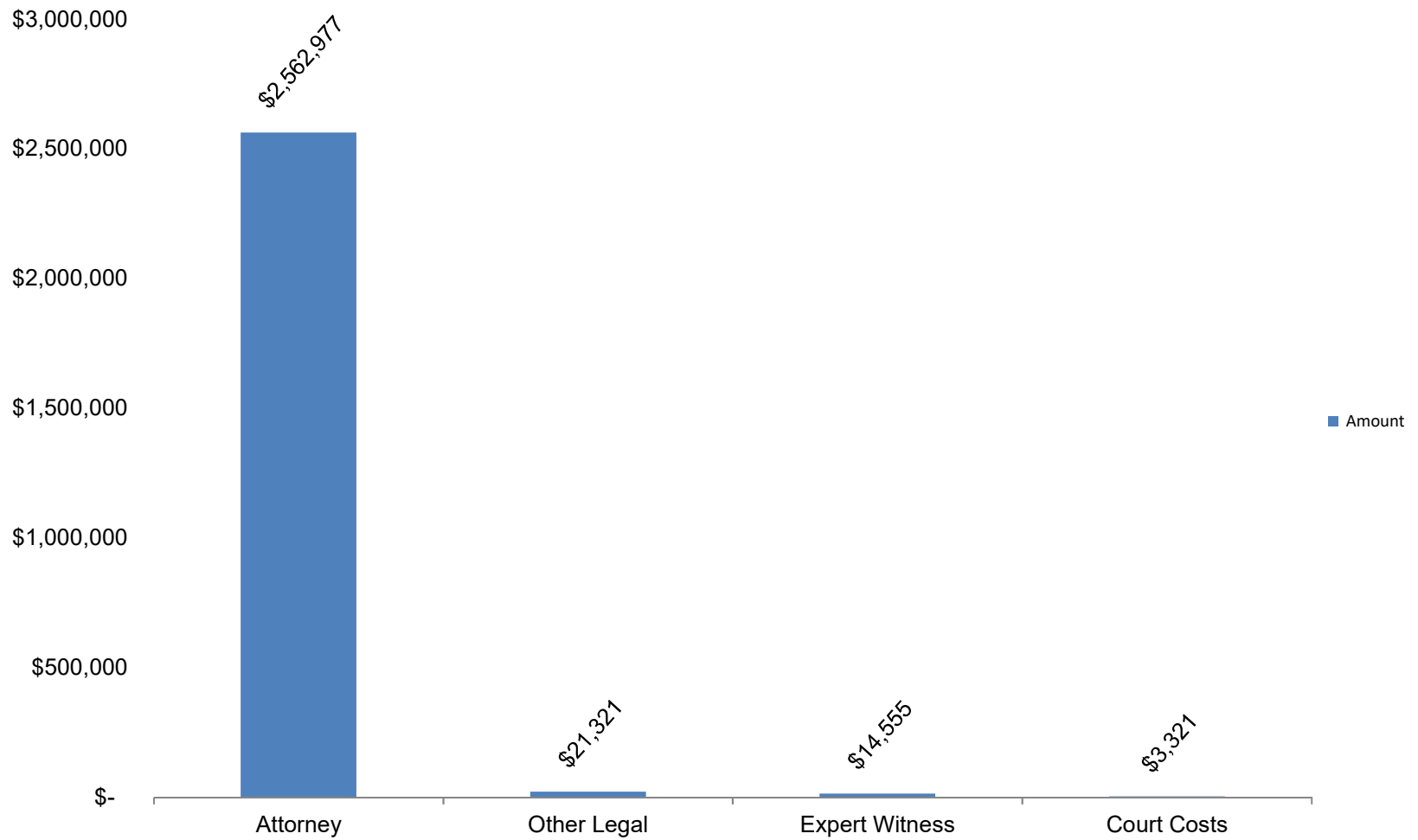
Indemnity Payments by Type 07/01/2015 - 03/31/2021





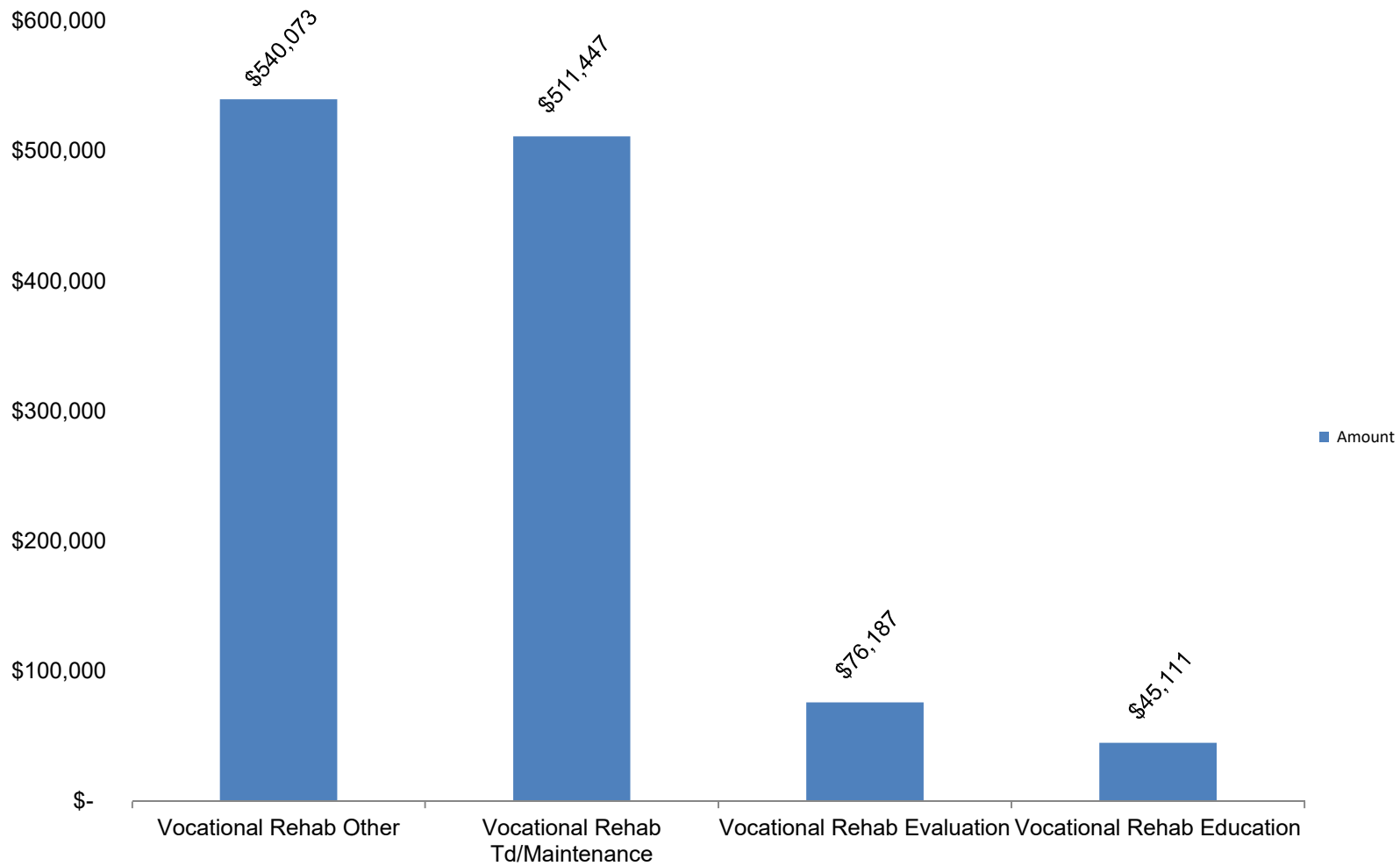
Legal Payments by Type

07/01/2015 - 03/31/2021





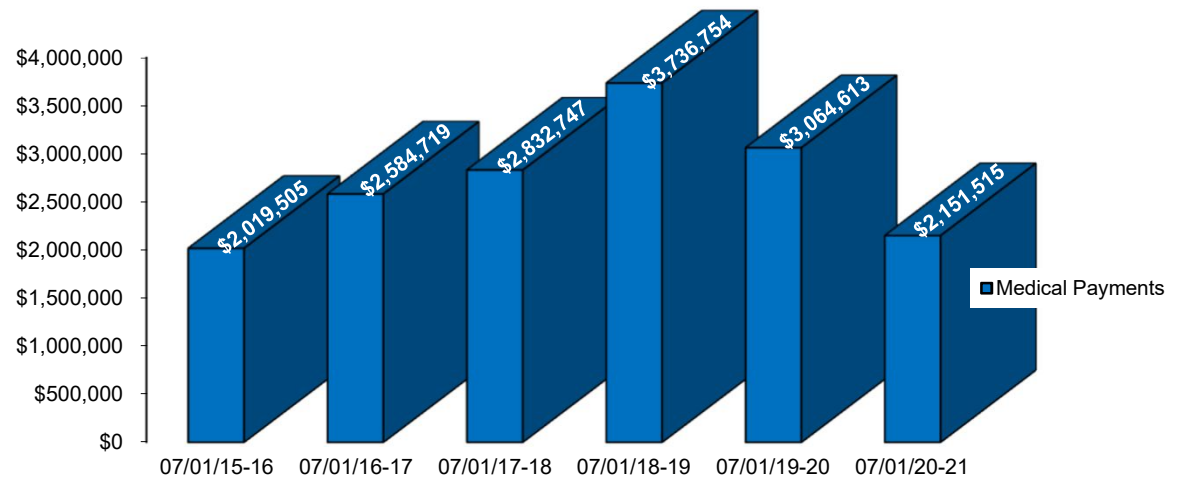
Voc Rehab Payments by Type 07/01/2015 - 03/31/2021





Medical Payment Trends 07/01/2015 - 03/31/2021

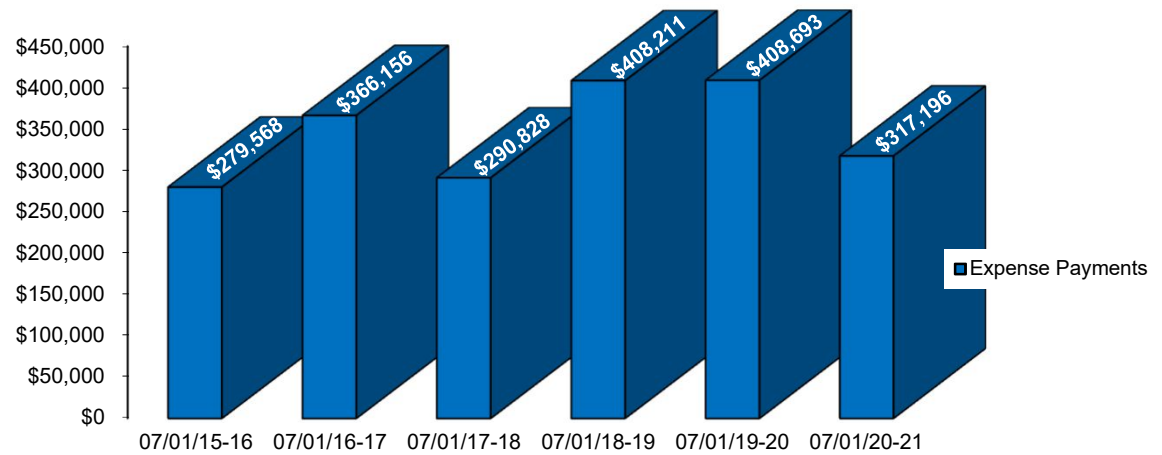
Policy Year	Medical Payments
07/01/15-16	\$2,019,505
07/01/16-17	\$2,584,719
07/01/17-18	\$2,832,747
07/01/18-19	\$3,736,754
07/01/19-20	\$3,064,613
07/01/20-21	\$2,151,515
Total	\$16,389,853





Expense Payment Trends 07/01/2015 - 03/31/2021

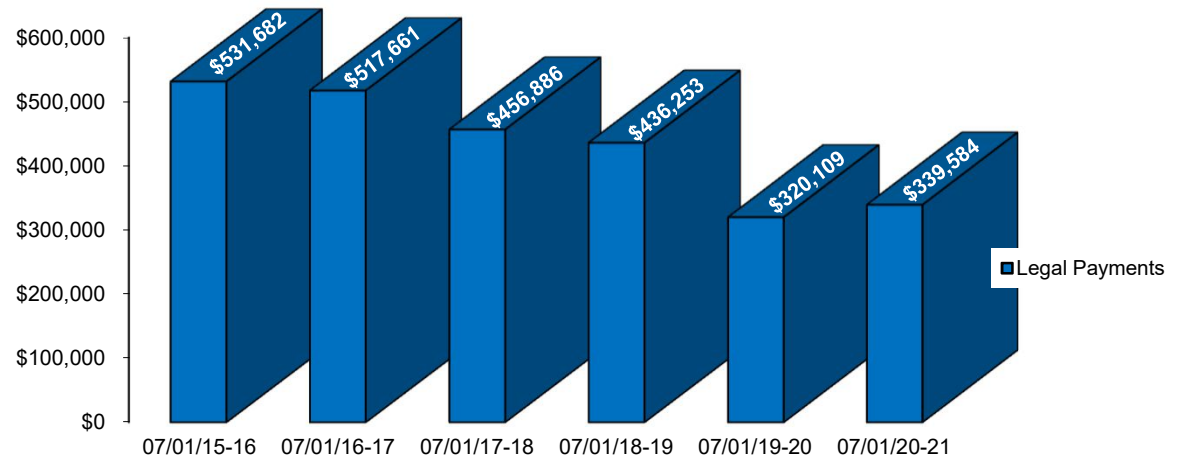
Policy Year	Expense Payments
07/01/15-16	\$279,568
07/01/16-17	\$366,156
07/01/17-18	\$290,828
07/01/18-19	\$408,211
07/01/19-20	\$408,693
07/01/20-21	\$317,196
Total	\$2,070,653





Legal Payment Trends 07/01/2015 - 03/31/2021

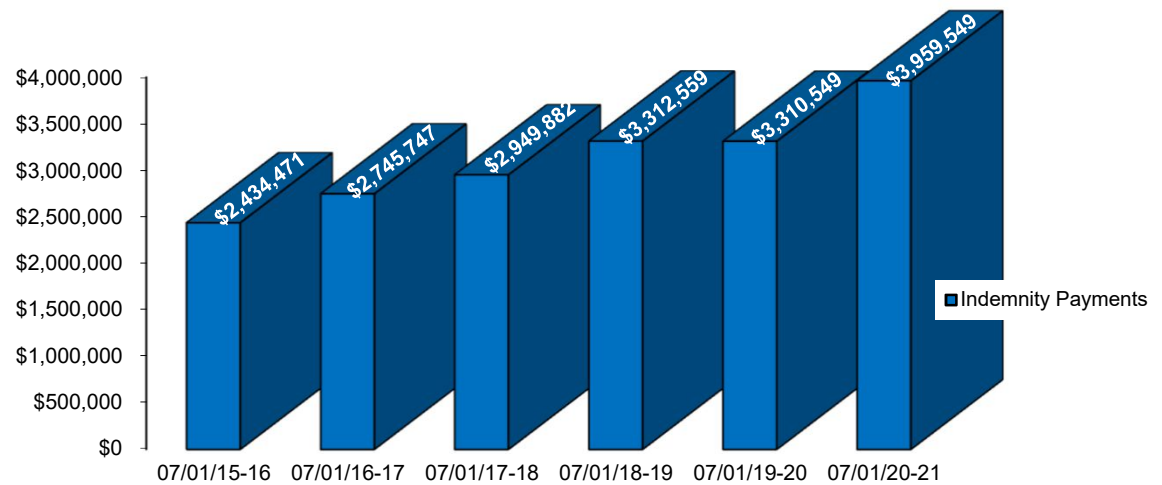
Policy Year	Legal Payments
07/01/15-16	\$531,682
07/01/16-17	\$517,661
07/01/17-18	\$456,886
07/01/18-19	\$436,253
07/01/19-20	\$320,109
07/01/20-21	\$339,584
Total	\$2,602,174





Indemnity Payment Trends 07/01/2015 - 03/31/2021

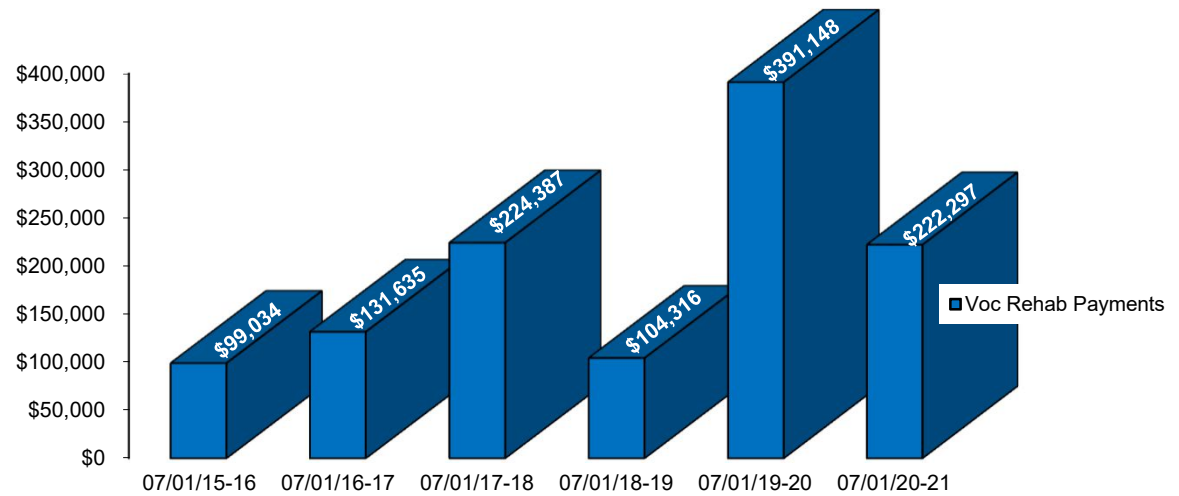
Policy Year	Indemnity Payments
07/01/15-16	\$2,434,471
07/01/16-17	\$2,745,747
07/01/17-18	\$2,949,882
07/01/18-19	\$3,312,559
07/01/19-20	\$3,310,549
07/01/20-21	\$3,959,549
Total	\$18,712,757





Voc Rehab Payment Trends 07/01/2015 - 03/31/2021

Policy Year	Voc Rehab Payments
07/01/15-16	\$99,034
07/01/16-17	\$131,635
07/01/17-18	\$224,387
07/01/18-19	\$104,316
07/01/19-20	\$391,148
07/01/20-21	\$222,297
Total	\$1,172,818



2021 LEGISLATIVE TRACKING as of 4/12/2021

BILL #	EDUCATION RELATED	BILL SUBJECT	EXEMPT	APPROVED 1ST HOUSE	APPROVED 2ND HOUSE	GOVERNOR'S SIGNATURE	EFFECTIVE DATE	POTENTIAL POLICY IMPACT
ASSEMBLY BILL TRACKING								
19	X	Removes government from list of required Social Studies subjects taught and adds civics, financial literacy, and multi-cultural education to required list.						
47		Regarding noncompete agreements; amends NRS 613.195 to make it unlawful to enter into an agreement which restrains a natural person from engaging in a lawful profession, trade or business of any kind, and sets forth limited exceptions.						
48		Authorizes certain retired public officers and employees to reinstate insurance under the Public Employees' Benefits Program.		3/12/21				
56	X	Requires the instruction on the Holocaust and genocide be provided to pupils in high school.						
57	X	Suspends the 15 percent student growth factor on Teacher/Administrator evaluations until school year 2023-2024.		3/23/21				
60		Nullifies certain provisions of a contract or settlement agreement that prohibit or restrict a party from testifying at judicial or administrative proceedings concerning criminal conduct, sexual harassment, discrimination, or retaliation when the party has been required or requested to testify by a court order, a lawful subpoena, or a written request from an administrative agency.						

2021 LEGISLATIVE TRACKING as of 4/12/2021

BILL #	EDUCATION RELATED	BILL SUBJECT	EXEMPT	APPROVED 1ST HOUSE	APPROVED 2ND HOUSE	GOVERNOR'S SIGNATURE	EFFECTIVE DATE	POTENTIAL POLICY IMPACT
65		Amends existing Ethics Law by clarifying, revising, and adding to existing provisions which govern: 1) the operation, powers, functions and duties of the Commission, its members and staff and any specialized or local ethics committees; (2) the statutory ethical standards that apply to the conduct of current and former public officers and employees; and (3) the proceedings concerning requests for advisory opinions and ethics complaints and the issuance of opinions and the imposition of remedies and penalties by the Commission.	X					
67	X	Revises provisions relating to the suspension, expulsion, and permanent expulsion of a pupil from schools.						
88	X	Requires school boards to adopt a policy prohibiting the use of any name, logo, mascot, song or other identifier that is racially discriminatory.						
88		Requires the NV State Board on Geographic Names to recommend changes to the name of any geographic feature or place that is racially discriminatory, contains racially discriminatory language or imagery, or is named for a natural person with a racially discriminatory history.						
96		Establishes the Emergency Response Employees Mental Health Commission with the goal to provide support and resources for Emergency Response Employees who experience mental health issues related to their work. Requires employers of such employees to display informational posters created by the Commission.						

2021 LEGISLATIVE TRACKING as of 4/12/2021

BILL #	EDUCATION RELATED	BILL SUBJECT	EXEMPT	APPROVED 1ST HOUSE	APPROVED 2ND HOUSE	GOVERNOR'S SIGNATURE	EFFECTIVE DATE	POTENTIAL POLICY IMPACT
131		Expands existing NRS 289.830 that requires certain peace officers to wear a portable event recording device to include peace officers who are: (1) in uniform; and (2) on duty that may involve interaction with a member of the public.						
133		Expands existing training requirements for peace officers in NRS chapter 289 to include training in approaching and interacting with a person who is openly carrying a firearm. Revises NRS 289.830 specifying which peace officers are required to wear a portable event recording device.						
167	X	Requires School Board to ensure that mental health resources information appears on students school I.D. in addition to the existing requirements of the SafeVoice Program.						
186		Amends the "Peace Office Bill of Rights" in NRS chapter 289 to prohibit law enforcement agency from requiring a peace officer to 1) issue a certain number of traffic citations, or 2) to make a certain number of arrests. This bill also prohibits a law enforcement agency from considering the number of citations, arrests, fees or fines assessed when evaluating the performance of a peace officer.						
205	X	Authorizes school nurses or other designated employee to administer an opioid antagonist to any persons on school grounds who is experiencing an opioid-related drug overdose.						
217		Requires certain training and related provisions for unlicensed caregivers who provide care at designated medical facilities.						

2021 LEGISLATIVE TRACKING as of 4/12/2021

BILL #	EDUCATION RELATED	BILL SUBJECT	EXEMPT	APPROVED 1ST HOUSE	APPROVED 2ND HOUSE	GOVERNOR'S SIGNATURE	EFFECTIVE DATE	POTENTIAL POLICY IMPACT
220		Amends NRS chapter 289 to require law enforcement agencies to adopt a written policy establishing standards of conduct for the use of a mobile device issued to any peace officer employed by the agency and sets forth specific requirements relating to the policy.						
222		Expands whistleblower protections to cover employees of all employers under NRS 613. In cases of a discharged employee who shows in a civil action that their discharge was in retaliation for engaging in whistleblowing conduct, this bill shifts the burden of proof to the employer to demonstrate that the employee engaged in gross misconduct sufficient to justify the discharge of the employee. Expands the coverage of certain statutes of limitations for NERC complaints.						
225	X	Requires the Commission on Professional Standards to provide reasonable accommodations on teacher licensing examinations to those applicants w/ disabilities.						
253		Revises Open Meeting Law provisions regarding Open Meeting requirements for subcommittees; authorizes public bodies to use remote technology to conduct meetings in certain circumstances and defines notice requirements for meetings using remote technology; modifies requirements regarding defamatory matter during public hearings; defines "administrative action" in regard to Open Meeting Law.						
261	X	Requires school boards to ensure that the history and contribution of certain groups of persons be included in the instruction for pupils.						

2021 LEGISLATIVE TRACKING as of 4/12/2021

BILL #	EDUCATION RELATED	BILL SUBJECT	EXEMPT	APPROVED 1ST HOUSE	APPROVED 2ND HOUSE	GOVERNOR'S SIGNATURE	EFFECTIVE DATE	POTENTIAL POLICY IMPACT
266	X	Pertains to the pupil/license teacher ratio. Prohibits the presence of certain school staff in the classroom to be used in the calculation of the ratio. Requires districts to determine the number of job vacancies based on the number of teachers that would be required to achieve the ration recommended by the State Board.						
268		Requires each law enforcement agency to adopt a written policy regarding the use of force; prohibiting a peace officer from using deadly force against a person based on the danger that the person poses to himself or herself under certain circumstances; and providing other matters properly relating thereto.						
304		Revises NRS chapter 289 to expand the topic of mental health addressed in required POST continuing education courses to include crisis intervention.						
315		Amends NRS 281 to require employers of police officers or firefighters to provide to these employees certain information and counseling relating to mental health issues.						
327		Expands existing continuing education requirements for certain mental health professionals to include a certain number of hours of instruction concerning cultural competency and diversity, equity and inclusion.						
336		Requires the POST Commission to adopt regulations establishing standards for an annual behavioral healthcare assessment for peace officers to aid in preserving the emotional and mental health of the peace officer and assessing conditions that may affect the performance of duties by the peace officer.						

2021 LEGISLATIVE TRACKING as of 4/12/2021

BILL #	EDUCATION RELATED	BILL SUBJECT	EXEMPT	APPROVED 1ST HOUSE	APPROVED 2ND HOUSE	GOVERNOR'S SIGNATURE	EFFECTIVE DATE	POTENTIAL POLICY IMPACT
371	X	Revises existing law relating to bullying and cyber-bullying to include discrimination based on race. Allows school employees to be covered under the provisions of NRS388.1351 (Bullying/Cyber-bullying in Schools).						
385		Revises NRS chapter 281 to prohibit officers and employees of certain public bodies from receiving certain payments or benefits upon termination of employment; establishing the maximum allowed salaries for officers and employees of certain public bodies; including merit-based salary increases and allowances for transportation in the calculation of such an officer or employee's salary for certain purposes; and providing other matters properly relating thereto.						
409		Requires the POST Commission to adopt regulations concerning the recruitment and selection of peace officers, which include evaluations to identify implicit bias on the part of a peace officer on the basis of race, color, religion, national origin, physical or mental disability, sexual orientation or gender identity or expression.						
418	X	Requires school districts to administer an exit survey to teachers/license personnel who leave employment from the school district.						

2021 LEGISLATIVE TRACKING as of 4/12/2021

BILL #	EDUCATION RELATED	BILL SUBJECT	EXEMPT	APPROVED 1ST HOUSE	APPROVED 2ND HOUSE	GOVERNOR'S SIGNATURE	EFFECTIVE DATE	POTENTIAL POLICY IMPACT
ASSEMBLY JOINT RESOLUTION TRACKING								
ASSEMBLY CONCURRENT RESOLUTION TRACKING								
<u>2</u>		Upon passage, terminates the emergency described in the Declaration of Emergency for COVID-19 issued by the Governor on March 12, 2020.						
SENATE BILL TRACKING								
<u>2</u>	X	Revises the development plan for assessing students in kindergarten and elementary school. Revises the timeline for tentative budgets being submitted from April 15 to June 8, Public Hearing on Budgets from May to July, School Districts' adoption of budgets to before Dec. 31. Removes graduation requirement that students take an examination in civics.						
<u>7</u>		Extends domestic violence and workplace harassment protections to minors.						
<u>19</u>		Related to background checks: establishes provisions that authorize a qualified entity to obtain information relating to the records of criminal history of employees, volunteers, persons applying to be an employee or volunteer, independent contractors and vendors of the qualified entity who have access to children, elderly persons or persons with disabilities.						
<u>21</u>		Related to background checks: revises list of specified crimes authorizing or requiring, as applicable, the denial of an application for employment or the termination of employment with an agency which provides child welfare services or residential mental health treatment to children.						

2021 LEGISLATIVE TRACKING as of 4/12/2021

BILL #	EDUCATION RELATED	BILL SUBJECT	EXEMPT	APPROVED 1ST HOUSE	APPROVED 2ND HOUSE	GOVERNOR'S SIGNATURE	EFFECTIVE DATE	POTENTIAL POLICY IMPACT
27	X	Authorizes State Superintendent to investigate certain persons within public schools. Creates the "Account for Teacher Incentive."						
31		Section 3 expands NRS 179A.103 for the Central Repository to provide records of criminal history generally, rather than information which reflects convictions only.		3/17/21				
36	X	Revises provisions relating to plans for responding to crises, emergencies and suicides in schools.						
69	X	Requires all instruction concerning substance misuse and substance use disorders to be evidenced-based. Requires districts to administer a health risk behavior survey to a sampling of 6th and 12th graders.						
75		Makes various changes to State Unemployment Compensation including contribution rates, base period for eligibility, and reduces percentage of remuneration payable to 66 2/3 percent from 75 percent.						
76	X	Revises the submitting of reports of bullying and cyber-bullying to the Office for a Safe and Respectful Learning Environment from monthly to semi-annually. Revises the language for requesting variances when teacher/student ratios are exceeded.						
77		Amends NRS 241 (Open Meeting Law) to exempt certain meetings conducted by a public body for the purpose of engaging in predecisional and deliberative discussions relating to a decision under the federal National Environmental Policy Act of 1969 (42 U.S.C. §§ 4321 et seq.)						

2021 LEGISLATIVE TRACKING as of 4/12/2021

BILL #	EDUCATION RELATED	BILL SUBJECT	EXEMPT	APPROVED 1ST HOUSE	APPROVED 2ND HOUSE	GOVERNOR'S SIGNATURE	EFFECTIVE DATE	POTENTIAL POLICY IMPACT
83	X	Allows the NDOE to temporarily waive or pause the administration of examinations required by the USDOE if the USDOE waives or paused the requirement.		2/15/21	3/16/21	3/29/2021	3/16/21	
102	X	Changes the cut-off date of birth for a child's admittance into Kindergarten, 1st, or 2nd grade from Sep. 30 to Aug. 1.						
107		Establishes a 4-year statute of limitations for wrongful termination of employment.						
108		Requires criminal justice system employees to complete training relating to implicit bias and cultural competency at least once every 2 years.						
109		Requires a governmental agency that collects demographic information regarding race or ethnicity to also request sexual orientation and gender identity; provides, with exceptions, that such information is confidential; authorizes the governmental agency to use such information only for certain purposes. Further, provides that no person shall be required to provide to sexual orientation or gender identity information or denied services or assistance for failure to provide such information. Also requires a governmental agency to submit an annual report to the Director of the Legislative Counsel Bureau.						
151	X	Requires school counselors, school psychologists, and school social workers to complete continuing education as determined by the Commission of Professional Standards in Education.						
173	X	Requires school boards to submit a plan to NDOE to address the loss of learning due to COVID-19. Sets forth requirements to the hiring and payment of teachers and support staff for summer school.						

2021 LEGISLATIVE TRACKING as of 4/12/2021

BILL #	EDUCATION RELATED	BILL SUBJECT	EXEMPT	APPROVED 1ST HOUSE	APPROVED 2ND HOUSE	GOVERNOR'S SIGNATURE	EFFECTIVE DATE	POTENTIAL POLICY IMPACT
179	X	Requires those wishing to interpret in the school setting to be registered as an interpreter with the Aging and Disability Services Division.						
210	X	Requires schools districts to provide the necessary IEP resources/assistance for district students with emotional disturbances to the psychiatric facilities in which the student is admitted.						
212		Revises provisions relating to the use of force by peace officer; requires each law enforcement agency adopt a written policy and provide training to a peace officer regarding the potential threat of serious bodily harm or death to the peace officer or others.						
230	X	Requires school boards to ensure school employees receive training on social and emotional trauma.						
236		Requires law enforcement agencies to establish an early warning system to identify peace officers who display bias indicators or other problematic behaviors. Outlines steps the law enforcement agency should take for those peace officers identified. Imposes liability on a peace officer for depriving any individual of their individual constitutional rights.						
249	X	Requires that information relating to mental health resources appear on the back of any ID card issued to pupils at a school.						
286		Establishes a separate bargaining unit for supervisory employees who are category I, category II or category III peace officers; and provides that a bargaining unit for peace officers must be composed exclusively of peace officers.						

2021 LEGISLATIVE TRACKING as of 4/12/2021

BILL #	EDUCATION RELATED	BILL SUBJECT	EXEMPT	APPROVED 1ST HOUSE	APPROVED 2ND HOUSE	GOVERNOR'S SIGNATURE	EFFECTIVE DATE	POTENTIAL POLICY IMPACT
290		Requires all health insurers, including public-sector employers which provide health benefits for their employees, to allow a covered person who is diagnosed with stage 3 or 4 cancer or his/her attending practitioner to apply for an exemption from step therapy which would otherwise be required for a prescription drug to treat the cancer or related symptoms.						
293		Prohibits counties, incorporated cities, unincorporated towns, and employers with 15 or more employees from seeking the wage or salary history of an applicant for employment; setting pay rates based on salary history; or refusing to interview, hire, promote, or employ an applicant or discriminate or retaliate against an applicant if the applicant does not provide wage/salary history. Does not prohibit employers from asking the applicant about his/her wage expectations, and does not prohibit an applicant from voluntarily disclosing his/her wage history.						
294		For all local government employers except firefighters, police officers, teachers, and educational support personnel: Removes the provision of the formation of a review panel for unresolved disputed issues in negotiating a collective bargaining agreement and makes the findings of the fact finder to be final and binding. For firefighters and law enforcement: Adds that if the parties do not agree before the submission of the dispute to fact-finding to make the findings final and binding then the report of the fact finder must include recommendations for settlement on the issues, in lieu of an award; the provisions of NRS 288.200 applicable to an award apply to the recommendations of the fact finder; and the findings and recommendations of the fact finder are not binding on the parties.						

2021 LEGISLATIVE TRACKING as of 4/12/2021

BILL #	EDUCATION RELATED	BILL SUBJECT	EXEMPT	APPROVED 1ST HOUSE	APPROVED 2ND HOUSE	GOVERNOR'S SIGNATURE	EFFECTIVE DATE	POTENTIAL POLICY IMPACT
302		Requires, to the extent money is available, public employers to provide diversity and racial equity training to each officer and employee which may include, without limitation, training regarding implicit and unconscious bias and undoing organizational, institutional, structural and systemic racism.						
308		Requires DETR to establish a worksharing program to provide for the payment of certain benefits to eligible employees whose hours have been reduced (rather than laid off) and established various requirements for employers to participate in the program.						
325		Requires public and private health plans, including Medicaid and health plans for state and local government employees, to: (1) provide coverage for drugs that prevent the acquisition of human immunodeficiency virus and any related laboratory or diagnostic procedures; and (2) reimburse laboratory testing, prescribing and dispensing by a pharmacist at a rate equal to that provided to a physician, physician assistant or advanced practice registered nurse for similar services. Also prohibits such a health plan from requiring prior authorization or step therapy.						
327	X	Prohibits schools from adopting dress codes that require pupils to wear school uniforms to discriminate against a pupil based on their race. Prohibits a pupil from being disciplined based on their race. Requires that any employee testing which is used in the decision to promote an employee must be administered by an independent third party.						

2021 LEGISLATIVE TRACKING as of 4/12/2021

BILL #	EDUCATION RELATED	BILL SUBJECT	EXEMPT	APPROVED 1ST HOUSE	APPROVED 2ND HOUSE	GOVERNOR'S SIGNATURE	EFFECTIVE DATE	POTENTIAL POLICY IMPACT
327		Defines "race" to include ancestry, color, ethnic group identification, ethnic background and traits historically associated with race, including, without limitation, hair texture and protective hairstyles. Revises provisions governing relations with local government employers to prohibit discrimination on the basis of certain characteristics associated with race. Requires when NERC determines to conduct an investigation of a complaint of race discrimination the investigation must be completed within 13 months. Sets forth certain requirements governing testing used by a county, city or school district for promotional decisions and makes it a category E felony to tamper with the score of a test taken by an employee. Provides that the requirements governing these tests are not subject to negotiation with an employee organization for the purposes of a collective bargaining agreement.						
352	X	Requires the Commission on Professional Standards in Education to adopt regulations to allow par-pros who are enrolled in a program to become a teacher to complete an accelerated program of student teaching in the area in which they are a para-pro.						

2021 LEGISLATIVE TRACKING as of 4/12/2021

BILL #	EDUCATION RELATED	BILL SUBJECT	EXEMPT	APPROVED 1ST HOUSE	APPROVED 2ND HOUSE	GOVERNOR'S SIGNATURE	EFFECTIVE DATE	POTENTIAL POLICY IMPACT
375	X	Creates the Enhanced Classroom Funding Account. Requires money in the account to be distributed to school districts for: increasing the compensation for teachers and acquiring and renovating additional classroom space for the purpose of reducing class sizes.	X					
395	X	Requires counties with populations of less than 45,000 to impose, upon the approval of county voters, a new property tax to be used by school districts for payment of any bonds or other obligations the district issues for capital projects.						
BILL #	EDUCATION RELATED	BILL SUBJECT	EXEMPT	APPROVED 1ST HOUSE	APPROVED 2ND HOUSE	GOVERNOR'S SIGNATURE	EFFECTIVE DATE	POTENTIAL POLICY IMPACT
SENATE JOINT RESOLUTION TRACKING								
SJR8*		Proposes to amend the Nevada Constitution by adding a guarantee that equality of rights under the law shall not be denied or abridged by this State or any of its political subdivisions on account of race, color, creed, sex, sexual orientation, gender identity or expression, age, disability, ancestry or national origin.						

Status Of Legislation - Print View 81st (2021) Session

[AB11](#) Revises provisions relating to actions for small claims. (BDR 6-388)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Committee on Judiciary	Judiciary		

[AB39](#) Revises provisions relating to public records. (BDR 19-333)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Committee on Government Affairs	Government Affairs		

[AB44](#) Revises provisions relating to county hospitals. (BDR 40-401)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Committee on Health and Human Services	Health and Human Services	Assembly Committee on Health and Human Services 3/22/2021 Upon Adjournment Heard	

[AB45](#) Revises provisions relating to insurance. (BDR 57-316)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Committee on Commerce and Labor	Commerce and Labor	Assembly Committee on Commerce and Labor 4/7/2021 6:00 PM Amend, and do pass as amended	

[AB58](#) Makes changes relating to the authority and duties of the Attorney General. (BDR 3-417)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Committee on Judiciary	Judiciary	Assembly Committee on Judiciary 3/24/2021 9:00 AM Amend, and do pass as amended	

[AB60](#) Makes certain provisions of a contract or settlement agreement void and unenforceable. (BDR 4-422)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Committee on Judiciary	Second Reading	Assembly Committee on Judiciary 3/12/2021 8:00 AM Amend, and do pass as amended	

[AB65](#) Revises provisions relating to ethics in government. (BDR 23-257)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Committee on Legislative Operations and Elections	Legislative Operations and Elections	Assembly Committee on Legislative Operations and Elections 2/23/2021 4:00 PM Heard	

[AB92](#) Authorizes a peace officer to bring a civil action for damages under certain circumstances. (BDR 3-519)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Wheeler, Dickman and O'Neill	Judiciary	Assembly Committee on Judiciary 3/8/2021 9:00 AM Mentioned not agendized	

[AB96](#) Creates the Emergency Response Employees Mental Health Commission. (BDR 40-96)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Cohen	Health and Human Services	Assembly Committee on Health and Human Services 3/24/2021 1:30 PM Amend, and do pass as amended	

[AB104](#) Revises provisions relating to wrongful convictions. (BDR 3-586)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Yeager	Judiciary	Assembly Committee on Judiciary 3/24/2021 9:00 AM Amend, and do pass as amended	

[AB108](#) Creates the Nevada Office of the Inspector General. (BDR 18-64)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Brittney Miller	Government Affairs		

[AB110](#) Revises the Nevada Lobbying Disclosure and Regulation Act. (BDR 17-900)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Frierson and Brittney Miller	Secretary of State	Senate Committee on Legislative Operations and Elections 3/9/2021 3:30 PM Do pass	

[AB133](#) Revises provisions relating to peace officers. (BDR 23-240)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Flores, González, Anderson, Brown-May, Considine, Duran, Martinez, Summers- Armstrong, Thomas and Torres	Government Affairs	Assembly Committee on Government Affairs 4/8/2021 8:00 AM	
		Amend, and do pass as amended	

[AB147](#) Authorizes a board of county commissioners to create the office of county counsel. (BDR 20-119)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Nguyen	Second Reading	Assembly Committee on Government Affairs 4/8/2021 8:00 AM Do pass	

AB157 Authorizes a person who is the victim of certain discriminatory conduct relating to an incident involving a peace officer to bring a civil action under certain circumstances. (BDR 3-227)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Assemblymen Monroe-Moreno, Brittney Miller, Cameron Miller, Anderson, Bilbray-Axelrod, Brown-May, Cohen, Considine, Duran, Flores, González, Gorelow, Marzola, Peters, Roberts, Summers-Armstrong, Thomas, Torres, Watts and Yeager; Senators Harris and Brooks	Second Reading	Assembly Committee on Judiciary 3/12/2021 8:00 AM	

Amend, and do pass as amended

AB159 Limits the civil liability of certain public schools for personal injury or death resulting from exposure to COVID-19. (BDR 3-230)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Assemblymen Hansen, Titus, Dickman, Ellison, Hafen, Hardy, Kasama, Krasner, Matthews, O'Neill, Roberts, Tolles and Wheeler; Senators Hansen, Hammond, Pickard and Buck	Judiciary		

[AB207](#) Provides that certain businesses which offer goods or services through an Internet website, mobile application or other electronic medium are places of public accommodation. (BDR 54-567)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Watts, Anderson, Flores, González, Nguyen and Peters	Commerce and Labor	Assembly Committee on Commerce and Labor 4/7/2021 6:00 PM Amend, and do pass as amended	

[AB220](#) Establishes provisions relating to the use of mobile devices by peace officers. (BDR 23-924)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Frierson, Yeager, Benitez-Thompson, Bilbray-Axelrod, Cohen, Flores, Jauregui, Brittney Miller, Nguyen and Watts	Government Affairs	Assembly Committee on Government Affairs 4/9/2021 8:00 AM Amend, and do pass as amended	

[AB222](#) Revises provisions governing employment practices. (BDR 53-739)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Torres	Commerce and Labor	Assembly Committee on Commerce and Labor 4/9/2021 Upon Call of Chair Amend, and do pass as amended	

[AB223](#) Revises provisions governing first responders. (BDR 53-692)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Assemblymen Dickman, Wheeler and O'Neill; Senator Settlemeyer	Commerce and Labor		

[AB246](#) Revises provisions governing employment practices relating to employee safety. (BDR 53-781)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Flores	Commerce and Labor	Assembly Committee on Commerce and Labor 3/31/2021 1:00 PM Heard	

[AB253](#) Revises provisions relating to governmental administration. (BDR 19-947)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Considine	Government Affairs	Assembly Committee on Government Affairs 4/8/2021 8:00 AM Amend, and do pass as amended	

[AB268](#)

Establishes provisions relating to peace officers. (BDR 23-234)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Assemblymen Krasner, Roberts and Cameron Miller; Senator Neal	Government Affairs	Assembly Committee on Government Affairs 4/8/2021 8:00 AM Amend, and do pass as amended	

[AB276](#)

Makes changes to provisions governing public records. (BDR 19-884)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Matthews, Wheeler, Dickman, Black, Kasama, Leavitt, McArthur and Titus	Government Affairs	Assembly Committee on Government Affairs 3/23/2021 9:00 AM Heard	

[AB280](#)

Revises provisions relating to public restrooms. (BDR 54-132)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Peters and Torres	Government Affairs	Assembly Committee on Government Affairs 4/6/2021 8:00 AM Amend, and do pass as amended	

[AB304](#) Revises provisions governing peace officers. (BDR 23-918)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Frierson	Second Reading	Assembly Committee on Government Affairs 4/8/2021 8:00 AM Do pass	

[AB306](#) Revises provisions relating to the SafeVoice Program. (BDR 34-19)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Ellison	Education		

[AB307](#) Revises provisions governing employment practices. (BDR 18-764)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Martinez	Government Affairs	Assembly Committee on Government Affairs 4/6/2021 8:00 AM Amend, and do pass as amended	

AB314 Revises provisions governing civil liability for injury or death resulting from exposure to COVID-19. (BDR 3-448)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Assemblymen Titus, Leavitt, Roberts, Krasner, Hafen, Dickman, Ellison, Hansen, Hardy, Kasama, Matthews, McArthur, O'Neill, Tolles and Wheeler; Senators Settlemeyer, Hansen, Hardy, Hammond, Pickard, Buck, Goicoechea, Kieckhefer and SeEVERS Gansert	Judiciary		

AB315 Revises provisions relating to certain public employees. (BDR 23-647)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
O'Neill, Roberts, Dickman, Krasner, Hafen, Hardy, Kasama, Leavitt, McArthur and Thomas	Government Affairs	Assembly Committee on Government Affairs 4/8/2021 8:00 AM	
		Amend, and do pass as amended	

[AB336](#) Requires an annual behavioral healthcare assessment for peace officers. (BDR 23-226)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Monroe-Moreno and Roberts	Government Affairs	Assembly Committee on Government Affairs 4/9/2021 8:00 AM Amend, and do pass as amended	

[AB346](#) Establishes procedures to fix rates for certain health care goods and services. (BDR 40-786)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Orentlicher	Health and Human Services		

[AB353](#) Revises provisions governing sexual misconduct in public schools. (BDR 34-768)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Duran and Torres	Education	Assembly Committee on Education 4/6/2021 1:00 PM Heard	

[AB371](#) Enacts provisions governing discrimination based on race. (BDR 34-697)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Brittney Miller	Education	Assembly Committee on Education 4/8/2021 1:00 PM Amend, and do pass as amended	

[AB385](#) Revises provisions relating to compensation received by public officers and employees. (BDR 23-52)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Benitez-Thompson and Brittney Miller	Government Affairs	Assembly Committee on Government Affairs 4/9/2021 8:00 AM Amend, and do pass as amended	

[AB396](#) Makes various changes relating to the use of deadly force. (BDR 15-1042)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Committee on Judiciary	Second Reading	Assembly Committee on Judiciary 4/8/2021 8:00 AM Do pass	

[ACR4](#) Directs the Legislative Commission to appoint a committee to conduct an interim study on general improvement districts. (BDR R-199)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Assemblymen Krasner, Matthews and Torres; Senator Settelmeyer	Legislative Operations and Elections		

[SB5](#) Makes changes relating to telehealth. (BDR 40-416)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Committee on Health and Human Services	Health and Human Services	Senate Committee on Health and Human Services 4/6/2021 3:30 PM Amend, and do pass as amended	

[SB26](#) Revises provisions relating to the protection of personally identifiable information from release. (BDR 52-332)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Committee on Commerce and Labor	Failed Deadline: 4/9/2021 14.3.1		

[SB36](#) Revises provisions relating to plans for responses to crises, emergencies and suicides by schools. (BDR 34-296)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Committee on Education	Education	Senate Committee on Education 2/22/2021 1:00 PM Amend, and do pass as amended	

[SB39](#) Provides for the acceptance of transfers of certain digital representations of United States dollars by certain governmental entities. (BDR 31-396)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Committee on Government Affairs	Failed Deadline: 4/9/2021 14.3.1	Senate Committee on Government Affairs 2/17/2021 3:30 PM Heard, No Action	

[SB68](#) Revises provisions governing public investments. (BDR 31-399)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Committee on Government Affairs	General File	Senate Committee on Finance 3/22/2021 8:00 AM Amend, and do pass as amended	

[SB77](#) Revises provisions relating to public bodies. (BDR 19-466)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Committee on Government Affairs	Government Affairs	Senate Committee on Government Affairs 4/9/2021 Upon Call of Chair Amend, and do pass as amended	

[SB79](#) Provides for the incorporation of the City of Laughlin. (BDR S-190)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Hardy	Failed Deadline: 4/9/2021 14.3.1		

[SB107](#) Makes various changes relating to the statute of limitations for certain causes of action. (BDR 2-872)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Ohrenschall	Judiciary	Senate Committee on Judiciary 3/25/2021 1:00 PM Amend, and do pass as amended	

[SB115](#) Revises provisions relating to the confidentiality of certain personal information of certain persons. (BDR 20-605)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Spearman	Failed Deadline: 4/9/2021 14.3.1		

[SB135](#) Revises provisions governing access to the property and employees of public schools. (BDR 34-627)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Senators Buck, Hansen and Settlemeyer; Assemblymen O'Neill, Wheeler, Titus, Hardy, Matthews and McArthur	Failed Deadline: 4/9/2021 14.3.1		

[SB139](#) Requires certain health insurance to cover treatment of certain conditions relating to gender dysphoria. (BDR 57-54)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Scheible and Harris	Commerce and Labor	Senate Committee on Commerce and Labor 4/2/2021 8:00 AM Amend, and do pass as amended	

[SB199](#) Prohibits certain types of racial discrimination in employment and education. (BDR 53-216)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Harris and Neal	Failed Deadline: 4/9/2021 14.3.1		

[SB203](#) Revises provisions relating to civil actions involving certain sexual offenses against minors. (BDR 2-577)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Dondero Loop, Cannizzaro, Donate, Harris, Neal, Ohrenschall, Ratti, Scheible and Spearman	Judiciary	Senate Committee on Judiciary 4/9/2021 1:00 PM Amend, and do pass as amended	

[SB212](#) Revises provisions relating to the use of force by peace officers. (BDR 14-215)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Harris, Ohrenschall and Spearman	Judiciary	Senate Committee on Judiciary 4/2/2021 1:00 PM Amend, and do pass as amended	

[SB216](#) Revises provisions relating to community water systems. (BDR 19-590)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Hammond, Goicoechea, Pickard, Hardy and Settelmeyer	Failed Deadline: 4/9/2021 14.3.1		

[SB221](#) Revises provisions relating to public employment. (BDR 23-629)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Senators Buck, Hardy, Goicoechea, Hansen, Kieckhefer, Pickard and Seevers Gansert; Assemblymen Dickman and O'Neill	Failed Deadline: 4/9/2021 14.3.1		

[SB236](#) Makes various changes relating to public safety. (BDR 23-217)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Harris	Judiciary	Senate Committee on Judiciary 4/6/2021 1:00 PM Amend, and do pass as amended	

[SB239](#) Revises provisions relating to cybersecurity. (BDR 52-63)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Seevers Gansert	Failed Deadline: 4/9/2021 14.3.1		

[SB246](#) Prohibits the collection of surveillance data by law enforcement agencies under certain circumstances. (BDR 14-828)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Seevers Gansert	Failed Deadline: 4/9/2021 14.3.1		

[SB262](#) Establishes provisions requiring the award of reasonable attorney's fees under certain circumstances. (BDR 2-640)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Senators Settlemeyer, Pickard, Goicoechea, Hardy, Hansen, Buck, Hammond, Kieckhefer and Seevers Gansert; Assemblymen Titus, Wheeler, Dickman, O'Neill, Ellison, Black, Hafen, Kasama, Krasner, Leavitt, Matthews, McArthur, Roberts and Tolles	Failed Deadline: 4/9/2021 14.3.1		

[SB266](#) Revises provisions relating to workers' compensation. (BDR 53-706)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Goicoechea	Failed Deadline: 4/9/2021 14.3.1		

[SB289](#) Revises provisions relating to workers' compensation. (BDR 53-713)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Harris	Commerce and Labor	Senate Committee on Commerce and Labor 4/7/2021 8:00 AM Amend, and do pass as amended	

[SB295](#) Revises provisions relating to industrial insurance. (BDR 53-996)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Cannizzaro	Commerce and Labor	Senate Committee on Commerce and Labor 4/9/2021 7:30 AM Amend, and do pass as amended	

[SB327](#) Revises provisions relating to discriminatory practices. (BDR 53-574)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Neal and Harris	Government Affairs	Senate Committee on Government Affairs 4/7/2021 3:30 PM Amend, and do pass as amended	

[SCR1](#) Urges employers in this State to provide personal protective equipment to employees to prevent the spread of COVID-19. (BDR R-189)

Sponsor	Status / Location	Last Meeting and Action	Next Meeting
Hardy, Harris, Kieckhefer, Ratti and Spearman	Secretary of State	Assembly Committee on Commerce and Labor 3/26/2021 Upon Adjournment Be adopted	



**Nevada Public Agency Insurance Pool
Public Agency Compensation Trust**
201 S. Roop Street, Suite 102
Carson City, NV 89701-4779
Toll Free Phone (877) 883-7665
Telephone (775) 885-7475
Facsimile (775) 883-7398

**Notice of Meetings and Agendas for the Meeting of
the Board of Directors and of the Executive Committee of
Public Agency Compensation Trust**

Join Zoom Meeting

<https://us02web.zoom.us/j/88934020177?pwd=ZGEzdkVEUVVVR1RRTUZZajJzWUVndz09>

Meeting ID: 889 3402 0177

Passcode: 632020

One tap mobile

+16699006833,,88934020177#,,,,*632020# US (San Jose)

+12532158782,,88934020177#,,,,*632020# US (Tacoma)

ALL AUDIO WILL BE TELEPHONE ONLY

Dial by your location

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

Meeting ID: 889 3402 0177

Passcode: 632020

Find your local number: <https://us02web.zoom.us/j/88934020177?pwd=ZGEzdkVEUVVVR1RRTUZZajJzWUVndz09>

Date: April 22, 2021

**Time: upon adjournment of Joint Board and Executive Committee
Meeting which starts at 8:00am**

AGENDA

Notices:

- 1. Items on the agenda may be taken out of order;**
- 2. Two or more items on the agenda may be combined for consideration**
- 3. Any item on the agenda may be removed or discussion may be delayed at any time**
- 4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken.**
- 5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.**

1. Introductions and Roll

2. Public Comment

3. **For Possible Action: Consent Agenda: Approve as a Whole Unless Moved From Consent Agenda**
 - a. Approval of Minutes of Board Meetings of April 17, 2020
 - b. Acceptance of Interim Financial Statements
 - c. Actuarial Overview of PACT Reserve Liabilities as of June 30, 2020.
4. **For Possible Action: Acceptance of Audit for June 30, 2020**
5. **For Possible Action: Approval of PACT Retention Options and Renewal Reinsurance Proposals and Options**
6. **For Possible Action: Approval of Budget for 2021-2022**
 - a. Budget Narrative
 - b. Actuarial Overview
7. **For Possible Action: Approval of SpecialtyHealth Fit For Retirement Program Agreement**
8. **For Possible Action: Action regarding these topics as required by Nevada Administrative Code:**
 - a. Review of financial condition of each member and prompt notification to the Members of any Member determined to be operating in a hazardous financial condition
 - b. Review of the loss experience of each Member of the association - Claims Experience Report Summary
 - c. Review for removal of Members with excessive loss experience or Members determined by the Board to be operating in a hazardous condition
9. **For Possible Action: Election of Executive Committee for Two Year Terms 2021-2023**
 - a. One Representative from Counties and/or Cities with less than 35,000 Population
 - b. One Representative from Hospitals
 - c. One Representative of School Districts
10. **For Possible Action: Election of Chair and Vice Chair**
11. **Public Comment**
13. **For Possible Action: Adjournment**

This Agenda was posted at the following locations and on the State Website notice.nv.gov:

N.P.A.I.P. / P.A.C.T.
 201 S. Roop Street, Suite 102
 Carson City, NV 89701

Carson City Courthouse
 885 E. Musser Street
 Carson City, NV 89701

Eureka County Courthouse
 10 S. Main Street
 Eureka, NV 89316

Churchill County Administration
 155 North Taylor Street
 Fallon, NV 89406

NOTICE TO PERSONS WITH DISABILITIES

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Nevada Public Agency Insurance Pool or Public Agency Compensation Trust in writing at 201 S. Roop Street, Suite 102, Carson City, NV 89701, or by calling (775) 885-7475 at least three working days prior to the meeting.



**Nevada Public Agency Insurance Pool
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Toll Free Phone (877) 883-7665
Telephone (775) 885-7475
Facsimile (775) 883-7398

**Notice of Meetings and Agendas for the Meeting of
the Board of Directors and of the Executive Committee of
Public Agency Compensation Trust**
Virtual Only

Date: April 17, 2020

**Time: upon adjournment of Joint Board and Executive Committee Meeting
which starts at 8:30am**

Minutes

1. Call to Order

Vice Chairman Cash Minor called the meeting to order at 9:47 am. A quorum of members were virtually present. It was noted that Chairman Paul Johnson had a Legislative Educational Funding Committee meeting and was unable to participate.

2. Public Comment

There were no public comments

**3. For Possible Action: Consent Agenda: Approve as a Whole Unless Moved From Consent
Agenda**

- a. Approval of Minutes of Board Meetings of April 17, 2019**
- b. Acceptance of Interim Financial Statements**
- c. Actuarial Overview**

Member Josh Foli made a motion to approve the Consent Agenda. Second was by Elizabeth Francis. Motion carried.

4. For Possible Action: Acceptance of Audit for June 30, 2019

Alan Kalt reviewed the Audit Report for Fiscal Year Ending June 30, 2019. He noted a clean opinion from our Independent Auditor. Net Position went from \$39,374,120 to \$33,454,855 due primarily to underwriting loss of \$583,148, administrative expenses of \$2,944,933 and amortization of transfer from PACT of \$4,321,761 with an offset of non-operating investment income of \$2,989,380. PACT current and long-term loss reserves increased from \$47,629,539 to \$50,781,567 during the year. Investments increased by \$1,644,481 from \$49,996,097 to \$51,640,578. Due to increased claims losses, our key financial benchmark figures slide backwards but remained within our Policy Guidelines. See Audit presentation for details. After a brief discussion, Josh Foli made a motion and second by Elizabeth Francis to accept the PACT Audit for June 30, 2019 which carried.

5. For Possible Action: Approval of Accounting Policy Expensing All Transfer of Net Contribution Surplus to PCM in the Year of Transfer

Alan Kalt reviewed the materials in the board packet noting that the captives were formed to reduce the cost of insurance, to obtain direct access to reinsurance, to broaden coverage for policyholders, to broaden investment opportunities and to build equity to enable provision of coverage not obtainable elsewhere. The contributions of surplus were amortized over a 10-year period which resulted in an annual significant amortization expense resulting in operational losses and a Net Contribution Surplus to PCM/PRM on the Statement of Net Position. This proposed policy would seek to expense the entire transfer in the year it occurred. The independent auditor, Executive Committee and staff recommended this change effective July 1, 2018. We remain within our Net Position Policy Statement of Net Position to SIR being at least 20: 1. Restating the two prior years, the ratio is 41.1 and 35.7 for FY 2018 and FY 2019. Kalt noted that with this policy change, our financial statements would be more comparable to our Peer Group when comparing financial benchmarks with other Pools across the Country. Josh Foli made a motion to approve the recommended change in accounting policy to expense the transfer of net contribution surplus to PCM in the year of transfer effective on July 1, 2018. Second by Geof Stark and motion carried.

6. For Possible Action: Approval of PACT Retention Options and Renewal Reinsurance Proposals and Options

Stephen Romero, our Willis Pooling broker, gave a state of the market update for workers compensation noting that in the near-term rates remain soft but the Covid-19 issues may affect rates going forward. He noted improvements in medical care and adoption of return-to-work programs have led to a decrease in lost-time claims. Advancement in medical technology have contributed to workers compensation “mega claims”, which are defined by the NCCI as workers compensation claims in excess of \$10M. These claims have become more frequent in recent years with 70% of these claims arising from motor vehicle accidents and falls from elevation. Stephen went of the renewal quotations noting a total premium increase of 9.21% (\$251,767) over expiring rates. The largest increase was within the captive layers (PCM) due to significant claims paid from this layer over the past several years. PCM rate was determined by our independent actuary using 75% confidence level. After a brief discussion, Josh Foli made a motion to approve the PACT retention option and the renewal reinsurance proposal as submitted. It was seconded by Mike Giles. Motion carried.

7. For Possible Action: Approval of Budget for 2020-2021

Alan Kalt said a basic budget was prepared considering the current financial situation. Total assessments were based on projected costs and NO ASSESSMENT CHARGE related to COVID-19 was factored into the budget. Loss expenses were projected at the 70% Confidence Level for PACT and 75% for PCM. Increases in program and administrative expenses were primarily due to high claim volume resulting in increased claims processing fees and Insurance Division fees charged to PACT. Projected operating income is \$575,000 or 3.2% of total revenues. Investment income projected at a book rate of return of over 2.5%. Loss Control grants up to \$500,000 will be paid from Surplus. The Board and Staff recognize the difficult times and is reflected in the budget. See the detailed budget in the Board packet. A motion to approve the PACT Budget for 2020-21 was made by Josh Foli and second by Geof Stark. Motion carried.

8. For Possible Action: Approval of Extension of Willis Pooling Service Contract to Expire July 1, 2026

Wayne Carlson and Mary Wrey from Willis indicated that Willis was willing to extend the existing contract 5 years at no additional cost. It was noted that Willis and AON are going to be merging in the upcoming year pending regulators approval. Josh Foli made a motion to approve the Willis Pooling Service Contract extension to expire on July 1, 2026. Mike Giles second the motion which carried.

- 9. For Possible Action: Action regarding these topics as required by Nevada Administrative Code:**
- a. Review of financial condition of each member and prompt notification to the Members of any Member determined to be operating in a hazardous financial condition**
 - b. Review of the loss experience of each Member of the association - Claims Experience Report Summary**
 - c. Review for removal of Members with excessive loss experience or Members determined by the Board to be operating in a hazardous condition**

It was noted that a couple of members are under fiscal watch by the Department of Taxation and that all members are being adversely affected by the economic fallout of COVID-19. A review of the loss experience by members were noted in the Board packet. NO members were noted for removal for excessive losses or operating in a hazardous financial condition. Josh Foli made a motion to take No Action on this item. Second by Mike Giles. Motion carried.

- 10. For Possible Action: Election of Executive Committee for Two Year Terms 2020-2022**
- a. One Representative from Counties and/or Cities with less than 35,000 Population**
 - b. One Representative of School Districts**
 - c. One Representative of Special Districts/Towns**

Executive Director Wayne Carlson noted that all the incumbents were willing to continue to serve. Those include Cindy Hixenbaugh (Pershing General Hospital), Elizabeth Frances (White Pine County) and Paul Johnson (WP County School District). Cash Minor asked if there were any members who wanted to seek election. There were none. A motion by Josh Foli and a second by Mike Giles to reappoint the members to the Executive Committee.

11. For Possible Action: Election of Chair and Vice Chair

Wayne Carlson indicated that Chairman Paul Johnson and Vice Chairman Paul Johnson were willing to continue to serve as Chair and Vice Chair. A motion by Mike Giles and second by Josh Foli to appoint Paul Johnson as Chairman and Cash Minor as Vice Chairman. Motion carried.

12. Public Comment

Wayne Carlson wanted to recognize Mike Livermore from Davies (formerly ASC) as he is retiring at the end of the month. His dedicated service to PACT has been very much appreciated. Margaret Malzahn has been promoted to take his place.

13. For Possible Action: Adjournment

At 10:21 am a motion by Elizabeth Frances and second by Chris Mulkerns the meeting was adjourned.

PUBLIC AGENCY COMPENSATION TRUST
Statement of Assets, Liabilities and Equity
February 28, 2021

	Operating Fund (Unrestricted)	Trust Fund (Restricted)	TOTAL FUNDS
ASSETS			
Cash and Equivalents	1,427,091.77	4,410,647.73	5,837,739.50
Pledged Account Cash Equivalents	-	636,443.04	636,443.04
Investments	11,696,004.80	38,294,504.59	49,990,509.39
Investments - State of Nevada		4,401,568.26	4,401,568.26
Investments Interest Receivable	42,947.71	172,104.91	215,052.62
Member Assessments Receivable	229,947.54	-	229,947.54
Heart Lung Fund Receivable	-	-	-
Agent Compensation Receivable	-	-	-
Interfund Account	34,686.00	(34,686.00)	-
Interfund Account - Heart/Lung	12,790.00	(12,790.00)	-
Suspense	-	-	-
Specific Recoverable	-	705,177.67	705,177.67
Prepaid Expenses	147,705.81	1,235,267.50	1,382,973.31
	13,591,173.63	49,808,237.70	63,399,411.33
TOTAL ASSETS	13,591,173.63	49,808,237.70	63,399,411.33
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	-	-	-
Payable To Investment Brokers	-	-	-
Payable For Risk Management Grants	93,384.68	-	93,384.68
Agent Compensation Payable	-	-	-
Specific Recoverable		705,177.67	705,177.67
Loss Reserves		133,355,526.23	133,355,526.23
Loss Reserves - Heart/Lung		28,629,932.20	28,629,932.20
Claims Payments		(109,551,369.70)	(109,551,369.70)
Claims Payments - Heart/Lung		(555,254.95)	(555,254.95)
Voucher Payments		2,423,865.50	2,423,865.50
Fund Balances:			
Fund Balance	13,497,788.95	(5,199,639.25)	8,298,149.70
	13,497,788.95	(5,199,639.25)	8,298,149.70
TOTAL LIABILITIES AND FUND BALANCES	13,591,173.63	49,808,237.70	63,399,411.33

Unaudited Report for Management and Insurance Division Use Only

PUBLIC AGENCY COMPENSATION TRUST

Income Statement

For the Eight Months Ending February 28, 2021

	<u>Operating Fund (Unrestricted)</u>	<u>Trust Fund (Restricted)</u>	<u>TOTAL FUNDS</u>
REVENUES			
Assessments	1,819,309.76	5,457,929.24	7,277,239.00
Heart Lung Fund	-	1,009,832.50	1,009,832.50
Agent Compensation	120,820.00	-	120,820.00
PCM Risk Mitigation Services	287,500.00	-	287,500.00
Investment Interest Income	203,305.37	738,428.48	941,733.85
Bank Interest Income	-	1,960.61	1,960.61
Investment Realized Gains/(Losses)	-	64,864.96	64,864.96
Investment Unrealized Gains/(Losses)	(194,728.28)	(655,558.46)	(850,286.74)
Premium/Discount Investments	(77,968.13)	(259,314.08)	(337,282.21)
Total Revenues	<u>2,158,238.72</u>	<u>6,358,143.25</u>	<u>8,516,381.97</u>
LOSS RESERVES & INSURANCE EXPENSES			
Claims and Adjustment Expenses	-	4,613,796.80	4,613,796.80
Heart Lung Loss Reserves Expenses	-	1,022,622.50	1,022,622.50
Excess Insurance Premiums	-	311,688.00	311,688.00
Reinsurance Premium (PCM)	-	1,513,722.00	1,513,722.00
Total Loss Reserves & Insurance Expenses	<u>-</u>	<u>7,461,829.30</u>	<u>7,461,829.30</u>
PROGRAM EXPENSES			
Member Education and Services	212,499.00	-	212,499.00
PRI Grant	302,848.00	-	302,848.00
Spec. Health-Cardiac Wellness	433,019.47	-	433,019.47
Loss Control Expense (Willis Pooling)	270,664.00	-	270,664.00
Risk Management Grants	56,466.93	-	56,466.93
Claims TPA Fees (ASC)	-	574,810.03	574,810.03
Underwriting Fees (Willis Pooling)	-	20,000.00	20,000.00
Specialty Health MCO Contract	-	41,201.04	41,201.04
Total Loss Fund and Program Costs	<u>1,275,497.40</u>	<u>636,011.07</u>	<u>1,911,508.47</u>
ADMINISTRATION EXPENSES			
Sponsorship Fees	4,100.00	-	4,100.00
Travel	5,283.20	-	5,283.20
Casualty Insurance	24,736.00	-	24,736.00
Dues & Seminar Fees	8,349.79	-	8,349.79
Audit Expense	21,748.00	-	21,748.00
Printing & Copying Expense	4,583.35	-	4,583.35
Postage	1,386.43	-	1,386.43
Office Supplies	1,212.78	-	1,212.78
Telephone Expense	219.29	-	219.29
Legal Expense	1,916.70	-	1,916.70
Board & Committee Meetings	-	-	-
Actuary Expense	15,320.00	-	15,320.00
Bank Service Charges	18,335.77	-	18,335.77
Agent Compensation	117,076.00	-	117,076.00
NRP Grant	465,752.00	-	465,752.00
Insurance Division Fees	767,427.35	-	767,427.35
Nevada Insolvency Fund	-	20,900.00	20,900.00
Investment Expense	53,428.32	5,301.52	58,729.84
Total Administrative Expenses	<u>1,510,874.98</u>	<u>26,201.52</u>	<u>1,537,076.50</u>
REVENUES OVER EXPENSES	<u>(628,133.66)</u>	<u>(1,765,898.64)</u>	<u>(2,394,032.30)</u>

Unaudited Report for Management and Insurance Division Use Only



PACT
ACTUARIAL REVIEW
OF SELF-INSURED
WORKERS'
COMPENSATION
PROGRAM

Presented by Alan Kalt

BICKMORE ACTUARIAL STUDY

- Derek Burkhalter, ACAS, MAAA Senior Manager, Bickmore Actuarial
- Outstanding Liabilities as of June 30, 2020
- Data used to calculate the reserves for PACT Audited Financial Statements
- Report Format
 - Conclusions & Recommendations
 - Liability for Outstanding Claims as of 6-30-2020
 - Program Funding: Goals & Objectives
 - Historical Trends
 - Comparison with Previous Results
 - Data Provided for the Analysis
- Report complies with GASB #10 and #30

CONCLUSIONS & RECOMMENDATIONS

- Best Estimate of PACT's Outstanding Claims Liabilities for **Workers' Compensation** as of June 30, 2020

Confidence Levels	Expected	70%	75%	85%	90%
Reserves	\$51.01M	\$53.306M	\$54.286M	\$56.917M	\$58.853M

PACT Uses 75% Confidence Level

PROGRAM FUNDING



A liability for unpaid claim cost, included all loss adjustment expenses, should be accrued at the time the self-insured events occur. IBNR included.



GASB #10 and #30 do not address funding requirements, rather, a range of funded amounts to be recognized as a funding margin for unexpectedly adverse loss experience. May use discounting for investment income.



The uncertainty in any estimate of outstanding liability should take into account funding policy to have adequate reserves for unexpected adverse loss experience.



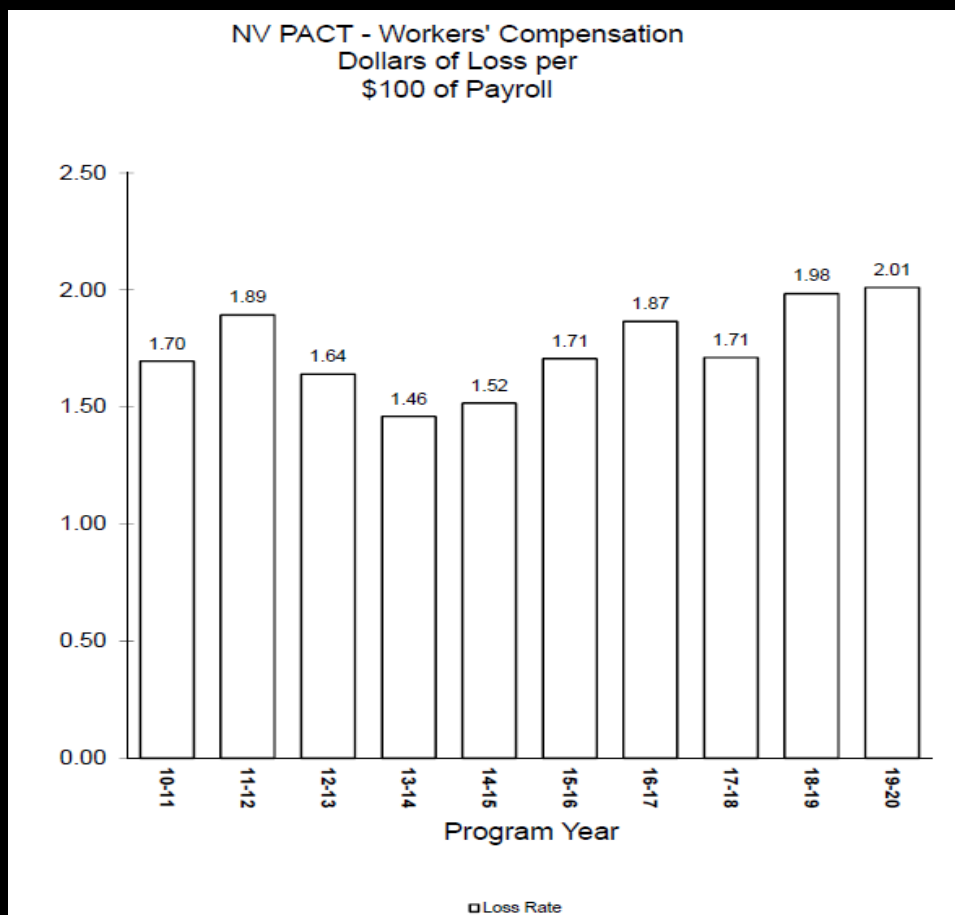
Key Factor in Funding Policy: Degree of Stability in level of Contributions
Higher the Confidence Level less likely to need additional contributions should adverse claim development occur in past years as well as current yr.

FUNDING GOALS & OBJECTIVES

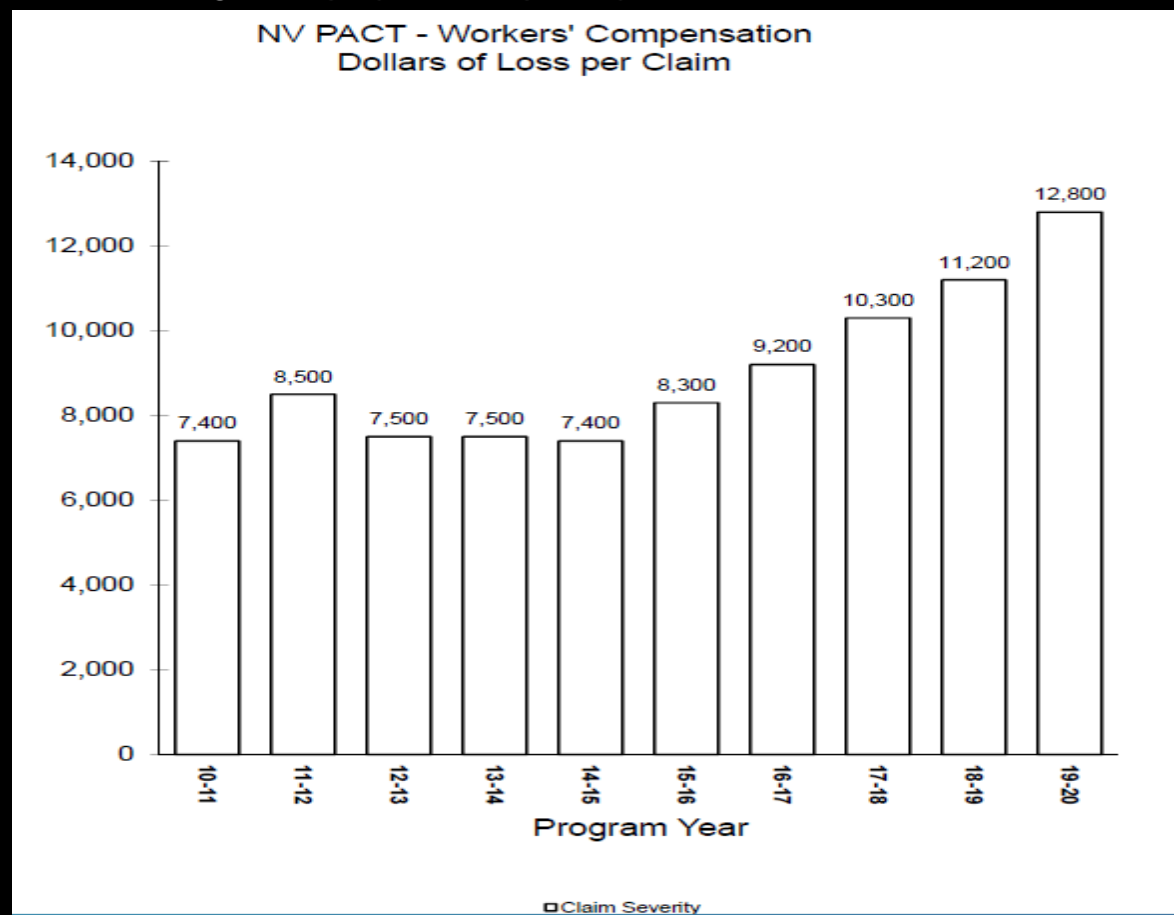
- Bickmore recommends program funding at the 80% CL after recognition of investment income, with a recommended range of the 75% to 80% CL
- They recommend this as the resulting funding will be sufficient to meet claim liabilities, yet not too large to have the entity experience undue \$ hardship.
- Need to fund each year's claims cost in that year.
- When surpluses or deficiencies have developed and funding adjustments are necessary, these should be clearly identified.
- Recommend that you reduce surplus funding more slowly than you would accumulate funding to make up a deficiency.

HISTORICAL TRENDS

Dollars of Loss Per \$100 of Payroll 10 Year Trend

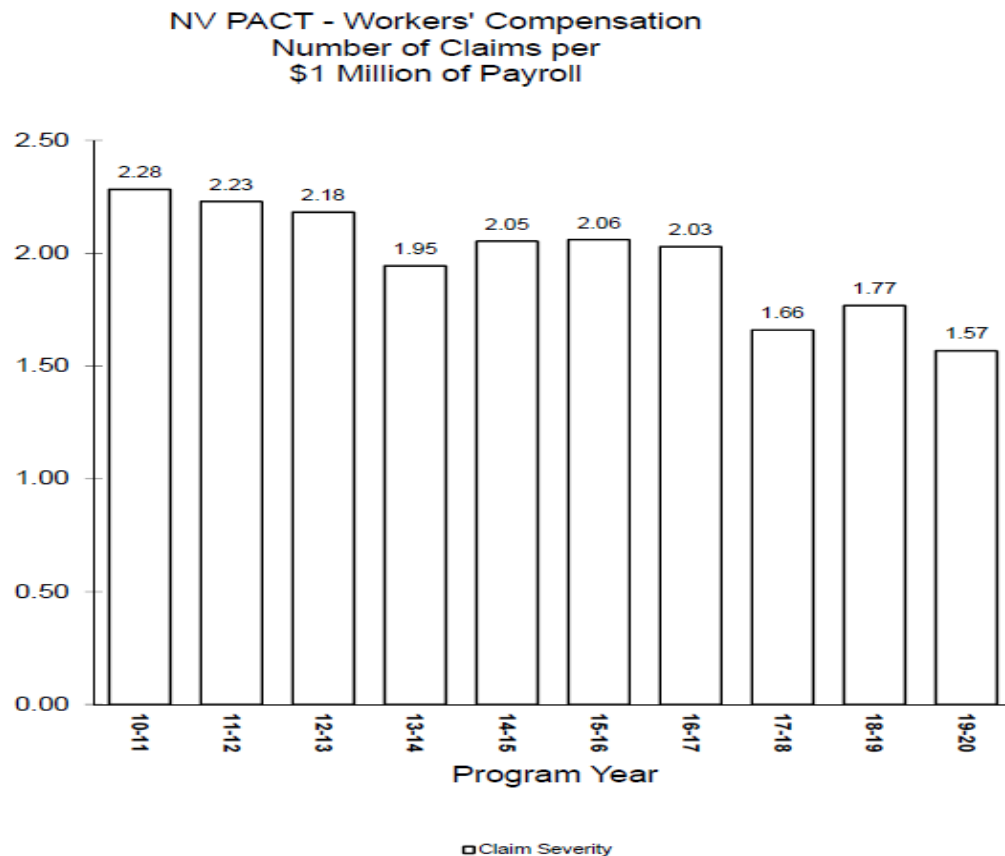


Dollars of Loss per Claim 10 Year Trend



Number of Claims per \$1 Million of Payroll

HISTORICAL TRENDS



Summary of Key Trends

- Dollar of Loss per \$100 of Payroll is INCREASING 😞
- Dollars of Loss per Claim is INCREASING 😞
- Number of Claims per \$1M Payroll is DECREASING 😊

COMPARISON WITH PREVIOUS RESULTS

ACTUAL VS. EXPECTED INCURRED LOSS AND ALAE DEVELOPMENT

Prior Year Report 9-12-2019

Current Year Claim
Development 9 -4- 2020 Report

Actual Versus Expected Incurred Loss and ALAE Development

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
1995-2000	\$16,000	\$0	(\$16,000)
2000-2001	4,000	22,000	18,000
2001-2002	4,000	0	(4,000)
2002-2003	3,000	0	(3,000)
2003-2004	11,000	(50,000)	(61,000)
2004-2005	7,000	0	(7,000)
2005-2006	8,000	0	(8,000)
2006-2007	9,000	235,000	226,000
2007-2008	16,000	51,000	35,000
2008-2009	11,000	0	(11,000)
2009-2010	9,000	0	(9,000)
2010-2011	14,000	202,000	188,000
2011-2012	17,000	205,000	188,000
2012-2013	71,000	148,000	77,000
2013-2014	99,000	34,000	(65,000)
2014-2015	205,000	13,000	(192,000)
2015-2016	271,000	132,000	(139,000)
2016-2017	454,000	473,000	19,000
2017-2018	374,000	282,000	(92,000)
2018-2019	1,229,000	1,222,000	(7,000)
2019-2020	3,266,000	4,969,000	1,703,000
Total	\$6,098,000	\$7,938,000	\$1,840,000

Actual Versus Expected Paid Loss and ALAE Development

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
1995-2000	\$33,000	\$27,000	(\$6,000)
2000-2001	28,000	18,000	(10,000)
2001-2002	5,000	1,000	(4,000)
2002-2003	12,000	11,000	(1,000)
2003-2004	176,000	199,000	23,000
2004-2005	25,000	54,000	29,000
2005-2006	10,000	1,000	(9,000)
2006-2007	41,000	344,000	303,000
2007-2008	30,000	31,000	1,000
2008-2009	55,000	55,000	0
2009-2010	112,000	101,000	(11,000)
2010-2011	229,000	215,000	(14,000)
2011-2012	206,000	63,000	(143,000)
2012-2013	141,000	111,000	(30,000)
2013-2014	165,000	87,000	(78,000)
2014-2015	238,000	55,000	(183,000)
2015-2016	240,000	227,000	(13,000)
2016-2017	441,000	415,000	(26,000)
2017-2018	417,000	603,000	186,000
2018-2019	1,894,000	1,948,000	54,000
2019-2020	1,645,000	2,394,000	749,000
Total	\$6,143,000	\$6,960,000	\$817,000

OUTSTANDING CLAIM LIABILITY FOR LOSS AND LAE

Outstanding Claim Liabilities for Loss and LAE

	Prior Report at June 30, 2019	Current Report at June 30, 2020	Change
(A) Case Reserves:	\$10,463,000	\$11,438,000	\$975,000
(B) IBNR Reserves:	9,480,000	8,522,000	(958,000)
(C) Corridor Deductible Reserves:	2,842,000	2,850,000	8,000
(D) Heart and Lung Reserves:	25,555,000	27,097,000	1,542,000
(E) Claims Administration Reserves:	1,101,000	1,103,000	2,000
(F) Total Undiscounted Reserves:	\$49,441,000	\$51,010,000	\$1,569,000

COMPARATIVE SCHEDULE OF CLAIMS DEVELOPMENT

PUBLIC AGENCY COMPENSATION TRUST

COMPARATIVE SCHEDULE OF CLAIM DEVELOPMENT FOR WORKERS COMP AND HEART & LUNG – UNDISCOUNTED – (UNAUDITED)

EARNED ASSESSMENTS AND ALLOCATED EXPENSES FOR TEN-YEAR PERIOD - YEAR ENDED JUNE 30,

Required Contributions & Investment Income:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Earned	\$14,187,888	\$16,229,877	\$14,049,941	\$16,420,666	\$17,557,830	\$18,508,907	\$14,573,896	\$11,270,837	\$15,890,773	\$18,128,099
Ceded	760,706	821,229	1,196,334	1,178,052	1,626,286	1,621,360	1,770,677	2,457,932	2,144,133	2,670,526
Net earned	\$13,427,182	\$15,408,648	\$12,853,607	\$15,242,614	\$15,931,544	\$16,887,547	\$12,803,219	\$8,812,905	\$13,746,640	\$15,457,573
Unallocated Expenses	5,196,331	6,075,535	6,580,620	6,167,162	6,114,625	6,130,390	6,130,390	8,345,504	9,336,538	4,781,074
Estimated Incurred Claims & Expense End of Policy Year:										
Incurred	7,226,000	8,393,000	8,503,886	8,561,944	8,324,685	8,809,127	8,905,595	8,020,826	8,054,118	10,705,201
Ceded	-	-	-	-	-	-	-	-	-	-
Net Incurred	7,226,000	8,393,000	8,503,886	8,561,944	8,324,685	8,809,127	8,905,595	8,020,826	8,054,118	10,705,201
Net Paid (cumulative) as of:										
End of policy year	1,627,122	1,875,562	1,861,690	1,564,723	1,512,648	1,581,898	1,788,670	1,734,359	2,245,351	2,453,286
One Year Later	3,604,503	3,460,736	3,221,497	2,848,563	2,901,684	3,378,486	4,153,214	3,738,335	4,193,000	-
Two Years Later	4,245,842	4,582,100	3,754,301	3,434,826	3,545,887	4,117,819	5,062,121	4,341,000	-	-
Three Years Later	5,004,699	5,268,006	4,110,874	3,859,081	3,855,565	4,541,756	5,478,000	-	-	-
Four Years Later	5,153,264	5,447,815	4,169,758	3,989,877	3,929,559	4,769,000	-	-	-	-
Five Years Later	5,490,173	5,654,308	4,189,790	4,064,157	3,985,000	-	-	-	-	-
Six Years Later	5,746,369	5,754,247	4,274,071	4,151,000	-	-	-	-	-	-
Seven Years Later	5,981,875	5,810,088	4,385,000	-	-	-	-	-	-	-
Eight Years Later	6,134,733	5,873,000	-	-	-	-	-	-	-	-
Nine Years Later	6,350,000	-	-	-	-	-	-	-	-	-
Re-estimated ceded claims & Expenses	-	-	-	-	-	-	-	419,446	67,511	-
Re-estimated Claims & Expense										
End of policy year	7,226,000	8,393,000	8,503,886	8,561,944	8,324,685	8,809,127	8,905,595	8,020,826	8,054,118	10,705,201
One Year Later	8,156,000	8,599,083	8,064,886	8,461,944	8,035,685	8,841,127	9,105,595	7,561,826	8,059,118	-
Two Years Later	8,204,000	8,412,083	7,583,886	8,171,944	7,921,685	8,638,127	9,116,595	7,460,826	-	-
Three Years Later	8,855,000	8,590,083	7,436,886	7,991,944	7,702,685	8,638,127	9,173,595	-	-	-
Four Years Later	8,367,000	8,416,083	7,138,886	7,754,944	7,570,685	8,499,127	-	-	-	-
Five Years Later	8,626,000	8,594,083	6,984,886	7,637,944	7,411,685	-	-	-	-	-
Six Years Later	8,678,000	8,412,083	6,986,886	7,562,944	-	-	-	-	-	-
Seven Years Later	8,855,000	8,554,083	7,007,886	-	-	-	-	-	-	-
Eight Years Later	9,148,000	8,686,083	-	-	-	-	-	-	-	-
Nine Years Later	9,361,000	-	-	-	-	-	-	-	-	-
Increase(Decrease) in Estimated Incurred Claims & Expenses from End of Policy Year:	\$2,135,000	\$293,083	(\$1,496,000)	(\$999,000)	(\$913,000)	(\$310,000)	\$268,000	(\$560,000)	\$5,000	-

This information is required by the Governmental Accounting Standards Board

ASSUMPTIONS & LIMITATIONS

- Based on loss experience, exposure data and info provided by PACT
- Relied on statistics and historical loss development patterns of PACT
- Assumed PACT's historical development patterns form a reasonable basis to predict PACT's Future Loss Development
- Cannot predict impact of future law changes and court rulings on WC Claim Costs... reasonable now but perhaps not in the future
- Assumed loss rate trend with claim cost increases at 2.5% per year. Claim severity increases at 3.5% per year and claim frequency decreases 1.0% per year. Based in part on PACT data and recent study by the National Council on Compensation Insurance (NCCI)
- Assumed assets held for investment generate 1.5% annual return
- Does NOT include provisions for catastrophic events: earthquakes, flooding, mass civil disorder or mass occupational disease.
- Assumes all excess insurance is valid and collectible.

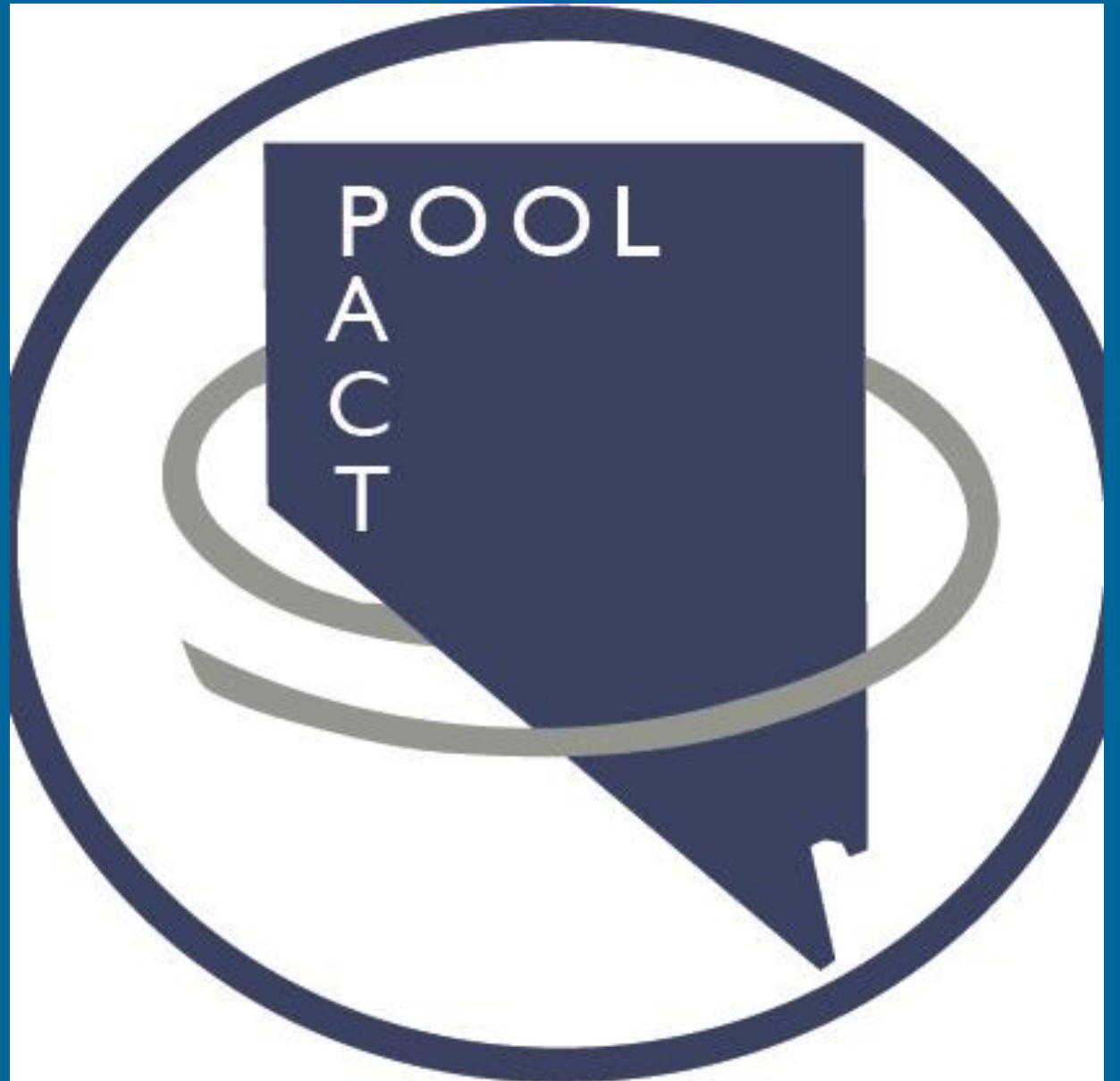


QUESTIONS & REFLECTIONS

*Working Together We
Achieve Superior Results*

PACT AUDIT OVERVIEW

Fiscal Year Ending
June 30, 2020



KEY PLAYERS

Wayne Carlson,
Executive Director
POOL/PACT

Alan Kalt, CFO

Deb Connally,
Controller

Marshall Smith,
Risk Officer

Cash Minor, Chair
NPAIP, Chair PRM

Paul Johnson,
Chair PACT, Chair
PCM

Josh Foli, Audit
Committee
Member

Gina Rackley,
Audit Committee
Member

Michael Bertrand:
Bertrand &
Associates: Audit
Firm

Kathy Parks,
Bob Balkenbush,
General Counsel

Donna Squires,
Davies, Claims
Management

Derek Burkhalter,
Actuary



KEY SECTIONS OF THE AUDIT REPORT

Executive Director's Letter

Management Discussion and Analysis

Independent Auditors Report

Financial Statements:

Statement of Net Position

Statements of Revenues, Expenses and Changes

in Net Position

Statements of Cash Flows

Supplemental Schedule on Unpaid Loss Liabilities

Comparative Schedule of Claim Development



PUBLIC AGENCY COMPENSATION TRUST



PUBLIC AGENCY COMPENSATION TRUST STATEMENTS OF NET POSITION June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u> As restated
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,218,851	\$ 1,646,579
Investments	52,795,859	51,640,578
Investment income receivable	206,305	196,908
Member assessments receivable	4,011,409	3,879,593
Specific recoverable	727,097	519,192
Commissions receivable	56,931	60,208
Receivable from State of Nevada	34,795	-
Prepaid expenses	37,355	-
Total current assets	<u>61,088,602</u>	<u>57,943,058</u>
Noncurrent assets:		
Pledged investments	<u>5,066,106</u>	<u>4,827,144</u>
Total noncurrent assets	<u>5,066,106</u>	<u>4,827,144</u>
TOTAL ASSETS	<u>66,154,708</u>	<u>62,770,202</u>
LIABILITIES		
Current liabilities:		
Accounts payable	279,269	542,772
Commissions payable	56,405	65,639
Specific recoverable	727,097	519,191
Risk Management Grants payable	114,015	140,149
Current portion of reserve for claims losses	6,166,355	6,125,301
Total current liabilities	<u>7,343,141</u>	<u>7,393,052</u>
Noncurrent liabilities:		
Reserve for Worker's Compensation claims losses	21,022,645	19,101,699
Reserve for Heart & Lung claims losses	27,096,740	25,554,567
Total noncurrent liabilities	<u>48,119,385</u>	<u>44,656,266</u>
TOTAL LIABILITIES	<u>55,462,526</u>	<u>52,049,318</u>
NET POSITION - unrestricted		
Net position -unrestricted	5,626,076	5,893,740
Net position -restricted for pledged securities	5,066,106	4,827,144
TOTAL NET POSITION	<u>\$ 10,692,182</u>	<u>\$ 10,720,884</u>

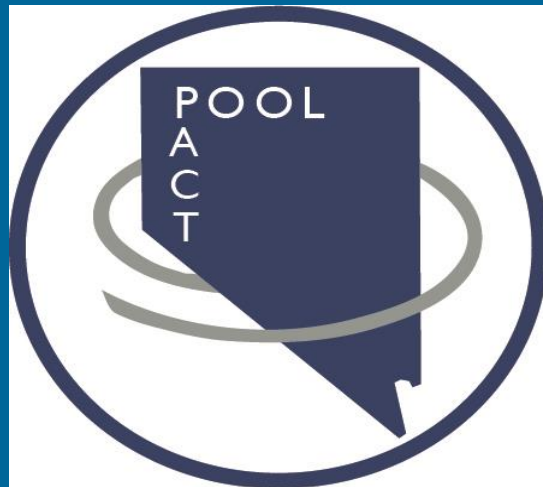
PUBLIC AGENCY COMPENSATION TRUST



PUBLIC AGENCY COMPENSATION TRUST STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION Years ended June 30, 2020 and 2019

	2020	2019 As restated
REVENUES		
Assessments for workers compensation	\$ 12,675,642	\$ 11,792,275
Assessments for heart and lung	1,490,539	1,109,118
PCM risk management services	575,000	-
Total Revenues	<u>14,741,181</u>	<u>12,901,393</u>
LOSS FUND AND PROGRAM EXPENSES		
Claims and adjustment expenses	9,103,742	8,822,730
Heart and Lung loss expenses	1,601,459	1,506,637
Excess insurance premium	432,826	537,133
Re-insurance premium	2,237,700	1,607,000
Member education and services	705,854	652,803
Risk management grants	105,412	314,076
Loss control expense	406,000	406,000
Underwriting and claims processing	1,045,382	1,011,041
Total loss fund and program expenses	<u>15,638,375</u>	<u>14,857,420</u>
ADMINISTRATION EXPENSES		
Management fees	675,000	821,488
Professional services	142,130	107,961
Administrative and overhead	974,374	984,475
Insurance Division fees	706,022	696,933
Nevada insolvency fund and related expenses	20,900	20,000
Total administration expenses	<u>2,518,426</u>	<u>2,630,857</u>
Decrease in operating net position	<u>(3,415,620)</u>	<u>(4,586,884)</u>
Non-operating net investment income	3,386,918	2,989,380
Increase (decrease) in net position	<u>(28,702)</u>	<u>(1,597,504)</u>
Net position, previously stated beginning of year	10,720,884	39,374,120
Prior period adjustment	-	(27,055,732)
Beginning net position as restated	<u>10,720,884</u>	<u>12,318,388</u>
Net position, end of year	<u>\$ 10,692,182</u>	<u>\$ 10,720,884</u>

PUBLIC AGENCY COMPENSATION TRUST



PUBLIC AGENCY COMPENSATION TRUST STATEMENTS OF CASH FLOWS For Years Ended June 30, 2020 and 2019

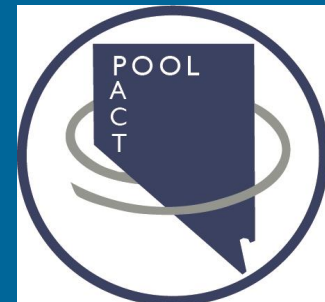
	<u>2020</u>	<u>2019</u> <u>As restated</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Assessments and risk management services	\$ 14,612,642	\$ 12,440,343
Payment for claims	(7,201,028)	(7,177,339)
Payment to vendors	(7,822,621)	(6,771,117)
Net cash (used) provided from operating activities	<u>(411,007)</u>	<u>(1,508,113)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and net realized investment income	1,753,319	1,583,310
Sale of investments	14,119,359	8,955,900
Purchases of investments	(13,889,399)	(9,344,985)
Net cash provided for investing activities	<u>1,983,279</u>	<u>1,194,225</u>
Increase (decrease) in cash and cash equivalents	1,572,272	(313,888)
Cash and cash equivalents, beginning of fiscal year	1,646,579	1,960,467
Cash and cash equivalents, year ended June 30	<u>3,218,851</u>	<u>1,646,579</u>
RECONCILIATION FOR OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating net loss	(3,415,620)	(4,586,884)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
(Increase) in member assessments receivable	(131,816)	(457,642)
(Increase) Receivable from State of Nevada	(34,795)	-
(Increase) in specific recoverable	(207,906)	(332,284)
(Increase) in prepaid expenses	(37,355)	-
(Decrease) increase in agent compensation receivable	3,277	(3,408)
(Decrease) increase in accounts payable	(263,502)	393,383
Decrease (increase) in agent compensation payable	(9,235)	8,839
Increase in specific recoverable	207,906	332,283
(Decrease) in Risk Management Grants payable	(26,134)	(14,428)
Increase in loss reserves	3,504,173	3,152,028
Net cash used by operating activities	<u>\$ (411,007)</u>	<u>\$ (1,508,113)</u>

Total Capital Contributions to PCM	\$53,700,939
PCM Total Surplus 12-31-2019 Audit	\$77,854,824
Investment Balance at 6-30-2020	\$52,795,859
Total Assets at 6-30-2019	\$66,154,708
Reserves for claim losses WC	\$27,189,000
Reserves for claim losses Heart Lung	\$27,096,740
Net Investment Income for 2020	\$ 3,386,918
Net Position June 30, 2020	\$10,692,182
Total Assessment Revenues FY 2020	\$14,741,181
Member education and services	\$ 705,854
Total Loss Fund and program expenses	\$15,638,375
Total Administration Expenses	\$ 2,518,426

PUBLIC AGENCY COMPENSATION TRUST

KEY FINANCIAL FIGURES

See detailed financial statements and notes for more details.



Mission Statement Financial Items:

Financial Strength, security, and durability

Cost Effective risk sharing and financing

Stewards of Public Assets

Vision Statement:

To sustain financial strength to meet our commitment to

Members

Net Position to SIR (Target 20:1) 21.38 to 1.0

SIR To Net Position 0.01 to 1.0

Cash/Investments to Current Liabilities 7.6 to 1.0

Total Assets/Total Liabilities 1.19 to 1.0

Revenues to Net Position 1.38 to 1.0

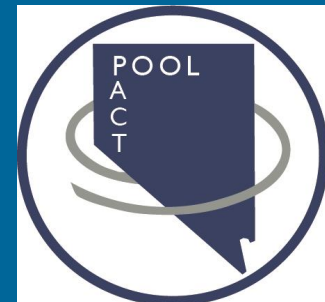
Loss Reserves to Net Position 5.08 to 1.0

See detailed financial statements and notes for more details.

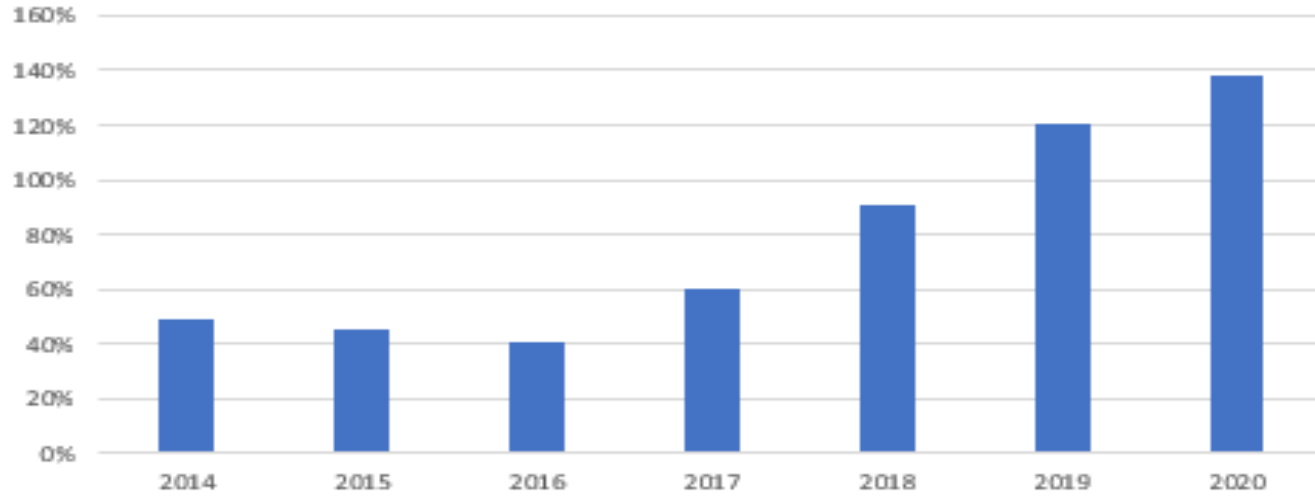
PUBLIC AGENCY COMPENSATION TRUST

KEY FINANCIAL BENCHMARK FIGURES

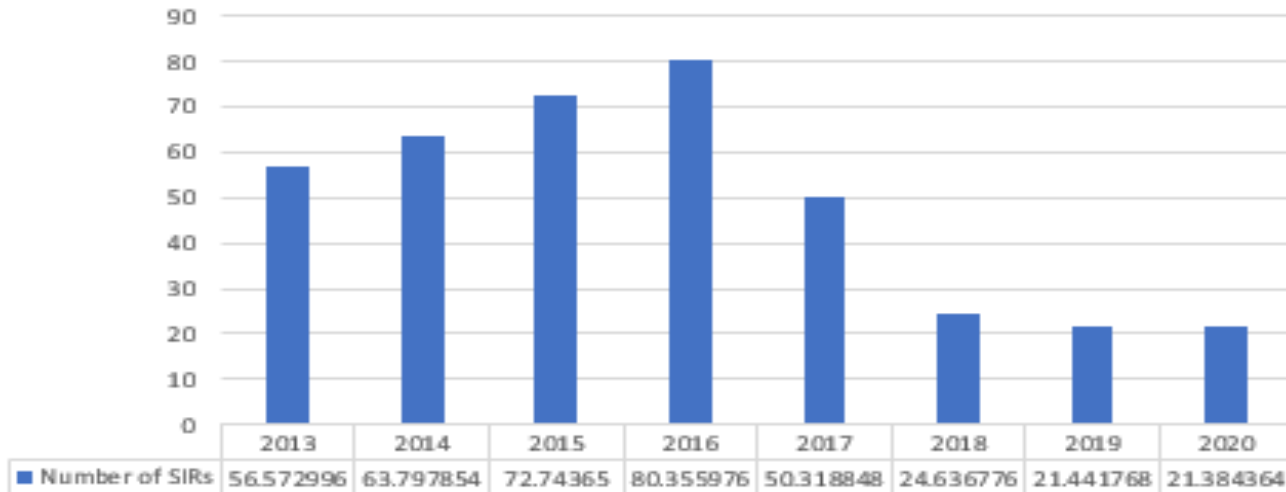
Bench Mark Data Analysis								
PACT	2013	2014	2015	2016	2017	2018	2019	2020
PACT Premiums to Surplus	50.63%	49.22%	45.33%	40.66%	60.22%	90.82%	120.34%	137.87%
PACT Surplus to SIR	56.57	63.80	72.74	80.36	50.32	24.64	21.44	21.38
PACT Pure Loss and Loss Adjustment Ratio	56.65%	52.09%	45.55%	52.81%	56.53%	70.45%	80.06%	72.62%
PACT Program Expense Ratio including Reinsu	24.58%	19.05%	25.03%	28.85%	127.78%	129.10%	35.10%	33.47%
PACT Admin Expense Ratio (Excluding Deprec	10.77%	10.43%	8.78%	8.33%	11.03%	15.97%	20.39%	17.08%



PACT Premiums To Surplus

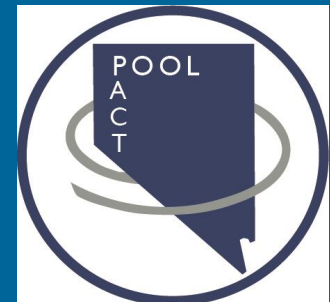


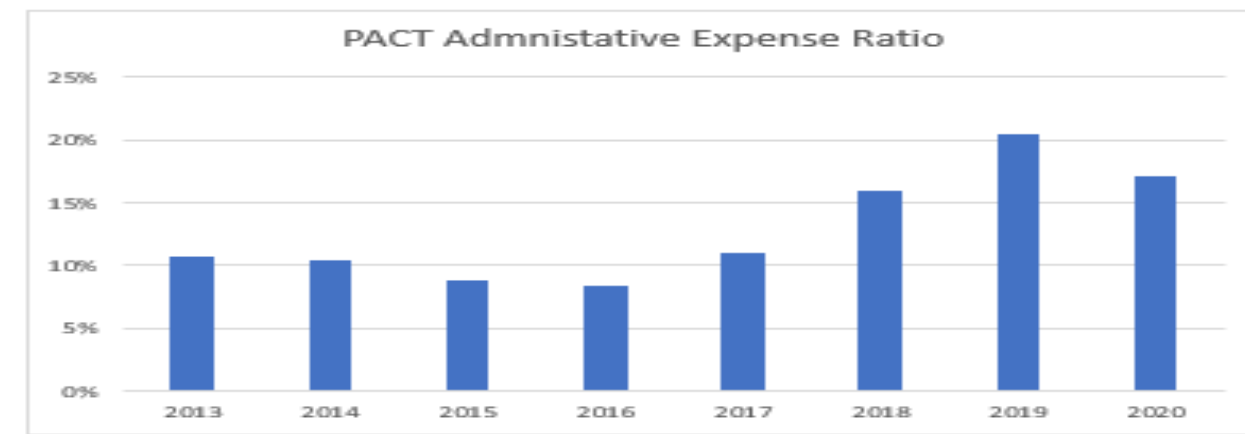
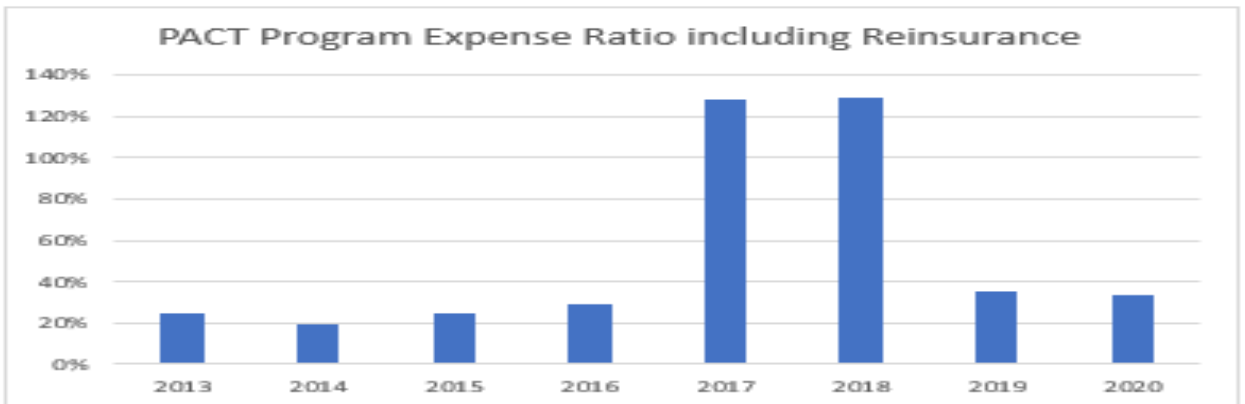
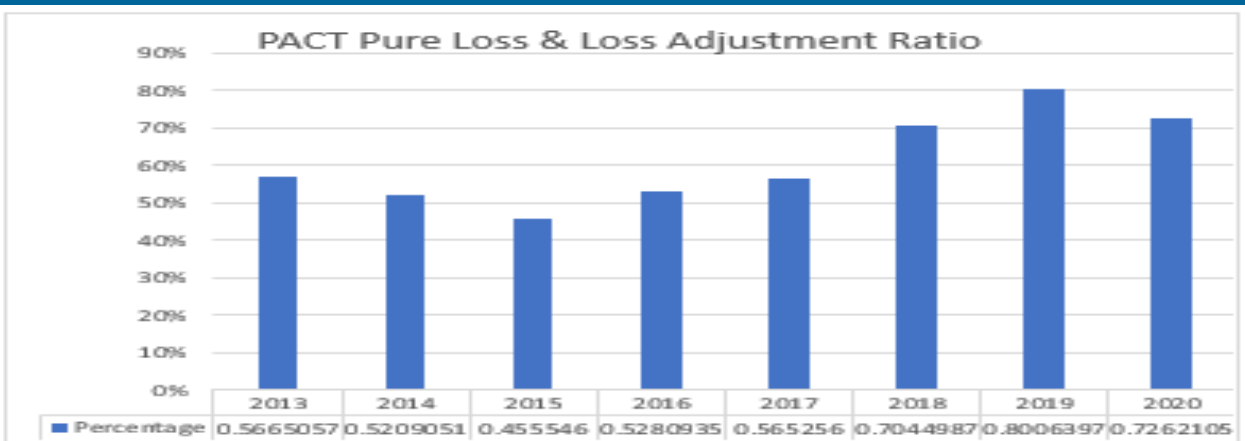
PACT Surplus To SIR



PUBLIC AGENCY COMPENSATION TRUST

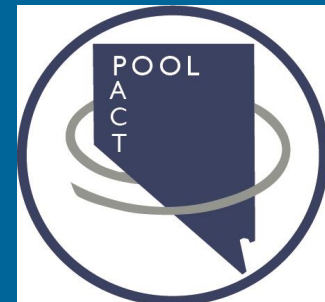
KEY FINANCIAL BENCHMARK FIGURES





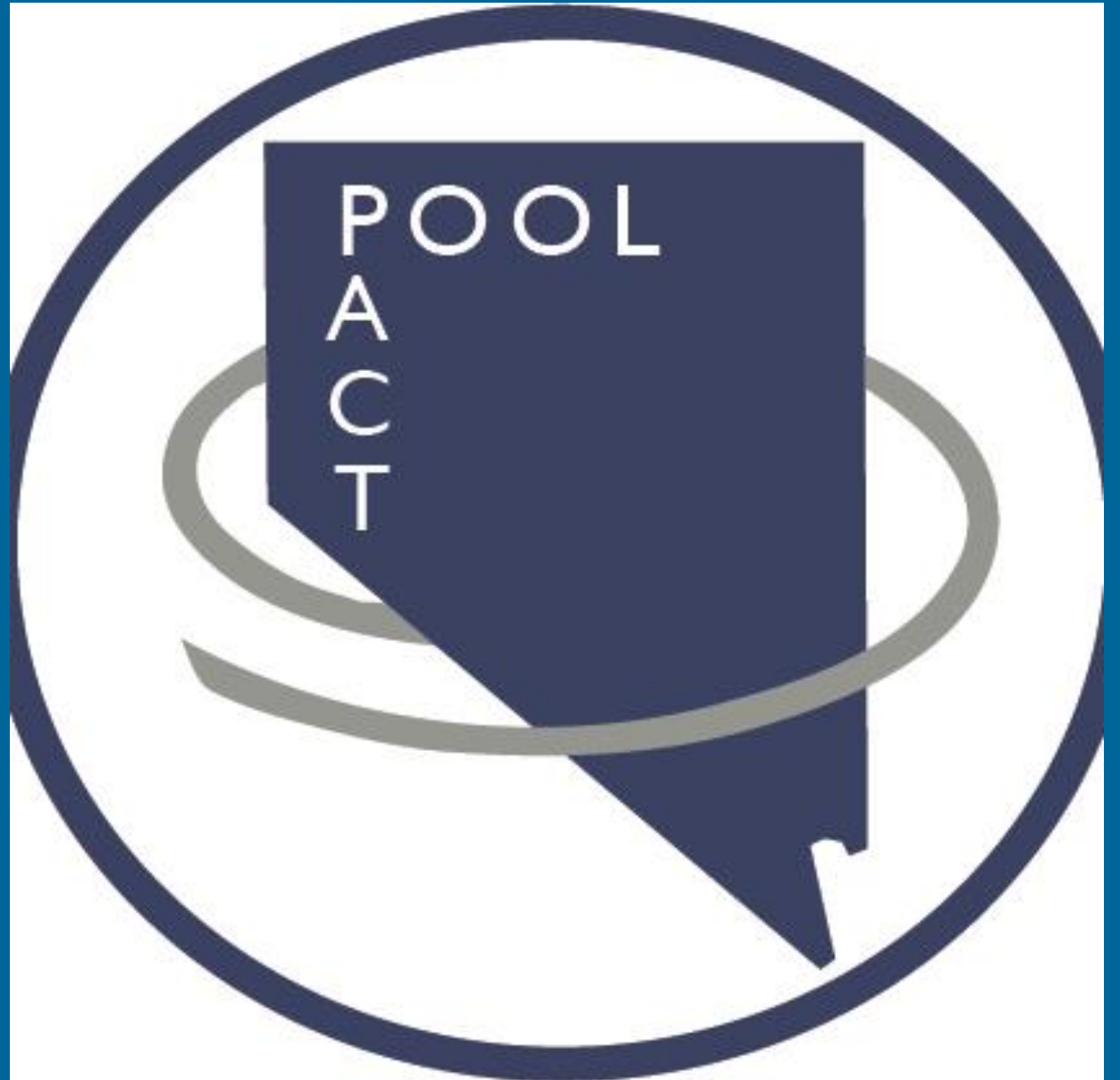
PUBLIC AGENCY COMPENSATION TRUST

KEY FINANCIAL BENCHMARK FIGURES



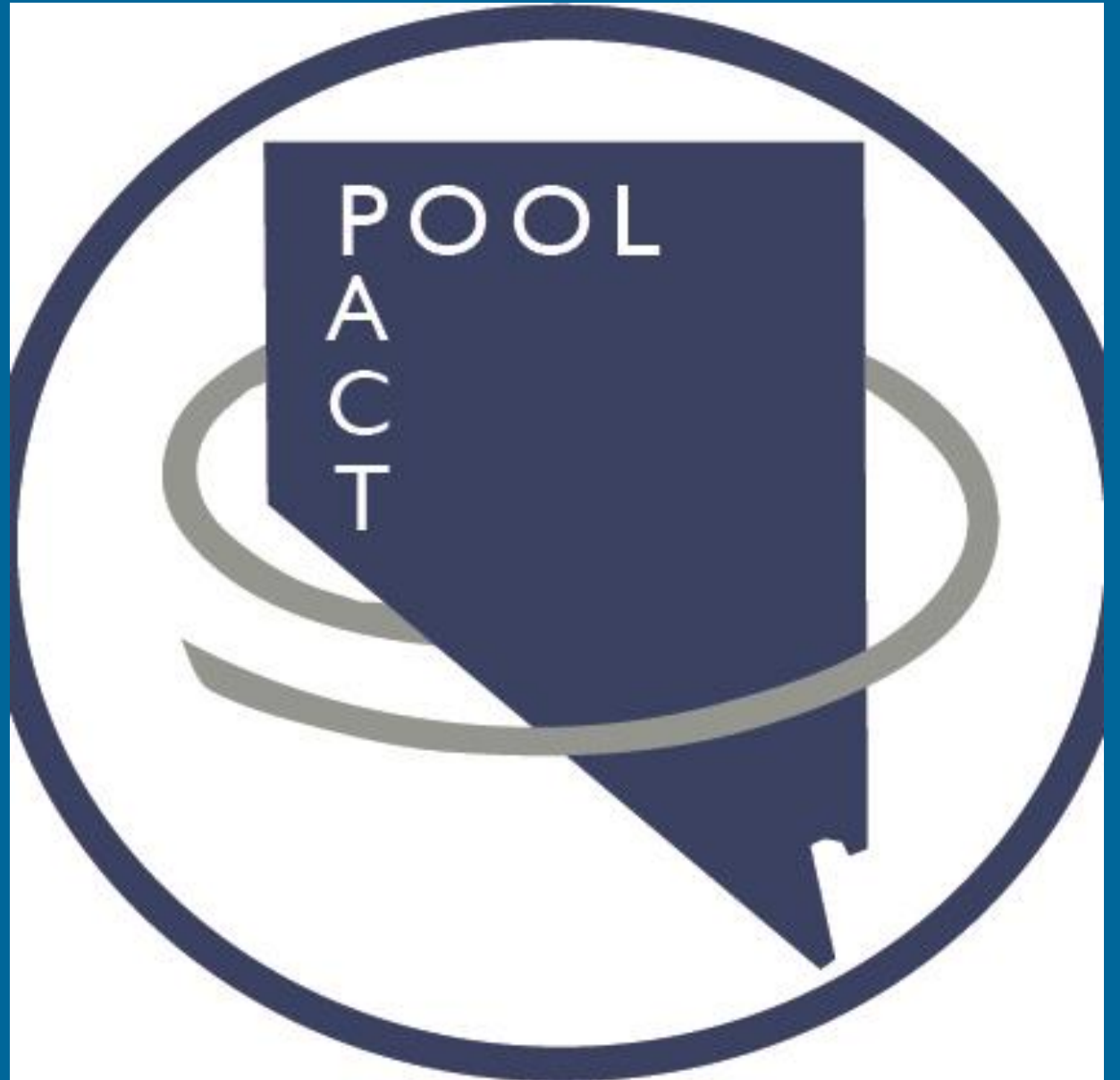
PACT AUDIT
QUESTIONS &
ANSWERS

Fiscal Year Ending
June 30, 2020



THANK YOU FOR
YOUR FINANCIAL
LEADERSHIP

*Working Together
We Achieve Superior Results*



September 30, 2020

Board of Directors
Public Agency Compensation Trust
201 S. Roop St., Suite 102
Carson City, NV 89701

Dear Board members,

We have audited the financial statements of the business-type activities of Public Agency Compensation Trust (PACT) for the years ended June 30, 2020 and 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards require that we provide you with the following information related to our audit which is divided into the following sections:

Section I – Required Communications with those Charged with Governance

Section II – Other Recommendations and Related Information

Section I includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the Board in our Audit Committee Letter.

Section II presents recommendations related to internal controls, procedures, and other matters during our current audit year. These comments are offered in the interest of helping the Board in its efforts toward continuous improvement, not just in the areas of internal controls and accounting procedures, but also in operations and administrative efficiency and effectiveness.

Section I – Communications Required under AU 260

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated October 30, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the

supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter regarding planning matters dated October 30, 2019.

Significant Audit Findings:

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by PACT are described in Note 1 to the financial statements. There were accounting policy changes during the year as described in Notes 1 and 12 of the financial statements. Those changes were to no longer discount the loss reserves and to no longer amortize contributions to Public Compensation Mutual.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were:

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events, and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting PACT's financial statements were for the unpaid claims loss liability, accounts receivable and the change in policy for the capitalization of contributions to Public Compensation Mutual.

Management's estimate of the loss reserves are based on a study prepared by an independent actuary. Accounts receivable is based on management's estimate of what they believe is collectible derived from known facts.

We evaluated the key factors and assumptions used to develop the loss reserves and accounts receivable balance in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was Note 11 regarding the unpaid loss liability.

Contributions to Public Compensation Mutual were capitalized which resulted in prior-period adjustments at June 30, 2018 to restate beginning Net Position of the prior year and remove amortization of contributions that had been reported in the prior year audit.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatement

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There was one misstatement discovered during our audit and management corrected that by expensing the amounts disbursed for the new Nevada Risk Pooling grant. We proposed various adjustments which are discussed in detail in our letter to the audit committee.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 30, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Section II – Other Recommendations and Related Information

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the

financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We provided an audit committee recommendations letter dated September 30, 2020 to the audit committee. In this letter we identified exceptions noted and recommendations.

This information is intended solely for the use of the board of directors charged with governance and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in blue ink that reads "Bertrand & Associates, LLC". The signature is written in a cursive, slightly slanted style.

Bertrand & Associates LLC

**PUBLIC AGENCY COMPENSATION TRUST
FINANCIAL STATEMENTS
June 30, 2020 and 2019**

CONTENTS

INDEPENDENT AUDITORS REPORT	3
EXECUTIVE DIRECTOR'S LETTER	5
MANAGEMENT'S DISCUSSION AND ANALYSIS	8
FINANCIAL STATEMENTS	
Statement on Net Position	14
Statement of Activities and Changes in Net Position	15
Statement of Cash Flows	16
Notes to Financial Statements	17
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Unpaid Loss Liabilities	25
Comparative Schedule of 10 Year Claims Development	26

INDEPENDENT AUDITOR'S REPORT

To the Executive Director and the Board of Directors
Public Agency Compensation Trust
Carson City, Nevada

Report on the Financial Statements

We have audited the accompanying statements of net position of the Public Agency Compensation Trust, a non-profit corporation, as of June 30, 2020 and 2019 and the related statements of revenues, expenses and changes in net position, and statements of changes in cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Public Agency Compensation Trust as of June 30, 2020 and 2019 and the respective revenues and expenses and changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Restatement of the Financial Statements

Without modifying our opinion, we draw attention to Note 12 to the restated financial statements, which explains that the restated statements for the year ended June 30, 2019 have been restated from those which we originally reported on September 30, 2019.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 10-year claims development schedule be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. A supplemental schedule of unpaid loss liabilities for workers compensation and heart and lung claims, though not required, is also provided. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Bertland # Associates, LLC

September 30, 2020
Carson City, Nevada

EXECUTIVE DIRECTOR'S LETTER

Members of Public Agency Compensation Trust;

As the Executive Director, I am pleased to present the PACT Annual Audited Financial Statements for the year ended June 30, 2020, the conclusion of our 23rd full year of operations. As noted in part of PACT's Mission Statement, we excel in financial strength, security, and durability and cost-effective risk sharing and financing. This financial report will demonstrate our commitment to our Mission Statement.

In addition to the preparation of the audited financial statements in accordance with GASB pronouncements and other financial standards, this report includes a required Management Discussion and Analysis of the financial results during the years.

Over the years, the Board adopted fiscally responsible policies to retain net position to achieve long-term, stable financial results for members. In 2016, they adopted a Net Assets policy to target net position at a minimum of twenty times the highest self-insured retention. In 2020, they approved a change in the accounting policy related to the transfer of capital to PCM to expense 100% in the year of transfer effective retroactively to July 1, 2018 noting that the unamortized balances will be a reduction in PACT's Net Position as Contributed Surplus to PCM would be eliminated in the restatement of the 2019 financial statement.

As of July 1, 2018, Contributed Surplus from PACT was \$53,700,939 with accumulated amortization of \$26,645,207 resulting in Contributed Surplus, net of accumulated amortization, of \$27,055,732 which was eliminated in the July 1, 2018 Net Position. Even with this accounting change, a Net Position of \$10,692,182, we have exceeded the Net Assets to Retention goal for this year (21.4:1) and for the comparison year (21.4: 1) shown in the audit. Net position decreased during the year because of an increase in claim reserves for both the worker's compensation and heart lung long-term claims as calculated by our independent actuary by \$1,920,946 and \$1,542,173, respectively. The increase is due in part to a reduction in the discount factor from 1.5% to zero in the reserve calculation. Additionally, claims adjustment expenses increased from \$8,822,730 to \$9,103,742 in Fiscal Year 2019/2020, an increase of \$281,012 or 3.2% over the prior year.

Since Fiscal Year 2007, PACT has contributed \$53,700,939 to the PCM captive to serve as one of the workers compensation reinsurers for PACT. The benefits of the captive are reduced administrative costs, reinsurance opportunities and a broader investment portfolio including risk assets.

Through the oversight of the Audit Committee, Executive Committee and the Board of Trustees, coupled with the Nevada Division of Insurance regulatory review, PACT Members can be assured that PACT will remain financially sound. Members should be proud of the success we have achieved together.

PACT has been serving its membership for over 23 years. We are government risk experts with a passion for risk management services. As the risk management arm for our members, PACT manages claims and provides a broad array of in-depth loss control services, training, risk consultation and programs and resources to guide our members' efforts toward reducing the probability of losses and the effect of losses that do occur. With services such as POOL/PACT Human Resources, our extensive support system for human resources issues, members receive support services no one else offers.

Other factors that set PACT apart include the following:

- 1) Alternative Services Concepts/Davies (ASC/Davies -PACT's claims administrator) experienced adjusters manage claims efficiently and effectively and maintain quality as evidenced by external claims audits.
- 2) SpecialtyHealth, the managed care organization, and MCMC, the bill reviewer, for PACT helped the adjusters manage claims and costs effectively,
- 3) Loss control efforts of the Willis Re Pooling team and staff risk manager have proven effective and further initiatives are being implemented under the oversight of the Members' Loss Control Committee, and
- 4) The continuing Fit For Retirement Program help reduce potential heart claims.

Workers compensation self-funded programs experience significant volatility particularly when the retention levels per loss are high. PACT management, consistent with board policy, selected a 75% actuarial confidence level as a prudent level to keep PACT Board's goals of creating and sustaining a durable financial position. PACT maintains an interest in PCM as its sole policyholder and is entitled to a return of those capital contributions before any other distributions can be made by PCM. The captive continues to enjoy financial success as a reinsurance option for PACT.

The table below shows some key financial ratios tracked by management and the board to benchmark PACT's financial condition and risk retention strategies:

Financial Ratios	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	
					As restated	2019/2020
Total Revenue	\$ 16,486,613	\$ 16,337,985	\$ 15,149,782	\$ 11,187,905	\$ 12,901,393	\$ 14,741,181
Revenue over (under) Expenses	\$ 2,306,508	\$ 2,129,544	\$ (3,131,158)	\$ (7,414,464)	\$ (4,586,884)	\$ (3,415,620)
Operating Net Position	\$ 1,235,291	\$ (41,378)	\$ (2,556,342)	\$ (7,497,396)	\$ (4,586,884)	\$ (3,415,620)
Non-operating Net Investment Income	\$ 1,071,217	\$ 2,170,922	\$ (574,816)	\$ 82,932	\$ 2,989,380	\$ 3,386,918
Total Assets	\$ 88,670,007	\$ 94,114,671	\$ 93,825,979	\$ 87,551,333	\$ 62,770,202	\$ 66,154,708
Total Liabilities	\$ 40,759,841	\$ 44,194,929	\$ 47,037,395	\$ 48,177,213	\$ 52,049,318	\$ 55,462,526
Net Position	\$ 47,910,186	\$ 49,919,742	\$ 46,788,584	\$ 39,374,120	\$ 10,720,884	\$ 10,692,182
Net Position to SIR (Board Target 20:1); Benchmark >5:1	95.82	99.84	93.58	78.75	21.44	21.38
SIR to Net Position (Benchmark: captives <.10; group capitives <.25)	0.01	0.01	0.01	0.01	0.05	0.05
% Assets attributable to Net Position	54.0%	53.0%	49.9%	45.0%	17.1%	16.2%
Total assets/total liabilities	2.18	2.13	1.99	1.82	1.21	1.19
Revenues to Net Assets (Benchmark: <2.5:1 and >0	0.34	0.33	0.32	0.28	1.20	1.38
Loss Reserves to Net Position (discounted); Benchmark <3:1 and >0	0.46	0.47	0.50	0.55	4.17	4.50
Total liabilities to liquid assets: Benchmark <100%	60%	59%	74%	86%	90%	91%
Change in members' Net Position: >- 10%	5.1%	4.2%	-6.3%	-15.8%	-72.8%	-0.3%
Return on Net Position: Net Operating Income/Net Position	2.6%	-0.1%	-5.5%	-19.0%	-42.8%	-31.9%
Return on Net Position: Total Income/Net Position	4.8%	4.3%	-6.7%	-18.8%	-42.8%	-31.9%

We continue to provide stability in the mist of uncertainty, allowing members to focus on serving their communities. We will continue to provide reliability and stability in a risky workers compensation world.

Economic Factors:

For fiscal year ending June 30, 2020, economic conditions showed signs of some growth continuing for the nation and Nevada. Medical inflation still exceeds the general inflation rate, and this affects the underlying costs of claims payable by PACT. While Nevada retains a fee schedule to limit cost increases, recent reviews of the fee schedule components resulted in increases in the last few years. Wage inflation generally is low in the public sector, which keeps disability costs down. A legislative change in 2003 resulted in adoption of the 5th Edition of the AMA guide to rating impairments, which increased costs overall. The 2009 Legislature fixed the 5th Edition into statute rather than having the most current edition be implemented by regulation.

The Nevada Supreme Court reached a decision in 1998 interpreting the special provisions for heart and lung coverage for qualifying police officers and firefighters that concluded that once these persons meet the five years of continuous service eligibility for benefits, those benefits are available for life regardless of any connection to actual work at the time the claims are made. PACT undertook an actuarial study to estimate the lifetime cost of risk associated with this decision. That study indicated that the present value of the future benefits for former employees was estimated to range from \$5,668,000 to \$22,258,000, depending upon the interpretation as to which legal theory may be applicable. A subsequent actuarial study confirmed a change in the range of values to between twenty and eighty million, again depending upon the assumptions made about claims manifestation.

A legislative change in the 2017 session increased disability claims costs for heart and lung claims because a bill eliminated the disablement time frame for public safety for such claims. Another element may impact the employer's process for reviewing physical examinations potentially impeding the cardiac wellness program efforts. Another 2017 change in legislation called for regulatory adoption of updated actuarial disability rating schedules. While the regulation change was not adopted until after

the close of fiscal year end June 30, 2018, it will have a future effect on disability claims valuations for all types of claims beginning in fiscal year ending June 30, 2019.

In the 2019 Legislative session, several bills will impact PACT's future financial picture. For firefighters, a bill expanding the list of cancers that are reasonably associated with employment also added language to include substances reasonably anticipated to be a human carcinogen. Further it extends coverage for up to lifetime similar to the heart-lung provisions. Another bill expanded vocational rehabilitation programs which will increase costs. Post-traumatic stress disability claims coverage was expanded to include all first responders including dispatchers related to mass casualty events directly witnessed or heard. Two bills added an inflationary increase in the PTD benefits for open claims and for new claims after July 1, 2019. PACT reviewed the actuarial rate implications of these bills for funding beginning July 1, 2020 and increased the heart lung rate by \$1.00. In addition, PACT reduced the rate discount by half in anticipation of earlier impact of these legislative changes.

The heart/lung assessments collected for fiscal year ended June 30, 2020 totaled \$1,490,539 compared to June 30, 2019 \$1,109,118 based upon an increase in the manual rate assessment with a relatively flat change in payroll basis.

Even though PACT faces possible increases due to heart lung claims for law enforcement and firefighters, PACT supports the brave efforts of these professionals serving our communities. It is the mission of PACT to minimize heart lung claims through strong risk management practice, so our professionals stay healthy during and after their service.

Preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff. Staff includes Wayne Carlson, Executive Director, Mike Rebaleati, Chief Operations Officer, Marshall Smith, Chief Risk Officer, Alan Kalt, Chief Financial Officer, Debbie Connally, Controller, Melissa Mack, Accounting Technician, Zaria Hanes, Administrative Assistant and Mike Van Houten, e-learning Manager and Webmaster. Thanks also to the dedicated professional staff from Bertrand & Associates, LLC, our independent auditors, for their contribution and support throughout the audit process. Special thanks to the Executive Committee, Audit Committee and Board of Directors for their keen interest and support in the planning and conducting of the financial operations of PACT in a responsible and progressive manner.

Thank you for your participation in PACT and for having confidence in our ongoing ability to meet the Mission, Vision and Motto you set for our member services consortium. We welcome your comments and suggestions to further strengthen PACT's financial position, to provide you with additional information and to enhance Member services. I am honored to serve as Executive Director. Thank you for your continued active participation as a Member of PACT.

Sincerely,

Wayne Carlson
PACT Executive Director

PUBLIC AGENCY COMPENSATION TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019

Public Agency Compensation Trust's (PACT) discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the entity's financial activities, (c) identify changes in PACT's financial position (its ability to address subsequent years challenges) and (d) identify any material deviations from the financial plan.

We encourage readers to read this information in conjunction with the Executive Director's transmittal letter, financial statements and notes to gain a more complete understanding of the information presented.

Organization Overview

Public Agency Compensation Trust was formed by local governments for the purpose of organizing an association of self-insured public agencies providing workers' compensation coverage. Approved by the Division of Insurance on March 20, 1996, the Trust began operations on April 1, 1996. The Trust's objective is to provide member services that will reduce the cost of claims.

PACT provides workers compensation coverage to member governmental entities and hospitals pursuant to state statutes. The program is fully funded by member entities and is governed by a Board of Trustees composed of representatives of each member. Any member may withdraw from the program by giving 120 days' notice in advance of the next renewal date. PACT's independent actuary is an approved Rate Service Organization and develops PACT loss rates to be assessed and collected.

Background:

PACT is subject to Governmental Accounting Standards Board (GASB) requirements set forth in GASB Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government*. PACT's financial information must be accompanied by enhanced analysis, both short and long term, and explanations of significant financial statement elements. Since PACT operates as an enterprise created pursuant to NRS 277, the Interlocal Cooperation Act, its financial statements will be presented in a manner that reflects its operations much like a private company. PACT also is regulated by the Nevada Division of Insurance as an association of self-insured public agencies and must file certain financial schedules in addition to the GASB required information.

Using this Annual Report:

Since the financial statements report information about PACT using accounting methods similar to those used by private sector organizations, these statements offer short- and long-term financial information about PACT's activity. The financial statements show a comparison of two audited years ending June 30, 2020 and June 30, 2019 to facilitate understanding of changes in the financial position over time.

The Statement of Net Position includes all of PACT's assets and liabilities and information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing rate of return, evaluation of the capital structure and for assessing the solvency, liquidity and financial flexibility of PACT.

Current year revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of PACT's operations for the fiscal year compared to the previous fiscal year and can be used as a measure of PACT's credit worthiness and whether PACT successfully recovers its costs through its sources of revenue.

The Statement of Cash Flows serves to provide information about PACT's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments and net changes in cash resulting from operations, capital and related financing activities and investing activities. It also discloses from where cash comes, for what it was used and the change in cash balance during the reporting period. Since PACT incurs financial obligations to pay claims that occurred in the past from current year resources and at the same time receives revenue that it must retain for payment of future claims from future resources, cash flow may vary significantly from year to year.

Financial Highlights

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, including the design, implementation, and maintenance of internal control relevant to the preparation and fair

presentation of financial statements that are free from material misstatements, whether due to fraud or error. The auditor's report offers an unmodified opinion on the financial statements, the best opinion that can be attained.

Critical Accounting Estimates

Preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the accounting period. Actual results could differ from these estimates.

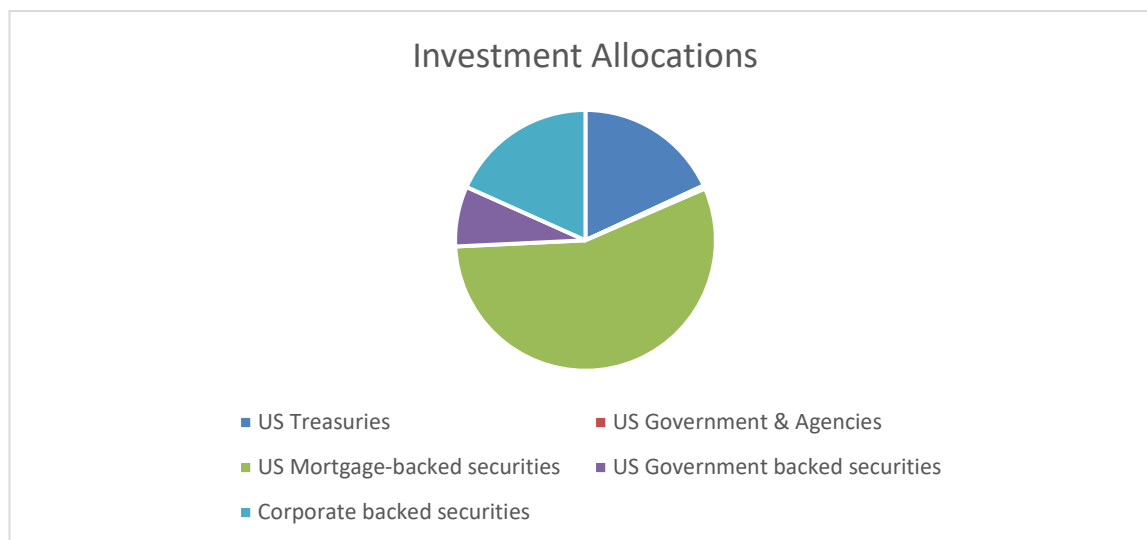
PACT has identified the estimates inherent in the valuation of investments and loss reserves (including reserves for incurred but not reported claims (IBNR) as critical in that they involve a higher degree of judgment and are subject to a significant degree of variability. In developing these estimates, management makes subjective and complex judgements that are inherently uncertain and subject to material change as facts and circumstances develop. Although variability is inherent in these estimates, management believes the amounts provided are appropriate and conservative based upon the facts available as of the date of the financial statements. PACT uses the assistance of an independent outside actuarial firm to determine IBNR and overall loss reserve adequacy.

Investments

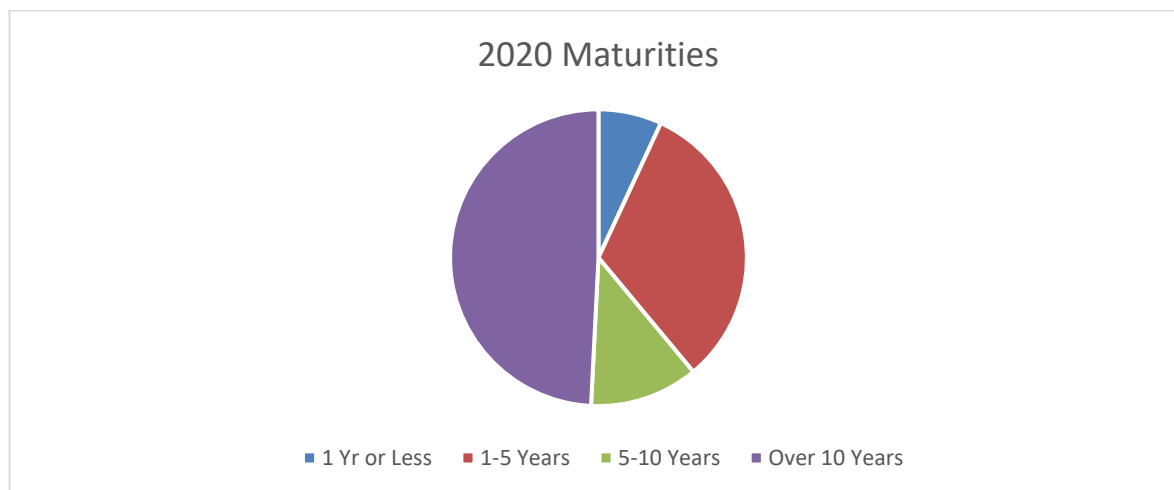
One significant estimate inherent in the valuation of investments is the evaluation of fair value. Investments consist predominantly of government and government backed securities and are reported at their fair value in the statement of position. Fair value is determined utilizing the market value of the investments as reflected on the applicable brokerage statements. Net increases and decreases in the fair value are included in the statement of activities and changes in net position. Nevada Revised Statutes and the Board approved Investment Policy outline the restrictions on the types of allowed investments. PACT is authorized to make investments in bonds and debentures of the United States, bills and notes of the U.S. Treasury, and in high-grade corporate backed securities. PACT is authorized to purchase negotiable certificates of deposits issued by commercial banks or insured savings and loan associations.

Cash and investments of \$56,014,710 are available to meet current liabilities, including reserves for loss and loss adjustment expenses of \$7,343,141. Total current liabilities include accounts payable, risk management grants payable, specific recoverable and current portion of reserves for workers compensation claims. This is a conservative measure of cash and investments available to pay current obligations. PACT's cash ratio is 7.6, meaning that it has 7.6 times the unrestricted cash and investments on hand to meet its obligations. Last year's cash ratio was 7.2. The increase in the cash ratio is due primarily to the increase in Cash in the current year due to the timing of receipts and related payments.

Investment balances as of June 30, 2020 were \$52,795,859 compared to the prior year amount of \$51,640,578. This represents an increase of \$1,155,281 or 2.2%. The increase is due additional funds available for investments. As noted in Note 3, the following is a summary of the fair value investments as of June 30, 2020:



Investment Descriptions	Fair Value 6-30-2020	Fair Value 6-30-2019
U.S. Treasuries	\$ 10,413,404	\$ 7,412,268
U.S. Government & Agencies	239,287	408,581
U.S. Mortgage backed securities	32,085,743	34,300,347
U.S. Government backed securities	4,298,152	6,084,246
Corporate backed securities	10,526,477	7,852,655
Less pledged investments	<u>(4,767,204)</u>	<u>(4,417,519)</u>
Total investments	<u>\$52,795,859</u>	<u>\$51,640,578</u>



Investment Income Receivable

Investment income receivable at June 30, 2020 is \$206,305 compared to \$196,908 in 2019. This is a change of \$9,397 or 4.8%. This is due primarily to the increase in investment balances at year end off set by lower investment yields as well as the timing of the payment of accrued interest on the investments.

Pledged Investments

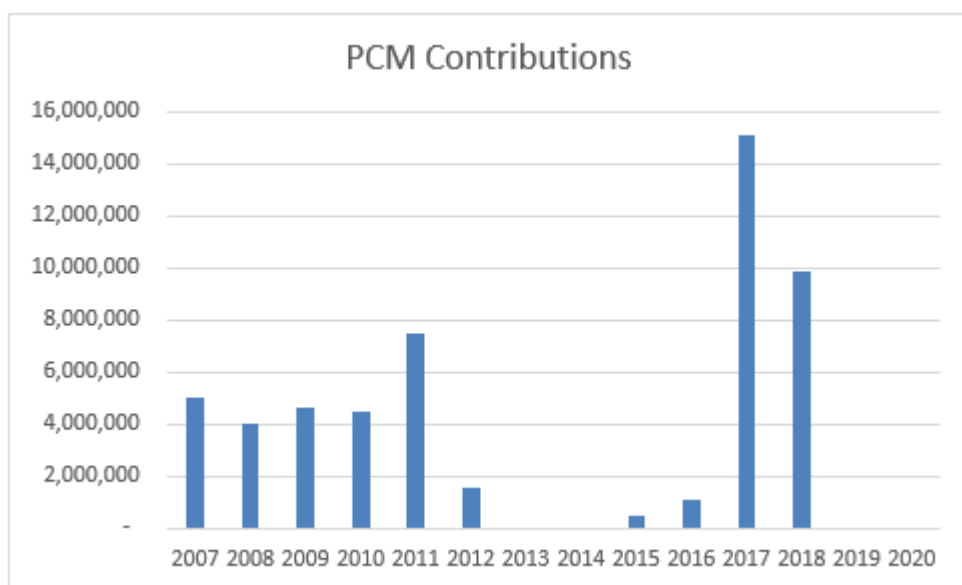
Pledged investments at June 30, 2020 are \$5,066,106 compared to \$4,827,144 in 2019. Restricted investments are those investments pledged to the Nevada Division of Insurance as solvency assurance for future claims as required by statutes. The amount pledged exceeds the statutory requirement.

Contributed Surplus Public Compensation Mutual

In May of 2007, PACT's board of directors authorized the startup of a member-owned nonprofit captive mutual insurance company and contributed surplus to the company. The company, named Public Compensation Mutual, ("PCM") is domiciled in Nevada. PCM subsequently converted from an association captive to a pure captive form owned by PACT. PCM is one of the workers compensation reinsurers for PACT. The benefits of the captive are reduced administrative costs, reinsurance opportunities and a broader investment portfolio which can include risk assets. Management considers the contribution to PCM a development cost that can provide lower operating costs in the future and estimates that the savings in reinsurance cost to PACT will recoup the contributed capital. At the annual board meeting held on April 17, 2020, the Board approved a change in the accounting policy related to the transfer of capital to PCM to expense 100% in the year of transfer effective retroactively to July 1, 2018 noting that the unamortized balances will reduce PACT's Net Position and Contributed Surplus to PCM would be eliminated in the restatement of the 2019 financial statement. As of July 1, 2018, Contributed Surplus from PACT was \$53,700,939. As of June 30, 2018, the accumulated amortization was \$26,645,207 resulting in Contributed Surplus, net of accumulated amortization of \$27,055,732 and the same reduction in PACT's Net Position as of July 1, 2018. This accounting change will impact PACT's financial benchmarks and make PACT more comparable with our peers in years without the transfers. See note 13 for more details.

The following chart indicates PACT’s contributions to PCM since inception:

Fiscal Year	Contributions	Total Contributions
2007	\$ 5,000,000	\$ 5,000,000
2008	\$ 4,000,000	\$ 9,000,000
2009	\$ 4,600,000	\$13,600,000
2010	\$ 4,500,000	\$18,100,000
2011	\$ 7,517,375	\$25,617,375
2012	\$ 1,542,062	\$27,159,437
2013	-	\$27,159,437
2014	-	\$27,159,437
2015	\$ 448,242	\$27,607,679
2016	\$ 1,093,260	\$28,700,939
2017	\$15,100,000	\$43,800,939
2018	\$ 9,900,000	\$53,700,939
2019	-	\$53,700,939
2020	-	\$53,700,939



As noted above, PACT has contributed \$53,700,939 to PCM in accordance with PACT’s Capitalization Strategy Policy which allows PACT’s Executive Committee to distribute a portion of the Net Assets to provide additional capitalization to PCM to reduce reliance on other excess or reinsurance providers. PCM increased its reinsurance capacity and thereby reduced PACT’s retention as a result of the additional contributions to surplus.

Reserves for Claim Losses

Loss reserves are estimates of losses and loss development and as such will differ from the ultimate results. Therefore, one of the critical accounting estimates is the proper amount of reserves to be set aside to meet future liabilities of the current in-force business. Changes in or deviations from the assumptions used to develop the loss reserves significantly affect PACT’s reserve levels and related future operations. Assumptions include PACT’s methodology for underwriting and claims handling and current estimates of the legal, inflation rate, and social environments. Annually, PACT retains an outside independent actuary to provide a loss reserve opinion and establish a range for PACT’s loss reserves. PACT’s policy is to book reserves at the 75% confidence level as recommended by the actuary. Management elected to discontinue discounting the reserves in Fiscal Year 2019-20. In the prior year, the actuary discounted the reserves using a 1.5% interest rate for anticipated investment income. The actuarial analysis for the current fiscal year revealed an overall increase in case reserves and IBNR reserves over prior years estimated incurred losses for Workers Compensation and Heart Lung. See Note 11 Unpaid Loss Liabilities and the Supplemental Schedule on Unpaid Loss Liabilities for Workers Compensation and Heart Lung in the financial statements for more details.

Reserves for current portion of claims decreased from \$6,125,301 to \$6,166,355 in fiscal year ending June 30, 2020. The noncurrent reserve for workers compensation claims increased from \$19,101,699 to \$21,022,645 in 2020, an increase of \$1,920,946 or 10.1%. There was an increase in the reserve for heart & lung claims from \$25,554,567 to \$27,096,740, an increase of \$1,542,173 or 6.0% during the year. These reserves are set at 100% of the heart lung assessments by board policy due to the long-term uncertainty of the claims potential. The development schedule included in the financial statement provides the history of the claims reserve changes each year over 10 years included in the financial statements for more details.

Change in Net Position

PACT's Total Net Position decreased from \$10,720,884 to \$10,692,182 during the fiscal year ending June 30, 2020, a decrease of \$28,702 or 0.3%. This decrease primarily is due to the increase in loss reserves and the increase in loss expense during the year. This accounts for the prior period adjustment to the beginning Net Position on July 1, 2018 of \$27,055,732 for the change in policy on the contributions to PCM.

The following is the comparative Statements of Net Position for PACT as of June 30, 2020 and 2019.

CONDENSED STATEMENTS OF NET POSITION

	<u>2020</u>	<u>2019</u> <u>As restated</u>
Cash and investments	\$ 56,014,710	\$ 53,287,157
Receivables	5,073,892	4,655,901
	<hr/>	<hr/>
Total current assets	61,088,602	57,943,058
Pledged investments	5,066,106	4,827,144
	<hr/>	<hr/>
Total noncurrent assets	5,066,106	4,827,144
Total assets	<u>66,154,708</u>	<u>62,770,202</u>
Payables	1,176,786	1,267,751
Current portion of reserve for claims	6,166,355	6,125,301
Total current liabilities	<u>7,343,141</u>	<u>7,393,052</u>
Reserve for Worker's Compensation claims	21,022,645	19,101,699
Reserve for Heart & Lung claims	27,096,740	25,554,567
Total noncurrent liabilities	48,119,385	44,656,266
Total liabilities	<u>55,462,526</u>	<u>52,049,318</u>
Net position -unrestricted	5,626,076	5,893,740
Net position -restricted for pledged securities	5,066,106	4,827,144
Total net position	<u>\$ 10,692,182</u>	<u>\$ 10,720,884</u>

Total Assessment Revenues

PACT's primary revenue source comes from Member assessments for workers compensation and assessments for heart lung. The assessments for workers compensation increased from \$11,792,275 to \$12,675,642 during fiscal year ending June 30, 2020. This is an increase of \$883,367 or 7.5% due to an increased in members' assessment payroll and an increase in manual rates.

During fiscal year 2020, the heart lung assessments increased from \$1,109,118 to \$1,490,539 during the year. The increase of \$381,421 or 34.4% primarily was due to an increase in the assessment rate from \$2.85 to \$3.85 during the year.

During fiscal year 2020, PCM provided \$575,000 to PACT to support risk management services to the membership.

Loss Fund and Program Expenses

Overall Loss and Program expenses increased from \$14,857,420 to \$15,638,375 in FY 2020, an increase of \$780,955 or 5.3%. This increase primarily resulted from an increase in the claims and adjustment expense of \$281,012 due to adverse claim development during the year. Heart and Lung loss expenses increased from \$1,506,637 to \$1,601,459 due to increases in the assessment rate. Per board policy, that reserves assume 100% of the assessment revenues will be spent on claims in the future. Reinsurance premiums increased \$630,700 from \$1,607,000 to \$2,237,700 because of increased pricing in the reinsurance layers of coverage due to increased claims activity. PACT continues to increase the investment in Member education and services as \$705,854 was expensed in Fiscal Year 2020 compared to \$652,803 in Fiscal Year 2019. Loss control expenses and underwriting and claims processing expenses remained within a relevant range during the two fiscal years.

Administration Expenses

Total administrative expenses were \$2,518,426 in Fiscal Year ending June 30, 2020 compared to \$2,630,857 in FY 2019, a decrease of \$112,431 or 4.3%. There was a decrease of \$146,488 in management fees following the additional startup cost in 2019. There were increases in the Insurance Division fees of \$9,089 and Insolvency fund and related expenses increased by \$900 as there were increases in the three-year claims average used to calculate those related expenses. Administrative and overhead expenses decreased from \$984,475 to \$974,374 due to less travel and budget mitigation measures due to COVID.

Non-operating Net Investment Income

Investments are marked to market value at the time of the financial statements, which may result in a negative or positive overall result. Restrictions imposed by law on the types of investments PACT may utilize are similar to other local governments. The investment portfolio consists of governmental type investments which, if held to maturity, will yield the respective coupon rates although interim performance may lag. Most of PACT's investments are anticipated to be held to maturity. Non-operating net investment income was \$3,386,918 for Fiscal Year end June 30, 2020 compared to \$2,989,380 in 2019. The investment income was bolstered by book yields exceeding market yields and the impact of the mark to market value adjustment because of decreasing interest rates in fiscal year 2020. See Note 3 Investment Securities for more details.

Revenues, Expenses and Changes in Net Position:

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2020</u>	<u>2019</u> <u>As restated</u>
Assessments revenues	\$ 14,741,181	\$ 12,901,393
Loss fund provision and program expenses	15,638,375	14,857,420
Administration expenses	2,518,426	2,630,857
Total expenses	18,156,801	17,488,277
(Decrease) in operating net position	(3,415,620)	(4,586,884)
Non-operating net investment income	3,386,918	2,989,680
(Decrease) in net position	\$ (28,702)	\$ (1,597,504)

Capital Assets and Debt Administration:

PACT has no physical assets and no borrowed funds. It has pledged certain investments to satisfy a regulatory solvency security requirement and thus, cannot access those funds without approval from the Nevada Division of Insurance.

Subsequent Events:

There were no subsequent events that would affect the financial statements for the current fiscal year.

Requests for Information:

While the purpose of this discussion and financial report is to provide a general overview of PACT's financial position, requests for additional financial information should be addressed to Wayne Carlson, Executive Director, 201 S. Roop St., Suite 102, Carson City, NV 89701-4790.

PUBLIC AGENCY COMPENSATION TRUST
STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u> <u>As restated</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,218,851	\$ 1,646,579
Investments	52,795,859	51,640,578
Investment income receivable	206,305	196,908
Member assessments receivable	4,011,409	3,879,593
Specific recoverable	727,097	519,192
Commissions receivable	56,931	60,208
Receivable from State of Nevada	34,795	-
Prepaid expenses	37,355	-
Total current assets	<u>61,088,602</u>	<u>57,943,058</u>
Noncurrent assets:		
Pledged investments	<u>5,066,106</u>	<u>4,827,144</u>
Total noncurrent assets	<u>5,066,106</u>	<u>4,827,144</u>
TOTAL ASSETS	<u>66,154,708</u>	<u>62,770,202</u>
LIABILITIES		
Current liabilities:		
Accounts payable	279,269	542,772
Commissions payable	56,405	65,639
Specific recoverable	727,097	519,191
Risk Management Grants payable	114,015	140,149
Current portion of reserve for claims losses	6,166,355	6,125,301
Total current liabilities	<u>7,343,141</u>	<u>7,393,052</u>
Noncurrent liabilities:		
Reserve for Worker's Compensation claims losses	21,022,645	19,101,699
Reserve for Heart & Lung claims losses	27,096,740	25,554,567
Total noncurrent liabilities	<u>48,119,385</u>	<u>44,656,266</u>
TOTAL LIABILITIES	<u>55,462,526</u>	<u>52,049,318</u>
NET POSITION - unrestricted		
Net position -unrestricted	5,626,076	5,893,740
Net position -restricted for pledged securities	5,066,106	4,827,144
TOTAL NET POSITION	<u>\$ 10,692,182</u>	<u>\$ 10,720,884</u>

See accompanying notes

PUBLIC AGENCY COMPENSATION TRUST
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u> <u>As restated</u>
REVENUES		
Assessments for workers compensation	\$ 12,675,642	\$ 11,792,275
Assessments for heart and lung	1,490,539	1,109,118
PCM risk management services	575,000	-
Total Revenues	<u>14,741,181</u>	<u>12,901,393</u>
LOSS FUND AND PROGRAM EXPENSES		
Claims and adjustment expenses	9,103,742	8,822,730
Heart and Lung loss expenses	1,601,459	1,506,637
Excess insurance premium	432,826	537,133
Re-insurance premium	2,237,700	1,607,000
Member education and services	705,854	652,803
Risk management grants	105,412	314,076
Loss control expense	406,000	406,000
Underwriting and claims processing	1,045,382	1,011,041
Total loss fund and program expenses	<u>15,638,375</u>	<u>14,857,420</u>
ADMINISTRATION EXPENSES		
Management fees	675,000	821,488
Professional services	142,130	107,961
Administrative and overhead	974,374	984,475
Insurance Division fees	706,022	696,933
Nevada insolvency fund and related expenses	20,900	20,000
Total administration expenses	<u>2,518,426</u>	<u>2,630,857</u>
Decrease in operating net position	(3,415,620)	(4,586,884)
Non-operating net investment income	<u>3,386,918</u>	<u>2,989,380</u>
Increase (decrease) in net position	(28,702)	(1,597,504)
Net position, previously stated beginning of year	10,720,884	39,374,120
Prior period adjustment	-	(27,055,732)
Beginning net position as restated	<u>10,720,884</u>	<u>12,318,388</u>
Net position, end of year	<u>\$ 10,692,182</u>	<u>\$ 10,720,884</u>

See accompanying notes

**PUBLIC AGENCY COMPENSATION TRUST
STATEMENTS OF CASH FLOWS
For Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u> <u>As restated</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Assessments and risk management services	\$ 14,612,642	\$ 12,440,343
Payment for claims	(7,201,028)	(7,177,339)
Payment to vendors	(7,822,621)	(6,771,117)
Net cash (used) provided from operating activities	<u>(411,007)</u>	<u>(1,508,113)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and net realized investment income	1,753,319	1,583,310
Sale of investments	14,119,359	8,955,900
Purchases of investments	(13,889,399)	(9,344,985)
Net cash provided for investing activities	<u>1,983,279</u>	<u>1,194,225</u>
Increase (decrease) in cash and cash equivalents	1,572,272	(313,888)
Cash and cash equivalents, beginning of fiscal year	1,646,579	1,960,467
Cash and cash equivalents, year ended June 30	<u>3,218,851</u>	<u>1,646,579</u>
RECONCILIATION FOR OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating net loss	(3,415,620)	(4,586,884)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
(Increase) in member assessments receivable	(131,816)	(457,642)
(Increase) Receivable from State of Nevada	(34,795)	-
(Increase) in specific recoverable	(207,906)	(332,284)
(Increase) in prepaid expenses	(37,355)	-
(Decrease) increase in agent compensation receivable	3,277	(3,408)
(Decrease) increase in accounts payable	(263,502)	393,383
Decrease (increase) in agent compensation payable	(9,235)	8,839
Increase in specific recoverable	207,906	332,283
(Decrease) in Risk Management Grants payable	(26,134)	(14,428)
Increase in loss reserves	3,504,173	3,152,028
Net cash used by operating activities	<u>\$ (411,007)</u>	<u>\$ (1,508,113)</u>

See accompanying notes

PUBLIC AGENCY COMPENSATION TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of program

Public Agency Compensation Trust (PACT) was formed by local governments for the purpose of organizing a self-insured workers' compensation group. The Trust began operations April 1, 1996. The trust's objective is to provide members with a lower cost alternative achieved through enhanced claims management, program administration, and member services that will reduce the cost of claims. PACT provides workers' compensation coverage to member governmental entities and hospitals pursuant to state statutes. The program is fully funded by member entities and is governed by a Board of Trustees comprised of representatives of each member. Any member may withdraw from the program by giving 120 days' notice. PACT's independent actuary, who is an approved Rate Service Organization, develops PACT rates.

Principles of presentation

PACT has prepared its financial statements in accordance with accounting principles generally accepted in the United States of America. PACT prepares its financial statements on the accrual method of accounting recognizing income when earned and expenses when incurred. PACT has implemented Governmental Accounting Standards Board (GASB) Statements No. 34 and No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments and GASB Statement 38, Certain Financial Statement Note Disclosures*.

The financial statements have been prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises, where applicable, which may differ from the basis of accounting followed in statutory reporting. Accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Measurement focus and basis of accounting

The financial statements are reported using the economic resources management focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Expenditures are recorded when the related fund liability is incurred.

Cash and cash equivalents

The Operating Fund has a checking account, money market investment account, and an investment account for long-term investments. For the purposes of the Statement of Cash Flows, the PACT considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. The Claims Fund has two checking accounts, one for payment of claims and the other for claims related expenses as required by Nevada Revised Statute 616B.368.

Investments and investment income

Investments consist predominantly of government and government backed securities and are reported at their fair value in the statement of position. Fair value is determined utilizing the market value of the investments as reflected on the applicable brokerage statements. Net increases and decreases in the fair value are included in the statement of activities and changes in net position. PACT is authorized to make investments in bonds and debentures of the United States, bills and notes of the U.S. Treasury, and in high-grade corporate backed securities. PACT also is authorized to purchase negotiable certificates of deposit issued by commercial banks or insured savings and loan associations. PACT's investments have been restricted by policy of the Board to those allowable for local governments.

Income Taxes

In accordance with Internal Revenue Service Code Section 115, organizations formed, operated and funded by political subdivisions may exclude income from those activities that qualify for exclusion. Accordingly, no provision for income taxes has been provided in the accompanying financial statements.

PUBLIC AGENCY COMPENSATION TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budget

Budgetary to actual results is not presented as there are no legal budgetary requirements.

Credit Risk

Credit risk is the risk that the issuer of a security will default on principal and interest of the security. PACT's policy is to invest in corporate debt issues with a minimum of an "AA" rating from Moody's or Standard and Poor's rating services or U.S. Government and government backed securities. In addition, PACT's policy is to diversify the investment portfolio so that the impact of potential losses from any one type of security or from any one issuer will be minimized.

Concentration of Credit Risk

PACT limits investments in fixed income securities to 10% of the total fixed income portfolio to any one issuer. No more than 20% of the total investment pool will be invested in any one class of security, industry or company. PACT will not directly invest in securities maturing more than ten (10) years from the date of purchase, except as permitted by law. The policy does not place a limit on the purchase of U.S. Government and government backed securities.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. PACT will, to the extent possible, minimize this risk by matching investment maturities to liability due dates. This allows PACT to hold investments to maturity thus mitigating losses from the sale of investments prior to their maturity date. Additionally, exposure to fair value losses arising from increasing interest rates is minimized by investing predominantly in investments with short to mid-term maturities that perform in line with the return of a managed fund comprised of 1 – 3-year Treasury Bonds.

Member Assessments

Member assessments and reports are due 20 days after the end of the quarter. Assessment rates are based on independent actuarial estimates that are reviewed and approved by the Insurance Commissioner.

Losses and loss adjustment expense

Reserves for losses and allocated loss adjustment expenses are provided based on case-based estimates for losses reported and PACT's historical loss experience for claims incurred but not reported (IBNR). The liability for unpaid losses and loss adjustment expenses includes the estimated cost of investigating and settling all claims incurred as of the balance sheet date. Such amounts are determined based on an evaluation prepared by management and an independent consulting actuary using a 75% confidence level. Although such estimates are best estimates of the expected values, the actual results may vary from these values.

The liability represents the estimated ultimate cost of settling claims, including the effects of inflation and other societal and economic factors. The liability also includes unallocated costs which are estimated by management. Any adjustments resulting from the settlement of losses will be reflected in earnings at the time the adjustments are determined. The loss reserve estimates were not discounted in 2020 and discounted at 1.5% for the year ending June 30, 2019. On November 4, 2019 the Board adopted the policy to no longer discount the reserves beginning in the year ended June 30, 2020 and going forward as the investment earnings will be used to offset administrative costs of the program rather than being held for future claim payments.

Insurance Division Annual Fees

The Insurance Division annually assesses fees to the Trust based on prior year's claims expenditures. It is the policy of management to record the invoice or credit received each year as the expense or credit to the expense for that year as these invoices cannot be reasonably estimated and therefore accrued.

Supplementary development schedule - Unaudited

The statements and development schedule reports claims paid on a reported year basis. Loss reserves shown on the financial statements are discounted for the year ending June 30, 2019 but undiscounted for the year ending June 30, 2020. The development schedule reflects undiscounted loss reserves for the 10 years reported.

PUBLIC AGENCY COMPENSATION TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in accounting policies

During the year, the Board decided to change the accounting policy to no longer discount the loss reserve which had been the policy since inception.

Contributions to Public Compensation Mutual Company, a captive insurance company, have been amortized over a period of 10 years since inception. This policy was change to expense in the year made contributions to the captive and the remaining unamortized costs were removed as a prior period adjustment. This policy change in described in greater detail in Note 12.

NOTE 2 – CASH & EQUIVALENTS

The carrying amount of PACT’s deposits with financial institutions at June 30, 2020 and 2019 are \$3,218,851 and \$1,646,579 respectively. The financial institution balances were \$3,474,945 and \$1,956,424 respectively. The difference between the carrying amounts and financial institution balances results from outstanding checks and deposits not yet reflected in the bank’s records.

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Amounts insured by FDIC	\$ 250,000	\$ 250,000
Amounts collateralized	1,475,260	789,089
Cash equivalents at brokerage firm	<u>1,749,685</u>	<u>917,335</u>
Total deposits at financial institutions	<u>\$ 3,474,945</u>	<u>\$ 1,956,424</u>

PACT maintains its cash, cash equivalents and investments in a commercial bank and a brokerage institution. All amounts in the commercial bank are insured by the FDIC or collateralized. Amounts at the brokerage firm up to the SPIC insurance limit are insured through SPIC and additional amounts are insured by the broker through an insurance policy.

NOTE 3 – INVESTMENT SECURITIES

PACT categorizes fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

PACT has the following recurring fair value measurements as of June 30:

1. U.S. Treasuries and U.S. Government guaranteed securities of \$10,431,404 and of \$7,412,268 for years ended June 30, 2020 and 2019 respectively are valued using quoted market prices (Level 1 inputs).
2. U.S. Government Agencies, U.S. Backed securities and Corporate Backed securities of \$42,364,455 and \$44,228,310 for years ended June 30, 2020 and 2019 respectively are valued using a matrix pricing model (Level 2 inputs).

PUBLIC AGENCY COMPENSATION TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 3 – INVESTMENT SECURITIES (continued)

A summary of investments as of June 30, 2020 is as follows:

	<u>Fair Value</u>	<u>Investment Maturities in Years</u>			
		<u>1 year or less</u>	<u>1-5</u>	<u>5-10</u>	<u>Over 10</u>
U.S. Treasuries	\$ 10,413,404	\$ 325,660	\$ 6,130,197	\$ 3,957,547	\$ -
U.S. Government & Agencies	239,287	-	239,287	-	-
U.S. Mortgage-backed securities	32,085,743	22,227	301,535	2,296,305	29,465,676
U.S. Government backed securities	4,298,152	1,415,641	2,427,804	-	454,707
Corporate backed securities	10,526,477	2,213,774	8,312,703	-	-
Less pledged investments	(4,767,204)	(325,660)	(496,180)	-	(3,945,364)
Total investments	<u>\$ 52,795,859</u>	<u>\$ 3,651,642</u>	<u>\$ 16,915,346</u>	<u>\$ 6,253,852</u>	<u>\$ 25,975,019</u>

A summary of investments as of June 30, 2019 is as follows:

	<u>Fair Value</u>	<u>Investment Maturities in Years</u>			
		<u>1 year or less</u>	<u>1-5</u>	<u>5-10</u>	<u>Over 10</u>
U.S. Treasuries	\$ 7,412,268	\$ 752,227	\$ 3,517,791	\$ 3,142,250	\$ -
U.S. Government & Agencies	408,581	-	408,581	-	-
U.S. Mortgage-backed securities	34,300,347	2,633	759,388	3,026,124	30,512,202
U.S. Government backed securities	6,084,246	1,400,402	3,444,731	717,661	521,452
Corporate backed securities	7,852,655	1,508,124	6,344,531	-	-
Less pledged investments	(4,417,519)	(752,227)	(815,094)	-	(2,850,198)
Total investments	<u>\$ 51,640,578</u>	<u>\$ 2,911,159</u>	<u>\$ 13,659,928</u>	<u>\$ 6,886,035</u>	<u>\$ 28,183,456</u>

Investment income receivable was \$206,305 on June 30, 2020 and \$196,908 on June 30, 2019.

Actual maturities may differ from contractual maturities as some borrowers have the right to call or prepay with or without call or prepayment penalties. Restricted investments are those investments pledged to the Insurance Commission. Corporate securities have bond ratings from A- to AA.

NOTE 4 – MEMBER ASSESSMENTS RECEIVABLE

Member assessments receivable were \$4,011,409 and \$3,879,593 for the years ended June 30, 2020 and 2019. Amounts receivable at both years' end are primarily assessments for the last quarter of the fiscal year and are determined based on the annual payroll audits.

NOTE 5 – LIABILITY OF MEMBERSHIP

Members of PACT are jointly and severally liable to pay benefits to injured workers as required by law. Workers compensation pools can be subject to assessments by the Insurance Commissioner should other self-insured workers compensation pools encounter financial difficulties.

PUBLIC AGENCY COMPENSATION TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 6 – REINSURANCE & EXCESS INSURANCE

In the ordinary course of business, PACT maintains both reinsurance and excess insurance contracts with various insurance carriers through their broker company, Willis Re Pooling. These reinsurance and excess insurance contracts provide both a specific and an aggregate limit of liability to protect PACT against potentially large losses or an accumulation of losses. This provides coverage in excess of PACT’s self-insured retention. The limits provided by these reinsurance and excess insurance contracts, including PACT’s self-insurance retention, are as follows:

1) Safety National Casualty Company provides a statutory limit of liability excess of PACT’s self-insured retention per accident of \$3,000,000. PACT reinsures a portion of PACT’s \$3,000,000 retention through Public Compensation Mutual, which bears \$700,000 excess of PACT’s \$300,000 specific retention plus 25% of \$2,000,000 excess of PACT’s \$1,000,000 retention and through County Reinsurance, Ltd., which bears 75% of \$2,000,000 excess of PACT’s \$1,000,000 retention.

2) Safety National Casualty Company provides a limit of liability of \$3,000,000 excess of an aggregate retention of \$4 per \$100 of payroll, subject to a minimum aggregate retention of \$9,700,670 and \$9,587,731 for years ended June 30, 2020 and 2019 respectively. PACT reinsures a portion of PACT’s aggregate excess limit of \$3,000,000 through Public Compensation Mutual which bears 50% of PACT’s annual aggregate excess limit and through Safety National Casualty Company which bears 50% of PACT’s annual aggregate excess limit.

Both Public Compensation Mutual and County Reinsurance, Ltd. are nonprofit captive insurance companies in which PACT has a financial interest.

NOTE 7 - RELATED PARTY TRANSACTIONS

PARMS Contract

Public Agency Risk Management Services, Inc. (PARMS) began to contract with the Nevada Risk Pool (NRP) to provide management services from July 1, 2019 through June 30, 2022. PARMS serves as the Executive Director/Administrator.

PARMS is a service corporation wholly owned by Mr. Wayne Carlson. PARMS’s last year to contract with PACT was for the year ending June 30, 2019 and the fees for that year were \$571,488.

Nevada Risk Pooling Grant

Effective July 1, 2019, Nevada Public Agency Insurance Pool (NPAIP) jointly with Public Agency Compensation Trust (PACT) provided a five year grant to Nevada Risk Pooling, Inc. (NRP), a nonprofit organization formed by the executive director of PACT, Wayne Carlson, and whose directors are Gerry Eick, Josh Foli, Chris Mulkerns, Cash Minor, and Paul Johnson. The cost of this grant is \$1,200,000 for the first year, \$1,242,000 in Fiscal Year 2020-2021, \$1,285,470 in Fiscal Year 2021-2022, \$1,330,461 for Fiscal Year 2022-2023 and \$1,377,028 in Fiscal Year 2023-2024. NRP was paid \$250,000 in management fees to provide initial funding for start-up costs during the year ending June 30, 2019. NRP will manage all administrative and risk management duties for NPAIP and PACT. The NRP contract allocation is for NPAIP to pay 43.75% and PACT 56.25%.

Grant costs to PACT for the year ending June 30, 2020 is \$675,000. PACT’s Future minimum payments of the contract are as follows:

2021	\$	698,625
2022		723,077
2023		748,384
2024		774,578
Total minimum future payments	\$	<u>2,944,664</u>

**PUBLIC AGENCY COMPENSATION TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019**

NOTE 7 - RELATED PARTY TRANSACTIONS (continued)

Pooling Resources, Inc. Grant

Effective July 1, 2015, Nevada Public Agency Insurance Pool (NPAIP) jointly with Public Agency Compensation Trust (PACT) provided a grant to Pooling Resources, Inc. (PRI), a nonprofit organization formed by the executive director of NPAIP, Wayne Carlson, and whose directors are Cash Minor, Paul Johnson and Curtis Calder. PRI provides human resources management services to NPAIP members. PRI pays NRP a management fee to provide operational and financial oversight of PRI. In 2019-2020, PRI's grant cost allocation for POOL is to pay 65% and PACT 35%. Grant costs to PACT for the years ended June 30, 2020 and 2019 were \$436,800 and \$428,050.

Effective July 1, 2020, the grant provided to PRI was renewed for a period of five years. Future minimum payments of the contract are as follows:

2021	\$	454,272
2022		467,900
2023		481,937
2024		496,395
2025		511,287
Total minimum future payments	\$	<u>2,411,791</u>

Public Compensation Mutual

PACT is the sole owner and policy holder of Public Compensation Mutual which was formed as a non-profit pure captive mutual insurance company.

NOTE 8 – PLEDGED INVESTMENTS

According to NRS 616B.353.1(d) and (e) and related regulations, an association of self-insured employers must deposit with the Commissioner a bond or other authorized security, payable to reasonably secure payment of the workers compensation benefits to employees. The amounts pledged for years ended June 30, 2020 and 2019 were \$5,066,106 and \$4,827,144. In the event that PACT becomes delinquent in its payment of workers compensation benefits, the proceeds will be used to satisfy losses, costs or expenses incurred by the Insurance Division.

The minimum required deposits for years ended June 30, 2020 and 2019 was \$4,180,000 for both years. Management does not intend to withdraw available funds; however, a withdrawal of funds in excess of the minimum required deposit is available upon giving notice to and receiving approval from the Nevada Division of Insurance.

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Cash equivalents	\$ 281,371	\$ 390,764
Investments	4,767,204	4,417,518
Investment income receivable	17,531	18,862
Total	<u>\$ 5,066,106</u>	<u>\$ 4,827,144</u>

PUBLIC AGENCY COMPENSATION TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 9 – HEART AND LUNG LOSS FUND

The Heart and Lung Loss Fund reflects special reserves set aside for the purpose of covering post-employment heart or lung disease claims that may be the responsibility of PACT members pursuant to the Last Injurious Exposure Rule interpretation of the law and court cases that determined that coverage for such claims applies to former employees who meet the statutory eligibility requirements for the heart and lung disease benefit.

Post-employment claims historically have not been reflected in rate classifications for the appropriate police officer and firefighter classifications. The actuarial projections of loss and loss adjustment expense are intended to be fully funded, thus assessments for this fund are offset 100% by claims reserves. Management followed this conservative approach because of the uncertainty and volatility inherent in this specific risk. The reserve for 2020 and 2019 is \$27,096,740 and \$25,554,567 respectively.

NOTE 10 – ALLOCATION AND RETURN OF ASSESSMENTS REVENUES

The Nevada Revised Statute 616B.368 requires that 75% of assessment revenues collected be placed in a separate account and that disbursements from this account be limited to paying claims, claims related expenses, excess insurance costs, assessments, payments and penalties related to the subsequent injury fund and the uninsured employer's claim fund. Initially, all funds collected for member assessments and prepayments of assessments and deposits are deposited into the operating account. Periodically, 75% of the assessments are transferred to a separate bank or investment account to comply with this statute.

During the review of the City of Elko payroll audit for fiscal year 2018-19, it was determined that the wages for certain classifications were not properly capped at the statutory annual amount of \$36,000 per employee. This resulted in an overpayment of \$300,702 for the fiscal year 2018-19 assessments. The member received the refund in fiscal year 2019-2020.

NOTE 11 – UNPAID LOSS LIABILITIES

The current portion of the long-term loss reserve for 2020 and 2019 is \$6,166,355 and \$6,125,301 with the long-term portion for 2020 and 2019 being \$48,119,385 and \$44,656,266 respectively. Incurred losses and loss adjustment expenses are comprised of two significant factors. Provisions for events of the current year increased from \$9,637,367 for 2019 to \$10,592,201 for 2020. The increase in the provision for insured events of prior fiscal years of \$692,000 and \$113,000 for 2019 and 2020 reflects changes in case reserves and actuarial reserve calculations for all prior years cumulatively. Individual case reserves may increase or decrease as the case develops over time for various reasons.

This may affect actuarial projections for past and future years since the various actuarial methodologies are based both on individual case reserve changes and long-term trends in reserves. The effect of both the individual case reserve changes over time and the actuarial projections combined may result in a significant increase or decrease that is reflected in the current year's audited net position. In other words, a decrease in reserves results in an increase in net position, while an increase in reserves reduces net position. PACT establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related loss adjustment expenses.

PUBLIC AGENCY COMPENSATION TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 11 – UNPAID LOSS LIABILITIES (continued)

The following represents changes in those aggregate liabilities:

	<u>2020</u>	<u>2019</u>
Unpaid losses and loss adjustment expenses at beginning of year or period	<u>\$ 50,781,567</u>	<u>\$ 47,629,539</u>
Incurred losses and loss adjustment expenses:		
Provision for insured events of current year	10,592,201	9,637,367
Increase (decrease) in provision for insured events of prior fiscal years	<u>113,000</u>	<u>692,000</u>
Total incurred losses and loss adjustment	10,705,201	10,329,367
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year/period	(2,453,286)	(2,249,609)
Claims and claims adjustment expenses attributable to insured events of prior years	<u>(4,747,742)</u>	<u>(4,927,730)</u>
Total Payments	(7,201,028)	(7,177,339)
Unpaid claims and claims adjustment expenses at end of fiscal year	<u><u>\$ 54,285,740</u></u>	<u><u>\$ 50,781,567</u></u>

NOTE 12 – PRIOR PERIOD ADJUSTMENT

In May of 2007, PACT’s board of directors authorized the startup of a member-owned nonprofit captive mutual insurance company and contributed surplus to the company in the amount of \$5,000,000 and subsequent additional surplus contributions have been added. The cumulative contributions were \$53,700,939 as of years ending June 30, 2020 and 2019.

The company, named Public Compensation Mutual, (“PCM”) is domiciled in Nevada and as of July 1, 2007, became one of the workers compensation reinsurers for PACT. Some of the Public Compensation Mutual’s board members also serve as board members of PACT. In 2019, PCM converted from an association captive model to a pure captive model, which makes PACT the owner of PCM directly. This reduces certain administrative costs of PCM, which inures to PACT’s benefit through reduced reinsurance charges.

Public Compensation Mutual was formed by members of PACT to reduce the costs of insurance, to obtain direct access to reinsurance, to provide broader coverage for policyholders, to broaden investment opportunities and to build equity to enable providing of coverage not obtainable elsewhere.

As a condition of contributed surplus, but without any expectation that the funds will be returned, PACT required that prior to any distributions such as dividends, the contributed surplus must be repaid to PACT.

PUBLIC AGENCY COMPENSATION TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 12 – PRIOR PERIOD ADJUSTMENT (continued)

Management considers the contributed surplus costs a development cost that can provide lower operating costs in the future and estimates that the savings in reinsurance costs to PACT will recoup the startup capital. Therefore, the PACT's contributed surplus to PCM will be amortized over 10 years. The financial statements of PCM are audited annually by an independent auditing firm.

Since the creation of the captive PCM, all transfers from PACT to PCM have been amortized. PACT's investment advisor, Strategic Asset Alliance, and PACT's money manager, New England Asset Management, developed an orderly transfer plan based on the appropriate selling and purchasing points for the designated assets. This helped accomplish the goals of providing PACT with profits of the sales and PCM with the purchase of more suitable investment assets. This enabled PACT and PCM to maintain the appropriate Net Position for their respective risk retention amounts.

At the April 17, 2020 Annual Board meeting, the Board approved a change in the accounting policy related to the transfer of surplus capital to PCM providing for 100% expense in the year of transfer effective retroactively to July 1, 2018 noting that the unamortized balances will be a reduction in Net Position as the other asset: Contributed Surplus to PCM would be eliminated. As of July 1, 2018, contributed surplus from PACT was \$53,700,939. As of June 30, 2018, the accumulated amortization was \$26,645,207 resulting in Contributed Surplus, net of accumulated amortization of \$27,055,732 which was eliminated and the same reduction in Net Position as of July 1, 2018.

The prior year statements ending June 30, 2019 were restated to remove the \$4,321,761 of amortization expense and a prior period adjustment was recorded to reduce Net Position by \$22,733,971 to eliminate the remaining unamortized Net Contributed Surplus asset for a total of a prior period adjustment of \$27,055,732.

Management believes this accounting change will impact PACT's financial benchmarks and make PACT more comparable with their peer group in years without the transfers.

NOTE 13 –SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. On March 17, 2020, the Governor of Nevada declared a health emergency and issued an order to close all nonessential businesses until further notice. In response, PACT has allowed some employees to work from home on a rotation schedule to ensure only the minimum amount of personnel are in the office at any one time. When employees are in the office, they are encouraged to observe social distancing guidelines and to comply with government directives. While PACT does not expect this matter to negatively impact its results of operations, cash flows and financial position, the related impact cannot be reasonably estimated at this time.

Management has evaluated the activities and transactions subsequent to June 30, 2020 to determine the need for any adjustments to and disclosure within the financial statements for the year ended June 30, 2020. Management has evaluated subsequent events through September 30, 2020 which is the date the financial statements were available for issue.

PUBLIC AGENCY COMPENSATION TRUST

Supplemental Schedule On Unpaid Loss Liabilities for Workers Compensation and Heart Lung

PACT establishes a liability for both reported and unreported insured events which includes estimates of both future payments of losses and related loss adjustment expenses. The following represents changes in those aggregate liabilities for the workers compensation and heart and lung coverages during the years ended June 30, 2020 and 2019:

	2020			2019		
	Workers Compensation	Heart & Lung	Total	Workers Compensation	Heart & Lung	Total
Unpaid losses and loss adjustment expenses at beginning of the year	\$ 25,227,000	\$ 25,554,567	\$ 50,781,567	\$ 23,577,000	\$ 24,052,539	\$ 47,629,539
Incurred losses and loss adjustment expenses:						
Provision for insured events of current year	8,990,742	1,601,459	10,592,201	8,130,730	1,506,637	9,637,367
Increase (decrease) in provision for insured events of prior fiscal year	113,000	-	113,000	692,000	-	692,000
Total incurred losses and loss adjustments	9,103,742	1,601,459	10,705,201	8,822,730	1,506,637	10,329,367
Payments:						
Claims and claim adjustment expense attributable to insured events of current year	(2,394,000)	(59,286)	(2,453,286)	(2,245,000)	(4,609)	(2,249,609)
Claims and claims adjustment expense Attributable to insured events of a prior period	(4,747,742)	-	(4,747,742)	(4,927,730)	-	(4,927,730)
Total payments	(7,141,742)	(59,286)	(7,201,028)	(7,172,730)	(4,609)	(7,177,339)
Unpaid claims and claims adjustments expenses at end of fiscal year	\$27,189,000	\$27,096,740	\$54,285,740	\$25,227,000	\$25,554,567	\$50,781,567

PUBLIC AGENCY COMPENSATION TRUST

COMPARATIVE SCHEDULE OF CLAIM DEVELOPMENT FOR WORKERS COMP AND HEART & LUNG – UNDISCOUNTED - (UNAUDITED)

EARNED ASSESSMENTS AND ALLOCATED EXPENSES FOR TEN-YEAR PERIOD - YEAR ENDED JUNE 30,

Required Contributions & Investment Income:	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Earned	\$14,187,888	\$16,229,877	\$14,049,941	\$16,420,666	\$17,557,830	\$18,508,907	\$14,573,896	\$11,270,837	\$15,890,773	\$18,128,099
Ceded	760,706	821,229	1,196,334	1,178,052	1,626,286	1,621,360	1,770,677	2,457,932	2,144,133	2,670,526
Net earned	\$13,427,182	\$15,408,648	\$12,853,607	\$15,242,614	\$15,931,544	\$16,887,547	\$12,803,219	\$8,812,905	\$13,746,640	\$15,457,573
Unallocated Expenses	5,196,331	6,075,535	6,580,620	6,167,162	6,114,625	6,130,390	6,130,390	8,345,504	9,336,538	4,781,074
Estimated Incurred Claims & Expense End of Policy Year:										
Incurred	7,226,000	8,393,000	8,503,886	8,561,944	8,324,685	8,809,127	8,905,595	8,020,826	8,054,118	10,705,201
Ceded	-	-	-	-	-	-	-	-	-	-
Net Incurred	7,226,000	8,393,000	8,503,886	8,561,944	8,324,685	8,809,127	8,905,595	8,020,826	8,054,118	10,705,201
Net Paid (cumulative) as of:										
End of policy year	1,627,122	1,875,562	1,861,690	1,564,723	1,512,648	1,581,898	1,788,670	1,734,359	2,245,351	2,453,286
One Year Later	3,604,503	3,460,736	3,221,497	2,848,563	2,901,684	3,378,486	4,153,214	3,738,335	4,193,000	
Two Years Later	4,245,842	4,582,100	3,754,301	3,434,826	3,545,887	4,117,819	5,062,121	4,341,000		
Three Years Later	5,004,699	5,268,006	4,110,874	3,859,081	3,855,565	4,541,756	5,478,000			
Four Years Later	5,153,264	5,447,815	4,169,758	3,989,877	3,929,559	4,769,000				
Five Years Later	5,490,173	5,654,308	4,189,790	4,064,157	3,985,000					
Six Years Later	5,746,369	5,754,247	4,274,071	4,151,000						
Seven Years Later	5,981,875	5,810,088	4,385,000							
Eight Years Later	6,134,733	5,873,000								
Nine Years Later	6,350,000									
Re-estimated ceded claims & Expenses	-	-	-	-	-	-	-	419,446	67,511	-
Re-estimated Claims & Expense										
End of policy year	7,226,000	8,393,000	8,503,886	8,561,944	8,324,685	8,809,127	8,905,595	8,020,826	8,054,118	10,705,201
One Year Later	8,156,000	8,599,083	8,064,886	8,461,944	8,035,685	8,841,127	9,105,595	7,561,826	8,059,118	
Two Years Later	8,204,000	8,412,083	7,583,886	8,171,944	7,921,685	8,638,127	9,116,595	7,460,826		
Three Years Later	8,855,000	8,590,083	7,436,886	7,991,944	7,702,685	8,638,127	9,173,595			
Four Years Later	8,367,000	8,416,083	7,138,886	7,754,944	7,570,685	8,499,127				
Five Years Later	8,626,000	8,594,083	6,984,886	7,637,944	7,411,685					
Six Years Later	8,678,000	8,412,083	6,986,886	7,562,944						
Seven Years Later	8,855,000	8,554,083	7,007,886							
Eight Years Later	9,148,000	8,686,083								
Nine Years Later	9,361,000									
Increase(Decrease) in Estimated Incurred Claims & Expenses from End of Policy Year:	\$2,135,000	\$293,083	(\$1,496,000)	(\$999,000)	(\$913,000)	(\$310,000)	\$268,000	(\$560,000)	\$5,000	-

This information is required by the Governmental Accounting Standards Board

PACT BUDGET 2021-2022

Presented at Executive Committee April 5 Adoption at Annual Meeting April 22, 2021	FY 2019-2020 Audit	FY 2020-2021 Budget	FY 2021-22 Budget	Dollar Change	Percenta ge Change	% of Total Revenues	Notes
Revenues							
Assessments	\$ 12,675,642	\$ 15,166,836	\$ 18,020,411	\$ 2,853,575	18.81%	96.9%	Rate Relativities Study w/Blending LEF/Fire with HL Blending with 7720 LEF & 7704 Fire Classifications Fixed Amount from PCM
Assessments for Heart Lung	1,490,539	2,056,385	-	\$ (2,056,385)	-100.00%	0.0%	
PCM Risk Management Fee	575,000	575,000	575,000	\$ -	0.00%	3.1%	
Total Revenues	\$ 14,741,181	\$ 17,798,221	\$ 18,595,411	\$ 797,190	5.41%	100.0%	
Loss Fund & Insurance Expense							
Claims and Adjustment Expenses including HL	\$ 9,103,742	\$ 7,768,000	\$ 9,823,892	\$ 2,055,892	26.47%	52.8%	Actuarial amount at 75% Confidence Interval + Actuarial Est on HL Claims Blending with 7720 LE Classification 7704 Fire Code Carrier Renewal rates plus additional exposures PCM Rate at 75% CL + Admin Expenses
Heart Lung Loss Reserves Expenses	1,601,459	1,556,385	-	\$ (1,556,385)	-100.00%	0.0%	
Excess Insurance Premiums	432,826	463,558	539,247	\$ 75,689	16.33%	2.9%	
Reinsurance Premium (PCM)	2,237,700	2,522,875	2,583,635	\$ 60,760	2.41%	13.9%	
Total Loss Fund and Insurance Expenses	\$ 13,375,727	\$ 12,310,818	\$ 12,946,774	\$ 635,956	4.75%	69.2%	
Program Expenses							
Member Education and services	\$ 705,854	\$ 1,199,272	\$ 1,327,900	\$ 128,628	10.73%	7.1%	PRI, Target Solution, 24/7/365, CWP,EAP, MSDS On-line, E-learning Willis Loss Control Services, Inspections, trainings Third Party Administrator, Davies Claims Processing
Loss control expenses	406,000	406,000	406,000	\$ -	0.00%	2.2%	
Underwriting and claims processing	1,045,382	1,026,207	1,000,551	\$ (25,656)	-2.50%	5.4%	
Total Program Expenses	\$ 2,157,236	\$ 2,631,479	\$ 2,734,451	\$ 102,972	4.77%	14.8%	
Administration Expenses							
Management Services	\$ 675,000	\$ 698,625	\$ 642,735	\$ (55,890)	-8.00%	3.5%	Nevada Risk Pooling Management Team; Updated Apportionment 50/50 Independent Audit, Payroll Audits, Actuarial Agent compensation, Travel, Copier, Phone, Training, Technology, Support State of Nevada mandated fees State of Nevada mandated fees
Professional Fees	142,130	112,819	145,683	\$ 32,864	29.13%	0.8%	
Administrative and Overhead	974,374	689,242	725,518	\$ 36,276	5.26%	3.9%	
Insurance Division Fees	706,022	759,338	778,322	\$ 18,984	2.50%	4.2%	
Nevada Insolvency Fund and related expenses	20,900	20,900	20,900	\$ -	0.00%	0.1%	
Total Administrative Expenses	\$ 2,518,426	\$ 2,280,925	\$ 2,313,158	\$ 32,233	1.28%	12.8%	
Operating Income (Loss)	\$ (3,310,208)	\$ 575,000	\$ 601,028	\$ 26,028	4.53%	3.2%	Allows for legislative impacts on claims cost Earnings from Investment Portfolio managed by NEAM, SAA
Investment Income	3,386,918	1,254,950	1,202,700	\$ (52,250)	-4.16%	6.5%	
Net Gain (Loss)	\$ 76,710	\$ 1,829,950	\$ 1,803,728	\$ (26,222)	-1.43%	10.3%	
Net Gain (Loss) After Loss Control Grants	\$ (28,702)	\$ 1,329,950	\$ 1,303,728	\$ 1,358,652			
Other Expenses: Loss Control Grants: Paid from Surplus	\$ 105,412	\$ 500,000	\$ 500,000				Loss Control Grants & LCEPs Approved by Loss Control Committee

PACT FY 22 Budget Allocation	Total Budget	% Total
Loss Fund & Insurance Expense	\$ 12,946,774	69.62%
Program Expenses	\$ 2,734,451	14.70%
Administration Expenses	\$ 2,313,158	12.44%
Net Operating Income/Contingency	\$ 601,028	3.23%
Total	\$ 18,595,411	100.0%

PACT/PCM Renewal Options to Consider
2021-2022
April 22, 2021

PACT Options

1. Implement Rate Relativity Study with consolidation of various class codes and blending of the Law Enforcement/Firefighter rate and Heart Lung Rate into one rate subject to the modification factors of the entities.

Discussion: Approximately every ten years, the independent actuary performs a rate relativity study to evaluate the class rates with historical data and to “true up” the class rates based on claims data. During this process, it was noted that there were several class codes with limited payroll which could be consolidated into other classes to provide reporting consistency by the membership. The actuary also evaluated blending the Heart Lung Rate (Class Code 9999) with the Firefighter/Law Enforcement class codes. It should be noted that this new blended rate (7710: Fire and 7720 Law Enforcement) would be subject to member’s modification factor (X-Mod). The Joint Executive Committee approved the blending of rates approach. The budget reflects these recommended changes. See Class Rate Relativity Study impact for details.

Recommendation: Recommend implementation of the Rate Relativity Study with some consolidated class codes, blended class code for the Heart Lung rate with the Firefighter/Law Enforcement rate subject to the X-Mods and Class rates recommended by the independent actuary.

Board Direction:

2. Revert the PACT’s Loss Fund Contribution back to 75% Confidence Level compared to 70% Confidence Level used in FY 21. **Fiscal Impact:** \$313,000

Discussion: Due to budgetary constraints, the PACT Board approved using the 70% Confidence Level (Marginally Acceptable) from the Bickmore Actuarial Reports for Fiscal Year Ending June 30, 2021. This means that 70% of the time, the recommended funding will result in adequate funding and 30% of the time it would be underfunded. To improve underwriting reserves, an increase to 75% CL would provide additional funds to pay claims. The Worker’s Compensation Funding would increase to \$8,720,000 from \$8,407,000 or \$313,000 more to move to the 75% CL. Furthermore, the actuary calculated the estimated loss reserves for Heart Lung at \$1,103,892 to be included in the Claims and Adjustment Expense as projected by the actuary.

Recommendation: Recommended to revert to 75% Confidence Level at this time.

Board Direction:

Reinsurance Options / PCM

3. Keep 75% Confidence Level at PCM **Fiscal Impact:** = \$129,000
WC Rates Only 70% \$2,260,000 75% \$2,389,000 Difference \$129,000

Discussion: The higher the confidence level the more likely the reserve is adequate to for the actual claim results. A higher CL could result in an Underwriting Gain. Lower rate could result in an Underwriting loss for the year. As noted by our Auditor, we have experienced underwriting losses in some of the previous years. We have always supported the 75% funding at the Captive level to support financial stability.

Recommendation: Continue the 75% Confidence Level. It is a difficult to cut the Confidence Level during a period where claims are hitting the PCM level.

Board Direction:

Cost Allocation Options

4. PCM Administration Cost Allocation to PACT **Fiscal Impact:** \$194,635

Discussion: PCM administrative expenses include management, actuary, and audit fees and meeting expenses. This is a decrease of \$67,240 from the prior year. The decrease is due to the change in the apportionment of the NRP contract to be a 50/50 split between POOL/PRM and PACT/PCM. The previous allocation was 40% to POOL/PRM and 60% to PACT/PCM. This amount has been included in the PCM Quote as required.

Recommendation: Apportion the administrative expenses of PCM to the renewal quotes given to PACT as has been historical practice.

Board Direction:

5. Cardiac Wellness / Fit for Retirement / Specialty Health **Fiscal Impact:** \$615,000
PACT Revenue in the Class Rate Calculation: Expense in Member education and services.

Discussion: PACT has supported the Specialty Health Cardiac Wellness program for many years. From the pilot project in Churchill County to a membership wide program, this program has been successful in identifying Police/Fire Members who are at high risk for a heart/lung medical issue. The goal is to prevent heart attacks, strokes and lung disease with advanced medical testing and risk management programs. A proposed new three-year contract seeks a not to exceed amount of \$615,000, establishment of a staff operated Oversight Committee, performance standards, 50 hours of subject matter expertise content for development of e-learning classes, podcast, webinars, etc. and enhanced member access to their medical records. Program costs were included in the Class Rates for Firefighters and Law Enforcement.

Recommendation: It is recommended to continue the investment in this program to improve health standards for Police/Fire and reduce heart/lung cases. Greater transparency and program focus will be achieved by the Oversight Committee.

Board Direction:

6. NRP Cost Allocation: Information Only

The third year of the NRP grant has the following cost allocation for the period of 7-1-2021 to 6-30-2022: POOL \$642,735; PACT \$642,735; PRM \$159,135; PCM \$159,135. Note that PRM and PCM will be prorated as it has a calendar year accounting system. (50% old rate = 50% of new rate).

7. Potential Withdrawal of Members: Information Only

Based upon the anticipated withdrawal of Central Lyon FPD, revenue was adjusted to reflect a potential loss of about \$315,000. Should Nye County also withdraw, the additional potential revenue reduction could be about \$2,500,000, but this loss was not assumed for budget purposes.

PACT
ACTUARIAL REVIEW
OF SELF-INSURED
WORKERS'
COMPENSATION
PROGRAM
FORECAST
FOR FY 21-22

Presented by Alan Kalt

BICKMORE ACTUARIAL STUDY

- Derek Burkhalter, ACAS, MAAA Senior Manager, Bickmore Actuarial
- Loss and ALAE Funding Guidelines for 2021-2022 using SIR of \$300,000
- Data used to develop Budget for FY 2021-2022
- Report Format
 - Conclusions & Recommendations
 - Cost of 2021-2022 Claims
 - Program Funding: Goals & Objectives
 - Historical Trends in the Self Insurance Program
 - Comparison with Previous Results
 - Data Provided for the Analysis
- Report complies with GASB #10 and #30

CONCLUSIONS & RECOMMENDATIONS

- Best Estimate of PACT's Undiscounted Ultimate Cost of Claims and Allocated Loss Adjustment Expenses (ALAE) for the **Workers' Compensation** for Claims incurred during the 2021-22 Program Year

Confidence

Levels	Expected	70%	75%	85%	90%
Reserves	\$7.622M	\$8.407M -\$313,000	\$8.720M	\$9.520M +\$800,000	\$10.114M

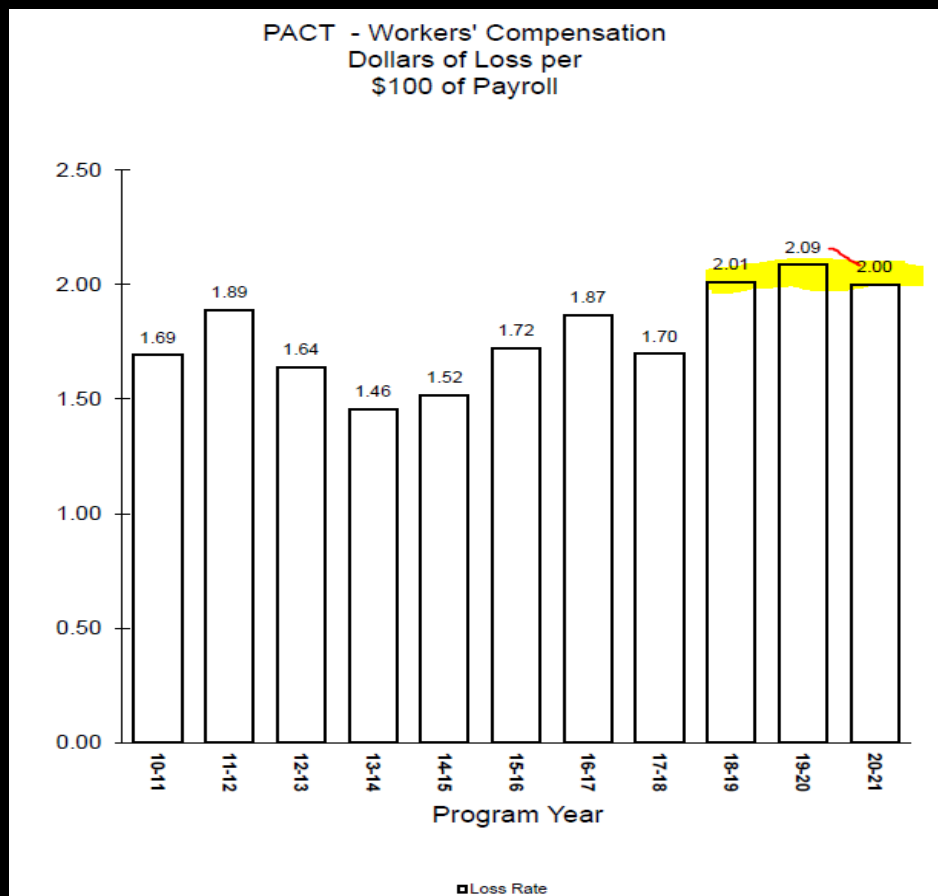
PACT Uses 75% Confidence Level

FUNDING GOALS & OBJECTIVES

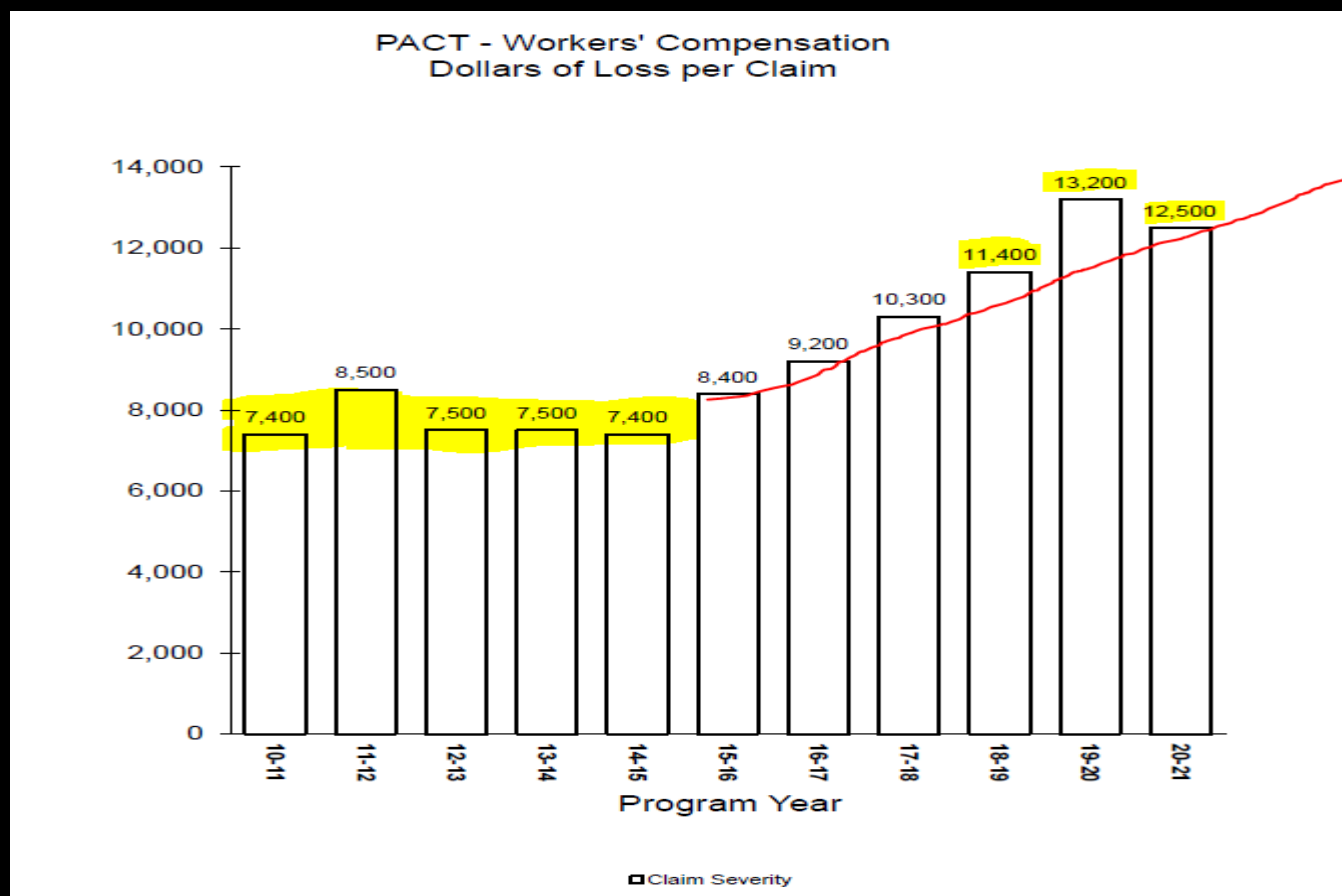
- Bickmore recommends program funding to the 75% to 85% CL. Bickmore consider funding at the 70% CL to be marginally acceptable, and the 90% CL to be conservative.
- They recommend this as the resulting funding will be sufficient to meet claim liabilities, yet not too large to have the entity experience undue \$ hardship.
- Need to fund each year's claims cost in that year.
- When surpluses or deficiencies have developed and funding adjustments are necessary, these should be clearly identified.
- Recommend that you reduce surplus funding more slowly than you would accumulate funding to make up a deficiency.

HISTORICAL TRENDS

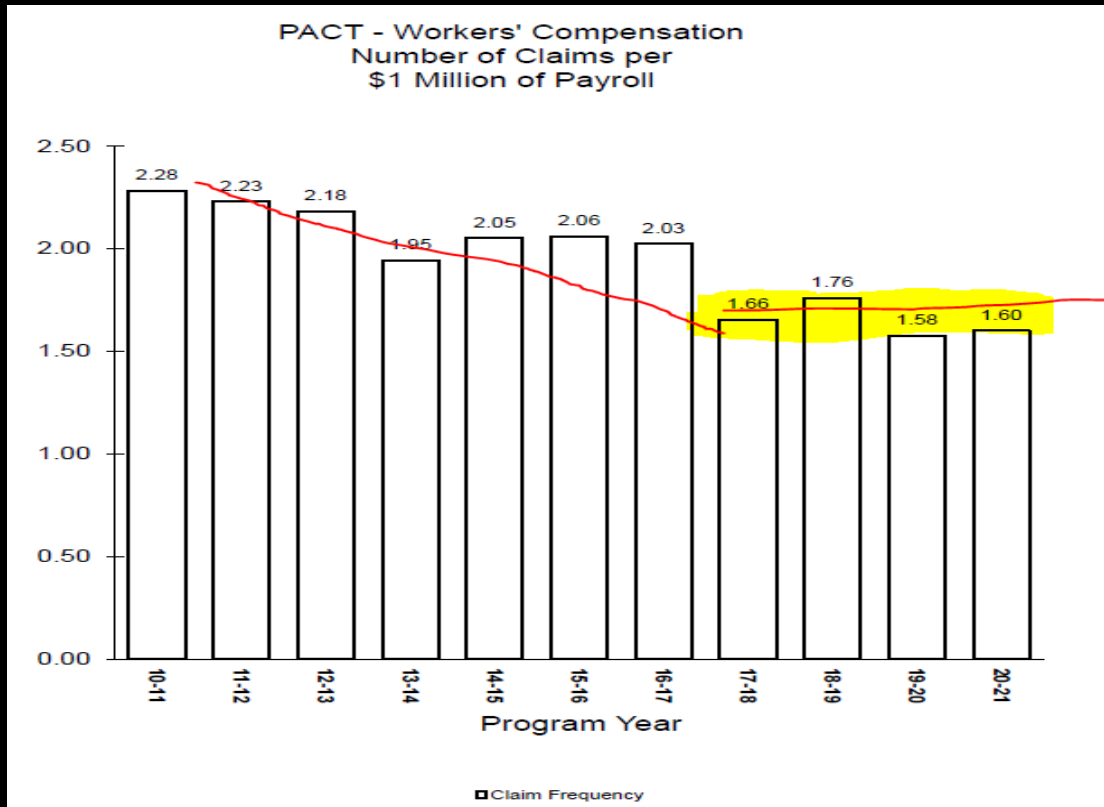
Dollars of Loss Per \$100 of Payroll 10 Year Trend



Dollars of Loss per Claim 10 Year Trend



Number of Claims per \$1 Million of Payroll



HISTORICAL TRENDS

Summary of Key Trends

- Dollar of Loss per \$100 of Payroll is INCREASING 😞
- Dollars of Loss per Claim is INCREASING 😞
- Number of Claims per \$1M Payroll is DECREASING and Leveled Off 😊

COMPARISON WITH PREVIOUS RESULTS

ACTUAL VS. EXPECTED INCURRED LOSS AND ALAE DEVELOPMENT

Prior Year Report 2-21-2020

Current Year Claim
Development 2-25-2021 Report

Actual Versus Expected Incurred Loss and ALAE Development

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
1999-2000	\$2,000	(\$1,000)	(\$3,000)
2000-2001	0	29,000	29,000
2001-2002	3,000	0	(3,000)
2002-2003	3,000	0	(3,000)
2003-2004	11,000	0	(11,000)
2004-2005	12,000	26,000	14,000
2005-2006	7,000	0	(7,000)
2006-2007	9,000	160,000	151,000
2007-2008	16,000	14,000	(2,000)
2008-2009	17,000	(30,000)	(47,000)
2009-2010	11,000	215,000	204,000
2010-2011	25,000	204,000	179,000
2011-2012	26,000	(66,000)	(92,000)
2012-2013	61,000	121,000	60,000
2013-2014	104,000	8,000	(96,000)
2014-2015	151,000	47,000	(104,000)
2015-2016	268,000	497,000	229,000
2016-2017	387,000	552,000	165,000
2017-2018	455,000	208,000	(247,000)
2018-2019	710,000	1,172,000	462,000
2019-2020	2,356,000	3,502,000	1,146,000
Total	\$4,634,000	\$6,658,000	\$2,024,000



Actual Versus Expected Paid Loss and ALAE Development

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
1999-2000	\$14,000	\$6,000	(\$8,000)
2000-2001	16,000	12,000	(4,000)
2001-2002	5,000	1,000	(4,000)
2002-2003	12,000	11,000	(1,000)
2003-2004	139,000	109,000	(30,000)
2004-2005	31,000	55,000	24,000
2005-2006	10,000	1,000	(9,000)
2006-2007	41,000	300,000	259,000
2007-2008	29,000	36,000	7,000
2008-2009	61,000	23,000	(38,000)
2009-2010	113,000	106,000	(7,000)
2010-2011	169,000	73,000	(96,000)
2011-2012	268,000	40,000	(228,000)
2012-2013	163,000	112,000	(51,000)
2013-2014	176,000	86,000	(90,000)
2014-2015	198,000	63,000	(135,000)
2015-2016	218,000	167,000	(51,000)
2016-2017	373,000	336,000	(37,000)
2017-2018	437,000	590,000	153,000
2018-2019	1,064,000	1,723,000	659,000
2019-2020	2,000,000	3,090,000	1,090,000
Total	\$5,537,000	\$6,940,000	\$1,403,000



CLAIM ESTIMATES FORECAST FOR LOSS AND LAE

At the time of the prior report, our funding estimate for the 2020-21 year was \$7,049,000 at the undiscounted expected level. That amount included allocated loss adjustment expenses (ALAE), but excludes a discount for anticipated investment income. Our current estimate for the 2021-22 year, as shown in the table below, is \$7,622,000 at the undiscounted expected level and includes allocated loss adjustment expenses (ALAE):

Comparison of Funding for Loss and ALAE

	Prior Report 2020-21 SIR = \$300,000	Current Report 2021-22 SIR = \$300,000	Change
(A) Total Recommended Funding:	\$7,049,000	\$7,622,000	\$573,000
(B) Funding per \$100 of Payroll:	\$2.65	\$2.79	\$0.14

Our estimates of total claim costs have increased by \$573,000 due to an increase in the projected payroll and an increase in our projected rate.

ASSUMPTIONS & LIMITATIONS

- Based on loss experience, exposure data and info provided by PACT
- Relied on statistics and historical loss development patterns of PACT
- Assumed PACT's historical development patterns form a reasonable basis to predict PACT's Future Loss Development
- Cannot predict impact of future law changes and court rulings on WC Claim Costs... reasonable now but perhaps not in the future
- Assumed loss rate trend with claim cost increases at 2.5% per year. Claim severity increases at 3.5% per year and claim frequency decreases 1.0% per year. Based in part on PACT data and recent study by the National Council on Compensation Insurance (NCCI)
- Assumed assets held for investment generate 1.5% annual return
- Does NOT include provisions for catastrophic events: earthquakes, flooding, mass civil disorder or mass occupational disease.
- Assumes all excess insurance is valid and collectible.

FUNDING RECOMMENDATION

- Question: What Funding Confidence Level is Appropriate for PACT?
- **70% CL** would be a reduction of **\$313,000** from the 75% Level
- **85% CL** would be an increase of **\$800,000** from the 75% Level

Discussion from Members

QUESTIONS & REFLECTIONS

*Working Together We
Achieve Superior Results*

**PACT Rate Relative Study Impact
Comparison of Rates for FY 2021 and FY 2022**

Old Class Code	New Class Code	DEPARTMENT	2020-2021 CLASS RATE	2021-2022 Class Rate Relativity	\$ Difference	% Difference
6301S	6301S	SCHOOL DISTRICTS, COUNTY & CITY	2.98	2.74	(0.24)	-7.91%
6301SB	6301SB	SCHOOL TRUSTEES - Deemed Wage \$250/Month	2.98	2.74	(0.24)	-7.91%
6301SV	6301SV	SCHOOL VOLUNTEERS - Deemed Wage \$100/Month	2.98	2.74	(0.24)	-7.91%
7520	9410	WATER, ELECTRIC, GARBAGE (Not Collection), SEWER	9.51	4.84	(4.67)	-49.13%
7600	9410	TELEPHONE OR TELEGRAPH COMPANIES (Except Clerical)	3.27	4.84	1.57	48.05%
7704	7710	FIREFIGHTER, AMBULANCE	17.47	23.87	6.40	36.67%
7710V		VOLUNTEERS FIREFIGHTER/AMBULANCE - Deemed Wage \$2,000/Month	1.41	1.52	0.11	7.48%
7710HV	7710V	HOSPITAL VOLUNTEERS AMBULANCE - Deemed Wage \$2,000/Month	1.41	1.52	0.11	7.48%
7711SR		VOLUNTEER SEARCH AND RESCUE - Deemed Wage \$2,000/Month	1.62	1.52	(0.10)	-5.95%
7711V	7710V	VOLUNTEERS FIREMEN. AMBULANCE (Part of Fire Dept.) - Deemed Wage \$2,000/Mo.	1.62	1.52	(0.10)	-5.95%
7720C	7720	POLICE - COUNTY	14.47	20.52	6.05	41.79%
7720M	7720	POLICE - MUNICIPAL	14.47	20.52	6.05	41.79%
7726V		VOLUNTEERS POLICE - Deemed Wage \$900/Month	1.03	1.09	0.06	5.98%
8810		CLERICAL EMPLOYEES NOT OTHERWISE CLASSIFIED	0.83	0.75	(0.08)	-9.25%
8833H		HOSPITALS	3.20	3.06	(0.14)	-4.25%
8901	8810	TELEPHONE - OFFICE, EXCHANGE, CLERICAL	0.72	0.75	0.03	4.71%
9014	9410	GENERAL JANITORIAL SERVICES, MAINTENANCE	12.62	4.84	(7.78)	-61.64%
9040HB	9410B	HOSPITAL BOARDS - Deemed Wage \$250/Month	3.20	4.51	1.31	41.13%
9040HV	9410B	HOSPITAL VOLUNTEERS - Deemed Wage \$100/Month	3.20	4.51	1.31	41.13%
9060	9410	GOLF COURSES	8.43	4.84	(3.59)	-42.59%
9063	9410	HEALTH CLUBS AND GYMNASIUMS	5.71	4.84	(0.87)	-15.26%
9082	9410	NUTRITION PROGRAMS, SENIOR CITIZEN FACILITY	7.92	4.84	(3.08)	-38.86%
9101	9410	PUBLIC LIBRARY, MUSEUM	9.72	4.84	(4.88)	-50.18%
9178	9410	REFEREES & UMPIRES - Not Schools	6.24	4.84	(1.40)	-22.49%
9403	9410	GARBAGE COLLECTION AND DRIVERS	4.32	4.84	0.52	12.14%
9410		GOVERNMENT EMPLOYEES, Not Otherwise Classified	4.44	4.84	0.40	8.90%
9410A		COURT ASSIGNED PERSONS - Deemed Wage \$50/Month	4.44	4.56	0.12	2.60%
9410B		GOVERNMENT BOARDS - Deemed Wage \$250/Month	4.44	4.51	0.07	1.47%
9410V		GOVERNMENT VOLUNTEERS - Deemed Wage \$100/Month	4.44	4.43	(0.01)	-0.33%
9908		PRISONERS INCLUDING JUVENILE DETAINEES - \$1/Day for each day worked	165.92	175.4	9.48	5.72%
9999	Blended	FIRE / LAW ENFORCEMENT HEART FUND	5.13		(5.13)	-100.00%
Blended Firefighter & Heart Lung Contribution			22.60	23.87	1.27	5.64%
Blended Law Enforcement & Heart Lung Contribution			19.60	20.52	0.92	4.68%

Summary Notes:

Every Ten Years the independent actuary performs a "Rate Relativity Study" to "True Up" the Class Rates based on 10 years of data. During this study, it was determined to eliminate/consolidate several Class Codes with limited payroll to promote simplicity and consistency in employee Class assignments by the membership.

It is noted that the Firefighter rate and the Law Enforcement Rate were blended with the Heart/Lung Rate. At the bottom of the chart a blended comparison is shown.

SpecialtyHealth Fit for Retirement Program

In 2005 PACT contracted with SpecialtyHealth for its Cardiac Wellness Program for public safety and renewed the contract continuously since then. Recently, the program name changed to “Fit for Retirement” program. Participation in the program has shown growth, but with over 1100 potentially eligible firefighter and law enforcement participants, continued efforts are needed to reach a significant number of participants to make this program do what it is intended to do: reduce cardiac risks to save lives and careers.

In advance of the renewal contract term, staff undertook an in-depth look at the services, costs, and promotional approach to determine efficacy. As a result of that review and discussions with SpecialtyHealth, staff negotiated for modifications to the current contract that will extend to a renewal contract as well.

1. New Contract Items

- A. A new three-year contract is proposed effective July 1, 2021 including a typical termination provision by each party.
- B. The new contract will be a fixed monthly fee not to exceed amount of \$615,000 per year payable at \$51,250 monthly.
- C. Staff will establish a staff operated Oversight Committee that will review the program scope, progress, and results with SpecialtyHealth consistent with the contract requirements. Staff will provide periodic reports from the Oversight Committee to the PACT Executive Committee and PACT Board about its regular (planned quarterly) meetings.
- D. The Oversight Committee and Specialty Health will establish performance standards and measurables for each year of the contract.
- E. SpecialtyHealth will commit 50 hours of subject matter expertise content to assist POOL/PACT with developing ELearning classes, podcasts, webinars, etc. which will be used by both parties to promote participation by individuals in the Fit for Retirement program.
- F. SpecialtyHealth will allow Fit for Retirement participants access to their portal that has participant medical records.
- G. Staff will draft a proposed new contract incorporating these provisions for approval at the annual board meeting.

**SERVICE AGREEMENT BETWEEN
PUBLIC AGENCY COMPENSATION TRUST
AND
SPECIALTYHEALTH, MCO, Inc.**

This Agreement (herein referred to as “Agreement”) is made and entered into July 1, 2021 by and between Public Agency Compensation Trust, (“PACT”) a Nevada intergovernmental entity (“PACT”), and SpecialtyHealth MCO, Inc. (“SpecialtyHealth”) a Nevada Corporation.

SpecialtyHealth is a URAC Certified Wellness provider which provides risk assessment and wellness services to individuals who are at increased risks for cardio-metabolic and pulmonary diseases.

PACT desires the services of SpecialtyHealth for the purpose of providing a Health Risk Assessment (HRA) and Wellness Program, identified as the *Fit For Retirement Program* (hereinafter “Wellness Program”) for Public Safety Officers who are eligible under PACT worker’s compensation programs and covered for occupational disease benefits pursuant to NRS 617.455-457. The objective of this Agreement is to increase participation in the Wellness Program and have an effective impact on improving cardio-metabolic and pulmonary health for eligible Public Safety Officers, with a focus on individuals at increased risk for the occupational diseases referenced in NRS 617.455-457.

That upon the terms and conditions set forth in this Agreement, SpecialtyHealth and PACT agree as follows for the provision of client services as set forth herein, all in consideration of the mutual covenants, promises, and obligations contained herein.

Definitions

1. **Term:** This Agreement shall be effective as of the July 1, 2021, through June 30, 2024, subject to the Termination provisions of this Agreement.
2. **Services:** SpecialtyHealth will provide the following services:
 - A. **Review of Public Safety Annual Physicals.** SpecialtyHealth will review Public Safety Officers annual physical examinations. When medically indicated, SpecialtyHealth will provide instruction and advice to administering providers to improve the quality of the annual physical in accordance with statutory and regulatory requirements addressed in NRS 617.455-457.

Service Contract
REV. 4/8/21

PACT Initials: _____

SpecialtyHealth Initials: _____

Page 1 | 11

- B. Notification to PACT on Non-Compliance. SpecialtyHealth will within thirty days, notify PACT of each provider who does not meet the statutory and regulatory compliance requirements for Public Safety annual physicals.
- C. Tracking Annual Physicals. SpecialtyHealth will provide each PACT member with Public Safety Officers, a quarterly report of the annual physicals received and the annual physical due date for each Public Safety Officer.
- D. Review of Annual Physicals. Based on review of the individual officer’s annual physical, SpecialtyHealth will provide each participating Public Safety Officer with a written complete Health Risk Assessment (HRA) as defined herein, outlining any cardio-metabolic and/or pulmonary risks with a written Wellness Health Plan to assist the officer in correcting identified health risks.
- E. High Risk Individuals. Individuals who are identified as “High Risk” or “Extremely High Risk” for cardio-metabolic and/or pulmonary disease, will be contacted by a member of SpecialtyHealth medical team by confidential letter informing the individual of their risk factors, a written Wellness Health Plan to address the risks, and resources available to correct identified health risks. This information will be documented, updated, and monitored in the individual’s health record maintained by SpecialtyHealth. Each individual involved in the program shall be identified as “actively participating” or “non-participating” as defined herein.
- F. High and Extremely High-Risk Officers. Member agencies that have a high proportion of high or extremely high-risk officers will be contacted by SpecialtyHealth which will provide training on the Wellness Program and resources offered by PACT.
- G. Data Collection. SpecialtyHealth will provide analysis and monitoring of annual physical examinations and identified risk factors. This confidential health information will be maintained on each participant in the Wellness Program data system. The annual physicals, documentation, recommendations, and other health information will be analyzed in accordance with “evidence based” medical parameters identifying those with health risk factors.
- H. Confidential Medical/Health Information. SpecialtyHealth shall not provide or disclose any health/medical information obtained from any Public Safety Officer to PACT unless required to do so pursuant to legal process.
- I. Medical Director Oversight. The services provided by SpecialtyHealth as outlined in this Agreement shall be overseen by a Nevada licensed physician qualified in the

analysis and treatment of cardio-metabolic and pulmonary disorders as identified in NRS 617.455-457.

- J. Members' Obligations. In order to participate in the Wellness Program, PACT will encourage members to provide complete copies of the most recent physical examinations and submit a current roster of all Public Safety Officers who are subject to the annual heart/lung physical examinations to SpecialtyHealth.
- K. Comprehensive Risk Assessment and Wellness Health Plan. The Comprehensive Risk Assessment and Wellness Health Plan includes each of the following:
- a. Review of annual physical
 - b. Order additional testing as indicated to assess identified health risks
 - c. Provide participant with comprehensive written risk assessment and Wellness Health Plan to correct identified risks
 - d. Meet with the participant (virtual, telephone, or in-person) to review the comprehensive risk assessment and assist with implementation of the Wellness Health Plan
 - e. The Wellness Health Plan shall include ongoing testing and health coaching from SpecialtyHealth's Wellness Program team, all of which will be documented in the participant's medical record. Documentation of participant's efforts in the Wellness Program will include status of whether goals have or have not been achieved
 - f. Initial base line risks analysis include:
 - i. 8 panel blood test
 - ii. HRA
 - iii. Biometrics (height, weight, blood-pressure)
 - iv. Tobacco use assessment
 - v. Complete blood panel
 - vi. Complete metabolic panel
 - vii. Thyroid stimulating hormone
 - viii. Vitamin D levels
 - ix. Hemoglobin A1c
 - x. Advanced NMR testing (when indicated)
 - xi. LP-a advanced test (when indicated)
 - g. Each participant shall be classified in the following four categories: "low-risk" "moderate risk" "high risk" "extremely high risk." Follow up testing and health coaching shall be based on the participant's risk category.
 - h. Risk classification and treatment recommendations are "evidence based" medical standards including but not limited to: Framingham Risk Score, Adult

Service Contract

REV. 4/8/21

PACT Initials: _____

SpecialtyHealth Initials: _____

Page 3 | 11

Treatment Protocols (ATP), Metabolic Syndrome Protocols, LipoScience Risk scoring, Insulin Resistance Scoring, JNC8, and the National Institute of Health recommendations for the evaluation and treatment of cardio-metabolic conditions.

- i. All encounters with a participant will be documented in the participant's Wellness record.
- j. SpecialtyHealth shall within ninety days of the execution of this Agreement, institute an operational and secure patient-portal for participants to access their Wellness Health records and relating Wellness Program information on SpecialtyHealth's website.

3. **Active Participation Defined:**

A Public Safety Officer will be deemed an Active Participant in the Wellness Health Plan if he/she:

- a. Provides a current annual heart/lung physical to SpecialtyHealth;
- b. Completes and submits to SpecialtyHealth a Health Risk Assessment annually;
- c. Authorizes SpecialtyHealth to coordinate the recommended Wellness Health Plan of care with the participant's primary care provider; and
- d. Participates in good faith in attempting to correct all identified health risks as identified by the participants primary care provider and/or by SpecialtyHealth in the risk assessment and Wellness Health Plan.

4. **Wellness Program Oversight Committee.** Within thirty days of the execution of this Agreement, PACT and SpecialtyHealth will jointly develop a staff Wellness Program Oversight Committee which will be responsible for performance review of standards and program utilization with the primary objective to enhance participation in and wellness of PACT Public Safety Officers. The Committee will provide progress reports to the PACT Executive Committee.

5. **Billing:**

A. Member will bear the following costs:

- 1) Annual physical examination;
- 2) Additional tests ordered by the physical examination provider acting in consultation with the Medical Care Organization.

B. PACT will bear the following costs:

- 1) Cardio-Metabolic/pulmonary risk profiles based on the Public Safety Officer's physical examination.
- 2) Reviews and documentation of physical examinations.

Service Contract

REV. 4/8/21

PACT Initials: _____

SpecialtyHealth Initials: _____

Page 4 | 11

- 3) Consultation with physical examination profiles on additional testing.
- 4) Member in-services and training.
- 5) Physician training on conducting legally compliant physical examinations.
- 6) Additional laboratory testing (advance testing) as indicated cardio-metabolic/pulmonary risk analysis of the annual physical examination.

C. Total SpecialtyHealth monthly billings under this Agreement shall not exceed \$51,250 per month per fee schedule, including marketing services in the amount of \$18,000.00, as provided in Attachment 1. Marketing services include general emails to participants. SpecialtyHealth’s monthly billing statements shall contain sufficient detail to allow PACT to understand the services provided and measure effectiveness of program services.

D. Beginning July 1, 2021, SpecialtyHealth shall provide to PACT without charge, not more than a total of fifty hours of subject matter expert content per month from its team including but not limited to lipidologist, exercise physiologist, dietitian, physician assistant, and medical doctor as provided in Attachment 1. PACT will incorporate content into eLearning courses, webinars, pod-casts, and similar productions for general consumption to members.

- 6. **Non-Competition**: SpecialtyHealth agrees that at no time during the period this Agreement is in effect or for a period of one year immediately following the termination of this Agreement, will it engage in the provision of any of the services set forth in this Agreement in a manner that competes with PACT or any of its service providers. SpecialtyHealth further agrees it will not directly or indirectly, solicit, or attempt to solicit business or patronage of any public entity in Nevada which is a member of PACT for the purpose of provision of such or substantially similar services as referenced herein.
- 7. **Independent Contractor**: SpecialtyHealth understands and acknowledges that it is associated with PACT only for the purposes and to the extent specified in this Agreement with respect to performance of the contracted services pursuant to this Agreement. Contractor is and shall be an independent contractor and subject only to the terms of this Agreement and shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Agreement. SpecialtyHealth shall have no claim against PACT hereunder or otherwise for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health, or disability benefits, unemployment insurance benefits, or employee benefits of any kind.
- 8. **General Warranty**: SpecialtyHealth warrants that all services, deliverables, and/or work product under this Agreement shall be completed in a workmanlike manner consistent with

medical standards, in the trade, profession, or industry shall conform to or exceed the specifications set forth in the incorporated documents and/or services described herein.

9. **Records**: SpecialtyHealth agrees and represents that all records obtained and resulting from services under this Agreement and held by SpecialtyHealth on behalf of PACT and/or its members, shall be maintained, protected, and preserved in accordance with the requirements of NRS Chapters, 239, 603A, and NRS 629. Each Party agrees to keep and maintain under generally accepted accounting principles full, true, and complete records and documents pertaining to this Agreement and will present at any reasonable time, with the exception of Public Safety Officer medical records, such information for inspection, examination, review, audit, and copying at any office where such records and documentation are maintained.
10. **Continuity of Operations**: SpecialtyHealth has a current and operational *Continuity of Operations Plan* to maintain the services provided in this Agreement.
11. **Termination Without Cause**: This Agreement may be terminated by either party without cause upon giving sixty-days written notice of intent to terminate. Prior to exercising the right of termination under this provision, the parties agree to discuss any reason(s) or issues relating to any proposed termination.
12. **Termination for Cause**:
 - A. If either Party breaches the terms of the Agreement, the other Party shall serve upon the Defaulting Party a Notice to Cure said breach. The Notice to Cure shall specify the alleged breach and shall be served on the Defaulting Party as set forth in Paragraph 27. If, within fifteen (15) business days of the date of service of such notice, the Defaulting Party has not fully cured all the items indicated therein, or presented a plan acceptable to the other Party to cure such items, the other Party may, upon expiration of fifteen (15) business days, serve a Notice of Termination on the Defaulting Party as provided in paragraph 12(b).
 - B. A Notice of Termination served on a Defaulting Party in accordance with Paragraph 12(a) shall become effective, and the Agreement shall be terminated, fifteen (15) business days after service of the Notice of Termination. The Notice of Termination shall be served on the Defaulting Party as set forth in Paragraph 27.
13. **Return of Records**: Specialty Health shall, within fifteen (15) business days after the expiration or termination of this Agreement, deliver all Records as defined in Paragraph 9 of this Agreement, to whatever individual or entity shall be identified by PACT in writing and served on Specialty Health as set forth in Paragraph 27.

Service Contract
REV. 4/8/21

PACT Initials: _____

SpecialtyHealth Initials: _____

Page 6 | 11

14. **Non-hiring of Employees:** PACT and SpecialtyHealth agree not to employ a person who has been employed by the other party unless the person desired to be employed shall not have been employed by either party during the last six months or unless the hiring party shall have the other party's written permission.
15. **Indemnification:**
- A. SpecialtyHealth agrees to indemnify and hold PACT harmless from any and all liability, costs, claims, and expenses, including reasonable attorney's fees and related costs and expense which PACT may incur or sustain by reason of any negligent act or negligent failure to act or intentional wrongful act or intentional wrongful failure to act by SpecialtyHealth, its officers, employees, and agents, in or relating to the performance of this Agreement.
 - B. Without waiving the provisions of NRS Chapter 41, PACT agrees to indemnify and Hold SpecialtyHealth harmless from any and all liability, costs, claims, and expenses, including reasonable attorney's fees and related costs and expense which SpecialtyHealth may incur or sustain by reason of any negligent act or negligent failure to act or intentional wrongful act or intentional wrongful failure to act by PACT, its officers, employees, and agents, in or relating to the performance of this Agreement.
 - C. The indemnification obligations of this paragraph shall survive the termination of the Agreement, except that neither party shall have any liability with respect to claims for which it has not received notice within three years of termination of the Agreement.
16. **Relationship of the Parties:** The only relationship between PACT and SpecialtyHealth is the contractual relationship established by this Agreement. Nothing contained in the Agreement shall be construed to create the relationship of partners, joint venture, employer/employee, or principal and agent between PACT and SpecialtyHealth
17. **Insurance:** SpecialtyHealth shall provide within thirty days of the execution of this Agreement, or at least 10 days prior to commencement of services for each contract annual period:
- a) Proof of general liability insurance coverage in an amount of at least two million dollars (\$2,000,000.00), designating PACT as an additional insured under the policy of insurance
 - b) Proof of errors and omissions insurance coverage in an amount of at least two million dollars (\$2,000,000.00)

- c) Automobile liability insurance, with a combined single limit of one million (\$1,000,000.00) each accident, and
 - d) Proof of worker's compensation insurance, including employer's liability coverage in the amount of at least one million dollars (\$1,000,000.00).
 - e) SH shall provide written notice to PACT of any nonrenewal, replacement, or change in insurance coverage and/or carrier thirty days prior to any such change.
18. **Assignment**: Neither party to this Agreement shall assign any of its rights or duties under said Agreement without the prior written consent of the other party.
19. **Licenses/Certifications/Qualifications**: SpecialtyHealth represents that it has and shall be responsible for maintaining any and all qualifications, business, and medical licenses, and/or certifications which are necessary to perform its obligations under this agreement.
20. **Duplication Originals**: This Agreement shall be executed in duplicate and each such duplicate shall constitute the original.
21. **Force Majeure**: Neither party shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder due to strike, failure of public transportation, civil or military authority, pandemic, act of public enemy, accidents, fires, explosions, including without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such excuse, and the excused party is obligated to perform promptly in accordance with the terms of the Agreement after the intervening cause ceases.
22. **Dispute Resolution**:
- A. **Negotiation**. In the event of any dispute arising out of, or relating to, this Agreement, or the breach thereof, the parties shall use their best efforts to settle the dispute by direct negotiations between individuals with full settlement authority.
 - B. **Mediation**. If the dispute is not settled within thirty (30) days through the negotiation outlined in Section A, the parties shall submit the dispute to mediation under the then-applicable Mediation Rules of the American Arbitration Association. The parties to the dispute shall share equally the mediator's fees and any administrative fee but shall otherwise bear their own expenses.
 - C. **Arbitration**. Thereafter, any unresolved dispute arising out of, or relating to, this Agreement, or the breach thereof, shall be decided by binding arbitration by a single arbitrator pursuant to the then-current Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator may

be entered in any court having jurisdiction thereof in accordance with the provisions of Chapter 38 of the Nevada Revised Statutes. The parties to the dispute shall share Equally the arbitrator's fee. Either of the parties may, notwithstanding the other provisions of this Agreement, request at any time a temporary restraining order, preliminary injunction or other interim relief from any court of competent jurisdiction without thereby waiving its other rights under this Section of the Agreement. Except as otherwise provided in this Agreement, the parties shall rely solely on the procedures set forth herein to resolve any dispute subject to this Section. If either party files an action in court, or proceeds with litigation that has already been filed, in violation of this Agreement, that party shall indemnify the other party for its costs and attorneys' fees incurred as a result of such violation.

- D. Non-Waiver of Governmental Immunities. PACT does not waive and will seek any immunities or limitation on damages to which it may be or is entitled under Chapter 41 of the Nevada Revised Statutes and it is expressly understood, and the parties hereto agree, that no arbitrator shall have the authority to impose damages against PACT in an amount in excess of the limitation on damages set forth in NRS 41.035 should Chapter 41 immunities and/or limitation on damages be determined to be applicable to any such dispute.

The parties understand that arbitration is final and binding and that they are waiving their rights to other resolution processes (such as jury trial, court action and/or administrative proceeding).

PACT initials: _____

SpecialtyHealth initials: _____

23. **Entire Agreement/Amendments:** This Agreement and Attachments constitute the entire understanding and agreement between PACT and SpecialtyHealth with regard to the subject matter hereof and may be amended only by the mutual written agreement of both parties.
24. **Severability:** To the extent that any provision of this Agreement shall be determined to be invalid or unenforceable by any court of competent jurisdiction or other appropriate authority, it shall be considered deleted here from, and the remainder of this Agreement shall continue to remain in full force and effect as it said invalid and unenforceable provision has not been included in this Agreement.
25. **Applicable Law, Jurisdiction, and Venue:** This Agreement shall be governed by Nevada law, without regard to conflicts of law principles. The parties agree that jurisdiction and venue for any dispute arising out of or relating to the Agreement shall be exclusively within the state courts or other tribunals located in Carson City, Nevada and the parties

Service Contract

REV. 4/8/21

PACT Initials: _____

SpecialtyHealth Initials: _____

Page 9 | 11

hereby waive any objection to such jurisdiction and venue.

26. **Headings and Captions**: Section headings in this Agreement are for the convenience of reference only and shall not constitute a part of this Agreement for any other purpose and shall not limit or broaden the scope of the particular section to which they refer.
27. **Waiver**: Neither party's failure nor neglect to enforce any of rights under this agreement will be deemed to be a waiver of that party's rights.
28. **Notice**: Any notice or other communication required or permitted to be given hereunder shall be in writing and sent to the other party by United States mail, registered, postage prepaid, return receipt requested, addressed as follows:
 - a. If to PACT: Wayne Carlson, 201 S. Roop, #102, Carson City, NV 89701
 - b. If to SpecialtyHealth: Jacqueline Cox, 330 Liberty Street, #200, Reno, NV 89501
29. **Construction**: This Agreement has been negotiated and prepared by the parties and their respective counsel and should any provision of this Agreement require judicial interpretation, the court, mediator, or arbitrator interpreting or construing the provision shall not apply the rule of construction that a document is to be construed more strictly against one party.
30. **Proper Authority**: The parties represent and warrant that the individual or officer executing this Agreement on behalf of each party has full power and authority to enter into this Agreement and that the parties are authorized by law to perform the services contemplated by this Agreement.
31. **Conflicts of Interest**. SH shall conform to Nevada laws regarding ethics and conflicts of interest and shall disclose any actual or potential conflicts of interest.
32. **Attorney Fees**: In the event that any dispute or action is instituted under or in relation to this Agreement, including without limitation to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs, and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, subject to the limitations in this Agreement, fees, costs (Mediation and/or Arbitration) and expenses of appeals.

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Service Contract
REV. 4/8/21

PACT Initials: _____

SpecialtyHealth Initials: _____

Page 10 | 11

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the date first above written:

SpecialtyHealth, Inc.

Public Agency Compensation Trust

Jacqueline C. Cox
President/CEO

Paul Johnson
PACT, Chair

The following Attachments are hereby incorporated in whole by reference:

1. Attachment 1

Service Contract

REV. 4/8/21

PACT Initials: _____

SpecialtyHealth Initials: _____

Page 11 | 11



SpecialtyHealth

SPECIALISTS IN MANAGED HEALTHCARE & PREVENTION

PACT Wellness Program Fee Schedule

The following is a list of proposed services and pricing to be provided by SpecialtyHealth Wellness to PACT Fit for Retirement Wellness Program

Specialty Health will provide the following services:

- Annual Physical Review and Letter \$175/letter
- Advanced Risk Reports \$175/letter
- Advanced Blood Work
 - NMR \$115
 - CBC \$12
 - CMP \$12
 - Ha1c \$15
 - Vitamin D \$56
 - TSH \$16
 - GlycA \$40
 - Lp(a) \$32
 - Lab Draw Fee \$30 (only from draws done at LabCorp)
- Training onsite and virtual \$250/hour/practitioner

SpecialtyHealth will provide the following appointment types (in person or virtual):

- Initial physician or nurse practitioner \$150
- Follow up physician or nurse practitioner \$130
- Review with Lipidologist \$250/based on 2-hour review
- Initial nutritionist \$125
- Follow up nutritionist \$75
- Initial fitness \$125
- Follow up fitness \$75
- Health Coaching (email or virtual/app) \$100/hour

Other Fees:

- Travel \$75/hour/individual
- Content creation \$100/hour
- Agency Contact Calls (blocked calls) \$100/hour
- Biometrics and Body Fat Percentage Testing \$25/test
- Participation Fee \$ 25
- PTSD/Trauma screenings/review/referral \$130*
 - *reviewed within 1 business day





Marketing will include (not to exceed \$18,000.00 per month and included in the monthly billing maximums):

- General emails sent from practitioners
- Presentation of general overview of the Fit for Retirement Program on-site or virtually
- Presentation of Fit for Retirement Course
- Distribution of Fit for Retirement literature
- Coordinated meetings with agency management, chiefs, sheriffs, and other department leaders
- Introduction to new classes, courses, trainings, and presentations
- Reporting to agencies: physicals due, agency trends, etc.
- Agency Risk Analysis-Report Card
- Wellness Program Oversight Committee Participation
- SpecialtyHealth will provide expert wellness program content to PACT for Wellness Program eLearning course development and related educational resources.



PACT Summary of All Claims
as of 6/30/20

Claims Frequency	Claims Costs	Claims Frequency	Claims Costs	Claims Frequency	Claims Costs	Claims Frequency	Claims Costs	Claims Frequency	Claims Costs	TOTAL Claims Frequency	TOTAL Claims Costs	Average Annual Cost 5 years	Average Annual Cost 3 years
7/1/15-6/30/16	7/1/15-6/30/16	7/1/16-6/30/17	7/1/16-6/30/17	7/1/17-6/30/18	7/1/17-6/30/18	7/1/18-6/30/19	7/1/18-6/30/19	7/1/19-6/30/20	7/1/19-6/30/20	2015/2016-2019/2020	2015/2016-2019/2020	2015/2016-2019/2020	2017/2018-2019/2020
883	\$ 5,097,955	855	\$ 6,186,339	671	\$ 7,447,383	747	\$ 5,629,566	847	\$ 5,033,254	4,003	\$ 29,394,498	\$ 5,878,900	\$ 6,036,734

PACT Counties

Member Name	Claims		Claims		Claims		Claims		Claims		TOTAL	TOTAL	Average Annual Cost 5 years 2015/2016-2019/2020	Average Annual Cost 3 years 2017/2018-2019/2020
	Frequency	Claims Costs	Frequency	Claims Costs	Frequency	Claims Costs	Frequency	Claims Costs	Frequency	Claims Costs	Claims Frequency	Claims Costs		
	7/1/15-6/30/16	7/1/15-6/30/16	7/1/16-6/30/17	7/1/16-6/30/17	7/1/17-6/30/18	7/1/17-6/30/18	7/1/18-6/30/19	7/1/18-6/30/19	7/1/19-6/30/20	7/1/19-6/30/20	2015/2016-2019/2020	2015/2016-2019/2020		
CARSON CITY (No Longer Member)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
CHURCHILL COUNTY	11	\$ 135,187	11	\$ 73,196	34	\$ 70,871	27	\$ 134,455	20	\$ 160,230	103	\$ 573,939	\$ 114,788	\$ 121,852
DOUGLAS COUNTY (No Longer Membe	120	\$ 271,942	119	\$ 321,344	1	\$ 6,011	0	\$ -	0	\$ -	240	\$ 599,297	\$ 119,859	\$ 2,004
ELKO COUNTY	56	\$ 105,152	36	\$ 142,377	46	\$ 148,402	55	\$ 411,615	53	\$ 429,711	246	\$ 1,237,256	\$ 247,451	\$ 329,909
ESMERALDA COUNTY	2	\$ 7,766	3	\$ 161,505	6	\$ 10,085	3	\$ 1,394	3	\$ 7,448	17	\$ 188,198	\$ 37,640	\$ 6,309
EUREKA COUNTY	5	\$ 7,885	9	\$ 20,392	6	\$ 2,413	6	\$ 1,616	12	\$ 106,312	38	\$ 138,617	\$ 27,723	\$ 36,780
HUMBOLDT COUNTY	19	\$ 162,612	14	\$ 72,569	15	\$ 181,562	13	\$ 353,925	26	\$ 78,754	87	\$ 849,422	\$ 169,884	\$ 204,747
LANDER COUNTY	10	\$ 40,997	13	\$ 95,089	9	\$ 191,439	14	\$ 898,337	12	\$ 96,760	58	\$ 1,322,622	\$ 264,524	\$ 395,512
LINCOLN COUNTY	3	\$ 1,100	1	\$ 231	4	\$ 3,711	5	\$ 16,388	6	\$ 16,949	19	\$ 38,379	\$ 7,676	\$ 12,349
LYON COUNTY	34	\$ 291,505	28	\$ 186,926	35	\$ 192,695	73	\$ 526,365	118	\$ 768,383	288	\$ 1,965,873	\$ 393,175	\$ 495,814
MINERAL COUNTY	16	\$ 131,990	10	\$ 63,147	6	\$ 18,547	6	\$ 5,242	8	\$ 60,191	46	\$ 279,116	\$ 55,823	\$ 27,993
NYE COUNTY	112	\$ 908,019	147	\$ 916,650	108	\$ 3,317,011	113	\$ 784,785	137	\$ 1,075,986	617	\$ 7,002,450	\$ 1,400,490	\$ 1,725,927
PERSHING COUNTY	7	\$ 51,765	3	\$ 15,430	3	\$ 2,903	2	\$ 110,566	5	\$ 17,109	20	\$ 197,772	\$ 39,554	\$ 43,526
STOREY COUNTY	11	\$ 188,782	10	\$ 18,572	8	\$ 26,136	3	\$ 5,992	12	\$ 24,505	44	\$ 263,988	\$ 52,798	\$ 18,878
WHITE PINE COUNTY	35	\$ 139,241	22	\$ 55,109	29	\$ 196,707	15	\$ 11,717	19	\$ 15,343	120	\$ 418,117	\$ 83,623	\$ 74,589
TOTAL	441	\$ 2,443,940	426	\$ 2,142,537	310	\$ 4,368,492	335	\$ 3,262,396	431	\$ 2,857,681	1,943	\$ 15,075,047	\$ 3,015,009	\$ 3,496,190

PACT Cities

Member Name	Claims		Claims		Claims		Claims		Claims		TOTAL		Average	Average
	Frequency	Claims Costs	Frequency	Claims Costs	Frequency	Claims Costs	Frequency	Claims Costs	Frequency	Claims Costs	Claims	TOTAL	Annual Cost 5	Annual Cost
	7/1/15- 6/30/16	7/1/15- 6/30/16	7/1/16- 6/30/17	7/1/16- 6/30/17	7/1/17- 6/30/18	7/1/17- 6/30/18	7/1/18- 6/30/19	7/1/18- 6/30/19	7/1/19- 6/30/20	7/1/19- 6/30/20	2015/2016- 2019/2020	2015/2016- 2019/2020	2015/2016- 2019/2020	2017/2018- 2019/2020
BOULDER CITY	29	\$ 85,207	19	\$ 281,071	17	\$ 19,128	34	\$ 213,772	29	\$ 220,913	128	\$ 820,091	\$ 164,018	\$ 151,271
CALIENTE	1	\$ 820	1	\$ 356	0	\$ -	2	\$ 113,474	1	\$ 74,359	5	\$ 189,010	\$ 37,802	\$ 62,611
CARLIN CITY	6	\$ 11,776	3	\$ 5,404	5	\$ 1,288	1	\$ 3,516	7	\$ 3,959	22	\$ 25,943	\$ 5,189	\$ 2,921
CITY OF ELKO	38	\$ 9,179	37	\$ 347,098	33	\$ 269,118	49	\$ 121,780	36	\$ 281,121	193	\$ 1,028,296	\$ 205,659	\$ 224,006
ELY CITY	11	\$ 299,433	5	\$ 25,016	4	\$ 16,869	10	\$ 29,520	5	\$ 184,276	35	\$ 555,114	\$ 111,023	\$ 76,888
CITY OF FALLON (No Longer a Member)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
CITY OF FERNLEY	5	\$ 4,368	4	\$ 2,165	3	\$ 6,131	2	\$ 265	2	\$ 1,543	16	\$ 14,472	\$ 2,894	\$ 2,646
CITY OF LOVELOCK	3	\$ 502	7	\$ 6,097	3	\$ 1,071	6	\$ 45,911	5	\$ 5,246	24	\$ 58,828	\$ 11,766	\$ 17,410
MESQUITE CITY (No Longer a Member)	15	\$ 39,330	0	\$ -	0	\$ -	0	\$ -	0	\$ -	15	\$ 39,330	\$ 7,866	\$ -
WELLS CITY	2	\$ 349	2	\$ 605	3	\$ 11,504	4	\$ 605	4	\$ 46,608	15	\$ 59,671	\$ 11,934	\$ 19,572
CITY OF WEST WENDOVER	5	\$ 2,854	4	\$ 34,348	5	\$ 7,752	6	\$ 9,490	2	\$ 2,582	22	\$ 57,027	\$ 11,405	\$ 6,608
CITY OF WINNEMUCCA	7	\$ 159,267	8	\$ 7,100	10	\$ 40,125	4	\$ 48,300	8	\$ 2,409	37	\$ 257,200	\$ 51,440	\$ 30,278
CITY OF YERINGTON	6	\$ 32,797	8	\$ 36,038	5	\$ 43,737	0	\$ -	4	\$ 8,455	23	\$ 121,026	\$ 24,205	\$ 17,397
TOTAL	128	\$ 645,883	98	\$ 745,298	88	\$ 416,722	118	\$ 586,633	103	\$ 831,470	535	\$ 3,226,006	\$ 645,201	\$ 611,608

PACT Schools

Member Name	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	TOTAL	TOTAL	Average	Average
	Frequency	Costs	Frequency	Costs	Frequency	Costs	Frequency	Costs	Frequency	Costs	Claims Frequency	Claims Costs	Annual Cost 5 years	Annual Cost 3 years
	7/1/15-6/30/16	7/1/15-6/30/16	7/1/16-6/30/17	7/1/16-6/30/17	7/1/17-6/30/18	7/1/17-6/30/18	7/1/18-6/30/19	7/1/18-6/30/19	7/1/19-6/30/20	7/1/19-6/30/20	2015/2016-2019/2020	2015/2016-2019/2020	2015/2016-2019/2020	2017/2018-2019/2020
ESMERALDA COUNTY SCHOOL DISTRICT	3	\$ -	1	\$ -	1	\$ -	3	\$ 5,544	3	\$ 16,379	11	\$ 21,924	\$ 4,385	\$ 7,308
EUREKA COUNTY SCHOOL DISTRICT	1	\$ 1,328	2	\$ 40,668	2	\$ 9,341	1	\$ 37,538	1	\$ 2,461	7	\$ 91,336	\$ 18,267	\$ 16,447
HUMBOLDT COUNTY SCHOOL DISTRICT(No longer	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
LANDER COUNTY SCHOOL DISTRICT	5	\$ 22,673	2	\$ 10,480	4	\$ 34,581	7	\$ 42,356	3	\$ 3,958	21	\$ 114,048	\$ 22,810	\$ 26,965
LINCOLN COUNTY SCHOOL DISTRICT	20	\$ 48,383	5	\$ -	13	\$ 1,773	9	\$ 44,838	10	\$ 3,390	57	\$ 98,384	\$ 19,677	\$ 16,667
MINERAL COUNTY SCHOOL DISTRICT	23	\$ 7,170	8	\$ 229	12	\$ 27,497	28	\$ 4,358	7	\$ 5,854	78	\$ 45,109	\$ 9,022	\$ 12,570
NYE COUNTY SCHOOL DIST (No longer member)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
PERSHING COUNTY SCHOOL DISTRICT	5	\$ 14,417	2	\$ 881	4	\$ 16,156	8	\$ 211,671	9	\$ 3,925	28	\$ 247,050	\$ 49,410	\$ 77,251
WHITE PINE COUNTY SCHOOL DISTRICT	6	\$ 8,985	14	\$ 51,821	9	\$ 40,202	8	\$ 14,253	7	\$ 9,370	44	\$ 124,631	\$ 24,926	\$ 21,275
TOTAL	63	\$ 102,957	34	\$ 104,078	45	\$ 129,550	64	\$ 360,558	40	\$ 45,338	246	\$ 742,481	\$ 148,496	\$ 178,482

PACT Hospitals

Member Name	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	TOTAL	TOTAL	Average	Average	
	Frequency	Costs	Frequency	Costs	Frequency	Costs	Frequency	Costs	Frequency	Frequency	Claims Costs	Annual Cost	Annual Cost	
	7/1/15- 6/30/16	7/1/15- 6/30/16	7/1/16- 6/30/17	7/1/16- 6/30/17	7/1/17- 6/30/18	7/1/17- 6/30/18	7/1/18- 6/30/19	7/1/18- 6/30/19	7/1/19- 6/30/20	7/1/19- 6/30/20	2015/2016- 2019/2020	2015/2016- 2019/2020	2015/2016- 2019/2020	2017/2018- 2019/2020
BATTLE MOUNTAIN GENERAL HOSPITAL	9	\$ 20,110	11	\$ 11,712	12	\$ 88,716	3	\$ 32,336	0	\$ -	35	\$ 152,875	\$ 30,575	\$ 40,351
BOULDER CITY HOSPITAL (No longer member)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
CARSON TAHOE HOSPITAL (No longer member)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
GROVER C. DILS MEDICAL CENTER	6	\$ 7,338	11	\$ 7,375	16	\$ 58,106	7	\$ 28,453	7	\$ 12,232	47	\$ 113,503	\$ 22,701	\$ 32,930
HUMBOLDT GENERAL HOSPITAL	19	\$ 209,830	19	\$ 112,971	9	\$ 31,103	13	\$ 29,028	7	\$ 14,827	67	\$ 397,760	\$ 79,552	\$ 24,986
MT. GRANT GENERAL HOSPITAL	10	\$ 17,193	7	\$ 39,553	11	\$ 11,183	7	\$ 9,517	11	\$ 41,266	46	\$ 118,711	\$ 23,742	\$ 20,655
PERSHING GENERAL HOSPITAL	5	\$ 16,636	11	\$ 63,829	11	\$ 13,532	4	\$ 3,980	20	\$ 10,177	51	\$ 108,154	\$ 21,631	\$ 9,230
SO. LYON MEDICAL CENTER (No longer member)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
SOUTHERN NEVADA HEALTH DISTRICT	12	\$ 34,045	15	\$ 18,525	10	\$ 55,508	13	\$ 12,538	13	\$ 14,250	63	\$ 134,866	\$ 33,716	\$ 27,432
TOTAL	61	\$ 305,153	74	\$ 253,964	69	\$ 258,148	47	\$ 115,852	58	\$ 92,751	309	\$ 1,025,868	\$ 211,917	\$ 155,584

PACT Special Districts and Towns

Member Name	Claims Frequency		Claims Costs		Claims Frequency		Claims Costs		Claims Frequency		Claims Costs		TOTAL Claims Frequency	TOTAL Claims Costs	Average Annual Cost 5 years	Average Annual Cost 3 years
	7/1/15-6/30/16	7/1/15-6/30/16	7/1/16-6/30/17	7/1/16-6/30/17	7/1/17-6/30/18	7/1/17-6/30/18	7/1/18-6/30/19	7/1/18-6/30/19	7/1/19-6/30/20	7/1/19-6/30/20	2015/2016-2019/2020	2015/2016-2019/2020	2015/2016-2019/2020	2017/2018-2019/2020		
CARSON CITY:																
NEVADA ASSOCIATION OF COUNTIES	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
NEVADA LEAGUE OF CITIES	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
NEVADA RISK POOLING, INC.	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
NEVADA RURAL HOUSING AUTHORITY	0	\$ -	5	\$ 14,595	1	\$ 777	1	\$ 302	2	\$ 677	9	\$ 16,351	9	\$ 16,351	\$ 3,270	\$ 585
POOLING RESOURCES, INC.	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
CLARK COUNTY:																
MOUNT CHARLESTON FIRE PROTECTION DISTRICT	1	\$ -	1	\$ -	2	\$ -	1	\$ -	4	\$ 39,700	9	\$ 39,700	9	\$ 39,700	\$ 7,940	\$ 13,233
VIRGIN VALLEY WATER DISTRICT (No Longer Member)	1	\$ 33,553	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 33,553	1	\$ 33,553	\$ 6,711	\$ -
CHURCHILL COUNTY:																
CC COMMUNICATIONS	1	\$ 2,437	2	\$ 2,338	2	\$ 641	1	\$ 5,593	2	\$ 5,067	8	\$ 16,076	8	\$ 16,076	\$ 3,215	\$ 3,767
CHURCHILL COUNTY MOSQUITO & ABATEMENT DISTRICT	1	\$ 2,886	0	\$ -	0	\$ -	0	\$ -	1	\$ 284	2	\$ 3,170	2	\$ 3,170	\$ 634	\$ 95
DOUGLAS COUNTY:																
DOUGLAS CO. MOSQUITO CONTROL DISTRICT	0	\$ -	0	\$ -	0	\$ -	1	\$ 1,333	0	\$ -	1	\$ 1,333	1	\$ 1,333	\$ 267	\$ 444
DOUGLAS COUNTY SEWER IMPROVEMENT DISTRICT	1	\$ 367	0	\$ -	0	\$ -	2	\$ 2,742	0	\$ -	3	\$ 3,109	3	\$ 3,109	\$ 622	\$ 914
EAST FORK FIRE & PARAMEDIC DISTRICT	23	\$ 106,838	29	\$ 1,122,932	26	\$ 723,153	27	\$ 325,908	20	\$ 461,508	125	\$ 2,740,340	125	\$ 2,740,340	\$ 548,068	\$ 503,523
EAST FORK SWIMMING POOL DISTRICT	5	\$ 2,282	6	\$ 13,953	4	\$ 3,213	4	\$ 2,282	4	\$ 5,232	23	\$ 26,962	23	\$ 26,962	\$ 5,392	\$ 3,576
GARDNERVILLE, TOWN OF (No Longer Member)	1	\$ 219	1	\$ 68,871	0	\$ -	0	\$ -	0	\$ -	2	\$ 69,090	2	\$ 69,090	\$ 13,818	\$ -
GENOA, TOWN OF (No Longer Member)	1	\$ 2,814	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 2,814	1	\$ 2,814	\$ 563	\$ -
INDIAN HILLS GENERAL IMPROVEMENT DISTRICT	0	\$ -	1	\$ 617	1	\$ -	0	\$ -	0	\$ -	2	\$ 617	2	\$ 617	\$ 123	\$ -
LAKERIDGE GENERAL IMPROVEMENT DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
MARLA BAY GID	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
MINDEN, TOWN OF (No Longer Member)	3	\$ 1,510	2	\$ 1,824	0	\$ -	0	\$ -	0	\$ -	5	\$ 3,335	5	\$ 3,335	\$ 667	\$ -
MINDEN GARDNERVILLE SANITATION DISTRICT	0	\$ -	2	\$ 519	0	\$ -	1	\$ 652	1	\$ -	4	\$ 1,171	4	\$ 1,171	\$ 234	\$ 217
NV TAHOE CONSERVATION DISTRICT	0	\$ -	0	\$ -	1	\$ 484	0	\$ -	0	\$ -	1	\$ 484	1	\$ 484	\$ 97	\$ 161
TAHOE DOUGLAS FIRE PROTECTION DISTRICT	18	\$ 301,097	13	\$ 37,897	12	\$ 115,489	11	\$ 242,960	9	\$ 29,549	63	\$ 726,992	63	\$ 726,992	\$ 145,398	\$ 129,333
TAHOE TRANSPORTATION DISTRICT	0	\$ -	0	\$ -	0	\$ -	1	\$ 47,400	0	\$ -	1	\$ 47,400	1	\$ 47,400	\$ 9,480	\$ 15,800
TOPZA RANCH ESTATES GENERAL IMPROVEMENT DISTRICT	0	\$ -	0	\$ -	0	\$ -	1	\$ 339	1	\$ 426	2	\$ 765	2	\$ 765	\$ 153	\$ 255
ELKO COUNTY:																
ELKO CENTRAL DISPATCH	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
ELKO CONVENTION & VISITORS AUTHORITY	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
ESMERALDA COUNTY:																
GOLDFIELD TOWN	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
SILVER PEAK TOWN	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
LANDER COUNTY:																
AUSTIN, TOWN OF	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
AUSTIN VOL FIRE DEPT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
BATTLE MOUNTAIN, TOWN OF	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
BATTLE MOUNTAIN VOL FIRE	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
KINGSTON TOWN	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
KINGSTON VOL FIRE DEPT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
LINCOLN COUNTY:																
ALAMO SEWER & WATER GID	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
LINCOLN COUNTY WATER DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
NEVADA ASSOC OF CONSERVATION DISTRICTS	0	\$ -	0	\$ -	0	\$ -	1	\$ 2,381	0	\$ -	1	\$ 2,381	1	\$ 2,381	\$ 476	\$ 794
PAHRANAGAT VALLEY FIRE DISTRICT	0	\$ -	0	\$ -	0	\$ -	5	\$ 485	1	\$ -	6	\$ 485	6	\$ 485	\$ 97	\$ 162
PANACA VOLUNTEER FIRE DEPT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
PIOCHE, TOWN OF	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
PIOCHE VOLUNTEER FIRE DEPT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
LYON COUNTY:																
CENTRAL LYON COUNTY FIRE PROTECT	3	\$ 3,383	11	\$ 194,388	6	\$ 172,809	5	\$ 13,192	10	\$ 125,200	35	\$ 508,972	35	\$ 508,972	\$ 101,794	\$ 103,734
FERNLEY SWIMMING POOL DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
MASON VALLEY FIRE PROTECTION DISTRICT	5	\$ 1,211	0	\$ -	2	\$ 40,490	0	\$ -	5	\$ 14,430	12	\$ 56,131	12	\$ 56,131	\$ 11,226	\$ 18,307
MASON VALLEY SWIMMING POOL DISTRICT	0	\$ -	0	\$ -	1	\$ -	0	\$ -	0	\$ -	1	\$ -	1	\$ -	\$ -	\$ -
NORTH LYON COUNTY FIRE PROTECTION DISTRICT	8	\$ 33,507	1	\$ 10,332	2	\$ 1,734	1	\$ 3,054	6	\$ 3,650	18	\$ 52,277	18	\$ 52,277	\$ 10,455	\$ 2,813
SILVER SPRINGS STAGECOACH HOSPITAL DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
SMITH VALLEY FIRE PROTECTION DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 1,598	1	\$ 1,598	1	\$ 1,598	\$ 320	\$ 533
WALKER RIVER IRRIGATION DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
MINERAL COUNTY:																
HAWTHORNE FIRE & VOL FIRE	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
HAWTHORNE UTILITIES	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
MINERAL CO. CARE & SHARE	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
NYE COUNTY:																
BEATTY WATER & SANITATION DISTRICT	0	\$ -	1	\$ 10,043	0	\$ -	0	\$ -	0	\$ -	1	\$ 10,043	1	\$ 10,043	\$ 2,009	\$ -
NORTHERN NYE HOSPITAL DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -

PACT Special Districts and Towns

PAHRUMP, TOWN OF	20	\$ 32,606	23	\$ 353,034	23	\$ 25,973	33	\$ 192,541	71	\$ 81,100	170	\$ 685,254	\$ 137,051	\$ 99,871
ROUND MOUNTAIN, TOWN OF	0	\$ -	1	\$ 150	0	\$ -	2	\$ 2,376	0	\$ -	3	\$ 2,526	\$ 505	\$ 792
TONOPAH, TOWN OF	0	\$ -	2	\$ 19,866	0	\$ -	3	\$ 61,106	3	\$ 4,455	8	\$ 85,427	\$ 17,085	\$ 21,854
PERSHING COUNTY:														
PERSHING COUNTY WATER CONSERVATION DISTRICT	2	\$ 37,043	1	\$ 4,241	0	\$ -	3	\$ 20,361	1	\$ 1,147	7	\$ 62,791	\$ 12,558	\$ 7,169
STOREY COUNTY:														
CANYON GENERAL IMPROVEMENT DISTRICT	1	\$ 2,230	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 2,230	\$ 446	\$ -
TRI GENERAL IMPROVEMENT DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
WASHOE COUNTY:														
GERLACH GENERAL IMPROVEMENT DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT	36	\$ 128,440	54	\$ 445,456	39	\$ 282,333	45	\$ 155,970	30	\$ 214,641	204	\$ 1,226,840	\$ 245,368	\$ 217,648
NORTH LAKE TAHOE FIRE PROTECTION DISTRICT	21	\$ 143,721	36	\$ 77,449	31	\$ 855,588	27	\$ 213,695	36	\$ 206,060	151	\$ 1,496,512	\$ 299,302	\$ 425,114
PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT	0	\$ -	0	\$ -	1	\$ -	1	\$ 908	0	\$ -	2	\$ 908	\$ 182	\$ 303
RTC OF WASHOE COUNTY	0	\$ -	1	\$ 1,021	0	\$ -	1	\$ 1,773	2	\$ 2,487	4	\$ 5,281	\$ 1,056	\$ 1,420
SIERRA FIRE PROTECTION DISTRICT (No Longer a Member)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
SUN VALLEY GENERAL IMPROVEMENT DIST (No longer member)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
TRUCKEE MEADOWS FIRE PROTECTION DISTRICT (No Longer Membe	28	\$ 725,856	27	\$ 546,640	1	\$ 43,900	0	\$ -	0	\$ -	56	\$ 1,316,396	\$ 263,279	\$ 14,633
TRUCKEE MEADOWS REGIONAL PLANNING AUTHORITY	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
WASHOE FIRE SUPPRESSION DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 3,245	1	\$ 3,245	\$ 649	\$ 1,082
WHITE PINE COUNTY:														
MCGILL RUTH CONSOLIDATED SEWER & WATER GID	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
NEVADA NORTHERN RAILWAY FOUNDATION	2	\$ 15,624	2	\$ 13,735	3	\$ 6,371	2	\$ 2,243	3	\$ 3,813	12	\$ 41,785	\$ 8,357	\$ 4,142
WHITE PINE COUNTY FIRE PROTECTION DISTRICT	7	\$ 10,409	1	\$ 562	1	\$ 1,516	3	\$ 4,529	1	\$ 1,745	13	\$ 18,762	\$ 3,752	\$ 2,597
WHITE PINE COUNTY TOURISM & RECREATION BOARD	1	\$ 11,988	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 11,988	\$ 2,398	\$ -
WHITE PINE COUNTY TV DISTRICT #1	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
TOTAL	190	\$ 1,600,022	223	\$ 2,940,462	159	\$ 2,274,471	183	\$ 1,304,126	215	\$ 1,206,014	970	\$ 9,325,096	\$ 1,865,019	\$ 1,594,870

PACT Executive Committee

	Term	Entity	Officers	Counties/Cities With Less Than 35,000 Population (Total 2)	Counties/Cities With 35,000 or More Population (Total 2)	School Districts (Total 1)	Special Districts (Total 1)	Hospitals (Total 1)
Mike Giles	2019-2021	City of Lovelock		X				
Josh Foli	2019-2021	Lyon County	Fiscal Officer		X			
Cash Minor	2019-2021	Elko County	Vice Chair		X			
Chris Mulkerns	2019-2021	Town of Tonopah					X	
Cindy Hixenbaugh	2020-2022	Pershing General Hospital						X
Elizabeth Frances	2020-2022	White Pine County		X				
Paul Johnson	2020-2022	White Pine Co. School District	Chair			X		

Voting Special Districts/Towns:

Tod Carlini	East Fork Fire Protection District						X
Dee Carey	Incline Village GID						X
Chris Mulkerns	Town of Tonopah						X
Amy Hagan-Martin	Southern Nevada Health District						X
Scott Baker - replacement needed	Tahoe Douglas Fire Protection District						X

Voting Hospitals:

Marla Sam or James Matheus	Battle Mountain General Hospital							X
Missie Rowe	Grover C Dils Hospital							X
Sandi Lehman or Rose Marie Green	Humboldt General Hospital							X
Jonalee Roberts or Hunter Balanos	Mt Grant General Hospital							X
Cindy Hixenbaugh or Lynn Broyles	Pershing General Hospital							X



Nevada Public Agency Insurance Pool
Public Agency Compensation Trust
201 S. Roop Street, Suite 102
Carson City, NV 89701-4779
Toll Free Phone (877) 883-7665
Telephone (775) 885-7475
Facsimile (775) 883-7398

**Notice of Meetings and Agendas for the Meeting of
the Board of Directors and of the Executive Committee of
Nevada Public Agency Insurance Pool
Date: April 22, 2021**

Please click this URL to view meeting documents.
Virtual Only

Join Zoom Meeting

<https://us02web.zoom.us/j/88934020177?pwd=ZGEzdkVEUVVVR1RRTUZZajJzWUVndz09>

Meeting ID: 889 3402 0177

Passcode: 632020

One tap mobile

+16699006833,,88934020177#,,,,*632020# US (San Jose)

+12532158782,,88934020177#,,,,*632020# US (Tacoma)

ALL AUDIO WILL BE TELEPHONE ONLY

Dial by your location

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

Meeting ID: 889 3402 0177

Passcode: 632020

Find your local number: <https://us02web.zoom.us/j/88934020177?pwd=ZGEzdkVEUVVVR1RRTUZZajJzWUVndz09>

Date: April 22, 2021

**Time: upon adjournment of Joint Board and Executive Committee Meeting,
which starts at 8:00am, and the Public Agency Compensation Trust
meeting.**

AGENDA

Notices:

- 1. Items on the agenda may be taken out of order;**
- 2. Two or more items on the agenda may be combined for consideration**
- 3. Any item on the agenda may be removed or discussion may be delayed at any time**
- 4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken.**
- 5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.**

1. Introductions and Roll

2. **Public Comment**
3. **For Possible Action: Consent Agenda: Approve as a Whole Unless Moved From Consent Agenda**
 - a. **Approval of Minutes of Board Meeting of April 17, 2020**
 - b. **Acceptance of Interim Financial Statements**
 - c. **Actuarial Overview of POOL Reserve Liabilities as of June 30, 2020**
4. **For Possible Action: Acceptance of Audit for June 30, 2020**
5. **For Possible Action: Approval of Renewal Reinsurance and Insurance Proposals and Options**
6. **For Possible Action: Approval of Budget for 2021-2022 including Actuarial Funding Update**
7. **For Possible Action: Action regarding these topics:**
 - a. **Review of financial condition of each member and prompt notification to the Members of any Member determined to be operating in a hazardous financial condition**
 - b. **Review of the loss experience of each Member of the association - Claims Experience Report Summary**
 - c. **Review for removal of Members with excessive loss experience or Members determined by the Board to be operating in a hazardous condition**
8. **For Possible Action: Election of Executive Committee for Two Year Terms from 2021-2023**
 - a. **One Representative from Special Districts**
 - b. **One Representative from Counties and/or Cities with less than 35,000 Population**
 - c. **One Representative of School Districts**
9. **For Possible Action: Election of Chair and Vice Chair**
10. **Public Comment**
11. **For Possible Action: Adjournment**

This Agenda was posted at the following locations and on the State's Website notice.nv.gov:

N.P.A.I.P. / P.A.C.T.
201 S. Roop Street, Suite 102
Carson City, NV 89701

Carson City Courthouse
885 E. Musser Street
Carson City, NV 89701

**Eureka County Courthouse
10 S. Main Street
Eureka, NV 89316**

**Churchill County Administration
155 North Taylor Street
Fallon, NV 89406**

NOTICE TO PERSONS WITH DISABILITIES

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Nevada Public Agency Insurance Pool or Public Agency Compensation Trust in writing at 201 S. Roop Street, Suite 102, Carson City, NV 89701, or by calling (775) 885-7475 at least three working days prior to the meeting.



Nevada Public Agency Insurance Pool
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**Notice of Meetings and Agendas for the Meeting of
the Board of Directors and of the Executive Committee of
Nevada Public Agency Insurance Pool**

Date: April 17, 2020

Virtual Only

MINUTES

Date: April 17, 2020

1. Roll

Members present were as follows: Chair Cash Minor, Josh Foli, Gerald Eick, Gina Rackley, Ann Cyr, Dan Murphy, Geof Stark, Greg Reed, Chris Mulkerns, and Scott Baker. Also present were Executive Director Wayne Carlson, C.O.O. Michael Rebaleati, CFO Alan Kalt, Risk Manager Marshall Smith, Member Services Director Debra Connally, PRI General Manager Stacy Norbeck, Zaria Hanses, and Melissa Mack. With a quorum being present, Chair Cash Minor called the meeting to order at 10:22 am.

2. Public Comment

Chair Cash Minor called for public comment. There was no public comment so the Chair moved to agenda item 3.

3. For Possible Action: Consent Agenda: Approve as a Whole Unless Moved From Consent Agenda

- a. Approval of Minutes of Board Meeting of April 17, 2019**
- b. Acceptance of Interim Financial Statements**
- c. Actuarial Overview**

On motion by Josh Foli and second by Geof Stark to approve the consent agenda, the motion carried.

4. For Possible Action: Acceptance of Audit for June 30, 2019

CFO Alan Kalt POOL reported that POOL received a clean audit opinion from the independent auditor. Net Position went from \$26,978,956 to \$25,420,233 due primarily to underwriting gain of \$2,289,432, administrative expenses of \$1,424,844, member education and loss control grants of \$1,596,475 and amortization of transfer from POOL of \$2,295,226 with an offset of non-operating investment income of \$1,148,315. POOL current and long-term loss reserves decreased from \$11,714,000 to \$10,705,000 during the year due to settlement of some significant outstanding claims. Investments increased by \$303,863 from \$18,107,946 to \$18,411,809. FY 2019 had improved financial results from 2018. On motion by Gerald Eick and second by Josh Foli to accept the audit of June 30, 2019, the motion carried.

5. For Possible Action: Approval of Accounting Policy Expensing All Transfer of Net Contribution Surplus to PRM in the Year of Transfer

The captives were formed to reduce the cost of insurance, to obtain direct access to reinsurance, to broaden coverage for policyholders, to broaden investment opportunities and to build equity to enable provision of coverage not obtainable elsewhere. The contributions of surplus were amortized over a 10-year period which resulted in an annual significant amortization expense resulting in operational losses and a Net Contribution Surplus to PCM/PRM on the Statement of Net Position. The independent auditor, Executive Committee and staff recommended this change effective July 1, 2018. We remain within our Net Position Policy Statement of Net Position to SIR being at least 20: 1. Restating the two prior years, the ratio is 26.7 and 28.1 for FY 2018 and FY 2019. On motion by Geof Stark and second by Josh Foli to approve to change the accounting policy to expense all transfer of net contribution surplus to PRM in the year of transfer, the motion carried.

6. For Possible Action: Approval of Renewal Reinsurance and Insurance Proposals and Options

Mary Wray from Willis Towers Watson Pooling Re discussed the “State of the Market”. She explained that the insurance industry is in a “hard market”. A “hard market” is essentially a sellers market. This also includes that limits are available but insurers are selling less. Significant rate increases are occurring as well as more pressure on terms and conditions. She did stress that insurance pools, such as POOL, tend to fair better than stand-alone insurance purchases because of the group buying and strong risk control programs. For the liability coverage, the increase of high settlements, jail liability and an increase of sexual abuse molestation (SAM) claims are driving the increases in premiums. The renewal quotations have a total premium increase of 13.1% (\$894,916) over expiring rates. The largest increase was within the captive layers (PRM) due to significant claims paid from this layer over the past several years. PRM rate was determined by our independent actuary using 75% confidence level. United Educators Casualty coverage for schools were up 17.73% due to increased claims whereas, CRL (Casualty coverage for non-schools) was up 9.06%. Property coverage provided by Lloyds of London syndicates is up 9% as the market hardens. Boiler Re, Terrorism, and Student Accident remained the same from expiring. On motion by Josh Foli and second by Mike Giles to approve the 2020-2021 rates as proposed by staff, the motion carried.

7. For Possible Action: Approval of Extension of Willis Pooling Service Contract to Expire July 1, 2026

On motion by Gerald Eick and second by Josh Foli to approve the 5-year contract extension for the Willis Towers Watson Pooling service contract, the motion carried.

8. For Possible Action: Approval of Budget for 2020-2021

CFO Alan Kalt explained that the proposed budget was prepared considering the current financial situation. Total assessments were based on projected costs and no assessment charge related to COVID-19 was factored into the budget. Loss expenses were projected at the 70% Confidence Level for POOL and 75% for PRM. The change in Loss Fund and Insurance cost are up 10.1%. This includes a Cyber Loss fund contribution of \$250,000 to assist in paying these claims. Increases in program (1.4%) and administrative expenses (8.2%) were primarily due to technology costs. Projected operating income is \$205,274 or 1.1% of total revenues. Investment income projected at a book rate of return of over 2.5%. Loss Control grants up to \$500,000 will be paid from surplus. The Board and staff recognize the difficult times and is reflected in the budget. On motion by Josh Foli and second by Geof Stark to approve the POOL budget for 2020-2021 as presented, the motion carried.

9. For Possible Action: Action regarding these topics:

- a. **Review of financial condition of each member and prompt notification to the Members of any Member determined to be operating in a hazardous financial condition**
- b. **Review of the loss experience of each Member of the association - Claims Experience Report Summary**
- c. **Review for removal of Members with excessive loss experience or Members determined by the Board to be operating in a hazardous condition**

Staff reported that a couple of members are under fiscal watch by the Department of Taxation and that all members are being adversely affected by the economic fallout of COVID-19. A review of the loss experience by members were noted in the Board packet. No members were noted for removal for excessive losses or operating in a hazardous financial condition. On motion by Josh Foli and second by Mike Giles that there will be no action taken on this agenda item, the motion carried.

10. For Possible Action: Approval of Changes to POOL Form 2020-2021 and Adoption of POOL Cyber Form 2020-2021

Executive Director Wayne Carlson summarized the proposed changes to the main 2020-2021 POOL Form. Attorney Jack Angaran of the Lewis Brisbois law firm and as lead attorney for updating both the POOL form and the proposed POOL Cyber Risk Form also summarized the proposed changes to the main 2020-2021 POOL form.

The 2020-2021 version was edited to align certain exclusions with our reinsurance policies language to avoid inconsistencies. The most significant change was to remove Section VII Data Security Coverage, which was transferred to a new, stand-alone Cyber Risk Coverage Form. Other changes included: 1) The ordinance of law coverage was expanded to include environmental upgrades to buildings; 2) The automobile insurance will be based on the agreed value instead of in lieu of the replacement cost; 3) Clarifying language changes were made to the sexual abuse exclusion and sub-limit; and 4) all sub-limits will be listed in the Declaration. On motion by Josh Foli and second by Ann Cyr to approve both the main POOL updated form and the new POOL Cyber Risk form, the motion carried.

11. For Possible Action: Election of Executive Committee for Two Year Terms from 2020-2021

- a. **One Representative from Special Districts**
- b. **One Representative from Counties and/or Cities with less than 35,000 Population**
- c. **One Representative of School Districts**

Executive Director Wayne Carlson explained that Gina Rackley from Humboldt County is willing to serve as a new POOL board member and Ann Cyr and Gerald Eick are willing to continue serving as POOL board members. On motion by Josh Foli and second by Mike Giles to elect Gina Rackley, Ann Cyr, and Gerald Eick to the POOL Executive Committee, the motion carried.

12. For Possible Action: Election of Chair and Vice Chair

On motion by Gerald Eick and second by Geoff Stark to retain Cash Minor as Chairman and Josh Foli as Vice Chairman as Fiscal Officer, the motion carried.

13. Public Comment

Chairman Cash Minor called for public comment. Gerald Eick wanted to thank all participants for this meeting and to express appreciate to all staff and service providers. He further expressed the importance of continued communication to staff and between members is vital to the POOL's

“member serving member” mission. Chairman Cash Minor expressed his gratitude for everyone’s participation in the POOL’s first “Virtual Only” meeting. There was no other public comment.

14. For Possible Action: Adjournment

Chairman Cash Minor adjourned the meeting at 11:00 am.

The Agenda was posted at the following locations and on the State’s Website notice.nv.gov:

**N.P.A.I.P. / P.A.C.T.
201 S. Roop Street, Suite 102
Carson City, NV 89701**

**Carson City Courthouse
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10 S. Main Street
Eureka, NV 89316**

**Churchill County Administration
155 North Taylor Street
Fallon, NV 89406**

DRAFT

NEVADA PUBLIC AGENCY INSURANCE POOL

Balance Sheet
February 28, 2021

ASSETS

Current Assets

Coinbase Inc.	\$	1,499.48
Cash - Claims - Wells Fargo		(141,895.33)
Cash - Admin. - Wells Fargo		715,956.03
A/R PARMS		47.00
Building Accounts Receivable		<u>15,355.96</u>

Total Current Assets 590,963.14

Property and Equipment

Land - 2nd & Roop Streets		466,653.05
Building - 2nd & Roop Streets		1,783,715.41
Building Depreciation		(813,340.55)
Equipment		71,510.74
Equip Accumulated Depreciation		(120,918.36)
Building Equipment		73,252.96
Building Equipment Acc. Depr.		(1,155.00)
Building Fixtures		230,758.65
Building Furniture		<u>4,359.75</u>

Total Property and Equipment 1,694,836.65

Other Assets

Investment Cash Equivalents		1,238,734.06
Investments		28,251,850.45
Investment Income Receivable		94,854.06
Assessments Receivable		115,807.42
Specific Recoverable		1,593,603.14
Maintenance Deductibles		119,567.22
Prepaid Reinsurance		2,777,355.35
Prepaid Commission - Current		398,836.37
Prepaid Willis Pooling		85,000.00
Prepaid ASC		70,185.04
Prepaid Loss Control Fees		83,336.00
Prepaid Schools Security Program		32,020.00
Other Prepaid		1,780.00
Prepaid Casualty Insurance		<u>20,386.73</u>

Total Other Assets 34,883,315.84

Total Assets \$ 37,169,115.63

LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable	(\$	249.00)
Payable For Risk Mmgt Grants		90,180.55

NEVADA PUBLIC AGENCY INSURANCE POOL

Income Statement

For the Eight Months Ending February 28, 2021

	Current Month		Year to Date	
Revenues				
PRM Risk Mitigation Services	\$ 0.00	0.00	\$ 237,500.00	1.88
Building Supplies Reimbursement	133.45	0.01	283.03	0.00
Copier Paper Reimbursement	0.00	0.00	77.19	0.00
Rental Income	11,306.00	0.87	159,121.68	1.26
Equipment Lease Reimbursement	492.99	0.04	4,954.19	0.04
Bldg Equip Maint Reimbursement	1,086.88	0.08	5,430.49	0.04
Phone Charges Reimbursement	63.43	0.00	251.02	0.00
Postage Reimbursement	91.54	0.01	1,730.68	0.01
Technology Services Reimbursement	7,872.48	0.60	69,490.00	0.55
Identity Guard Program	0.00	0.00	9,086.00	0.07
Assessments Written	0.00	0.00	18,300,048.87	145.20
Taxes Written	0.00	0.00	6,933.76	0.06
Change in Unearned Assessments	1,525,004.00	117.05	(6,100,016.85)	(48.40)
Investment Interest Income	56,844.38	4.36	437,831.80	3.47
Investment Discount/Premium	(19,740.92)	(1.52)	(186,691.93)	(1.48)
Invest. Unrealized Gain/(Loss)	(280,286.28)	(21.51)	(384,125.61)	(3.05)
Other Income	0.00	0.00	41,431.85	0.33
Total Revenues	<u>1,302,867.95</u>	100.00	<u>12,603,336.17</u>	100.00
Cost of Sales				
Reinsurance Ceded	694,335.00	53.29	4,894,754.00	38.84
Aiport Liability Program	0.00	0.00	0.04	0.00
Loss Fund Expense	486,611.00	37.35	3,892,888.00	30.89
Commission Expense - Current	99,708.00	7.65	797,664.00	6.33
Willis Pooling Fees	21,250.00	1.63	170,000.00	1.35
ASC Claims Admin. Fees	70,183.00	5.39	488,703.16	3.88
Tax Expense	0.00	0.00	6,922.50	0.05
Loss Control Fees	20,833.00	1.60	166,664.00	1.32
Total Cost of Sales	<u>1,392,920.00</u>	106.91	<u>10,417,595.70</u>	82.66
Gross Profit	<u>(90,052.05)</u>	(6.91)	<u>2,185,740.47</u>	17.34
Expenses				
Sponsorship Fees	100.00	0.01	4,100.00	0.03
Counsel Opinions	0.00	0.00	27,930.00	0.22
Travel	1,222.40	0.09	5,668.93	0.04
Casualty Insurance	4,203.00	0.32	33,624.00	0.27
Dues & Seminar Fees	2,030.16	0.16	6,384.93	0.05
Audit Expense	0.00	0.00	16,700.00	0.13
Printing/Copying/Subscriptions	1,737.62	0.13	3,675.49	0.03
Postage	37.78	0.00	143.82	0.00
Office Supplies	886.00	0.07	3,911.44	0.03
Communications Expense	64.25	0.00	610.64	0.00
Legal Expense	0.00	0.00	3,289.20	0.03
Board & Committee Meetings	0.00	0.00	1,083.00	0.01
Actuary Expense	0.00	0.00	9,580.00	0.08
Member Education & Services	9,046.47	0.69	320,351.11	2.54

NEVADA PUBLIC AGENCY INSURANCE POOL

Income Statement

For the Eight Months Ending February 28, 2021

	Current Month		Year to Date	
Bank Charges	149.91	0.01	164.24	0.00
Consultants Appraisals	0.00	0.00	96,317.19	0.76
PRI Grant	70,304.00	5.40	562,432.00	4.46
Loss Control Grants	3,099.00	0.24	59,535.66	0.47
Technology Services	11,421.89	0.88	92,328.46	0.73
Cyber/Data Project	7,400.00	0.57	47,231.95	0.37
NRP Grant	45,281.00	3.48	362,248.00	2.87
Investment Expense	10,444.18	0.80	28,303.33	0.22
Identity Guard Program	0.00	0.00	21,644.00	0.17
Building Maintenance & Repairs	2,688.00	0.21	50,105.77	0.40
Custodial Services	2,900.00	0.22	21,074.01	0.17
Building Depreciation Expense	3,716.00	0.29	29,728.00	0.24
Bldg. Equipment Maintenance	919.01	0.07	6,130.05	0.05
Building Equipment Lease	770.92	0.06	6,237.92	0.05
Building Copier Paper	0.00	0.00	179.94	0.00
Building Insurance Expense	890.00	0.07	7,120.00	0.06
Building Office Supplies	2.79	0.00	546.01	0.00
Building Tax Expense	0.00	0.00	4,588.30	0.04
Postage For Meter	500.00	0.04	1,280.74	0.01
Building Utilities	1,168.41	0.09	12,459.12	0.10
	<u>180,982.79</u>	13.89	<u>1,846,707.25</u>	14.65
Total Expenses				
Net Income	<u>(\$ 271,034.84)</u>	(20.80)	<u>\$ 339,033.22</u>	2.69



POOL ACTUARIAL REVIEW OF SELF-INSURED LIABILITY & PROPERTY PROGRAMS

Presented by Alan Kalt

BICKMORE ACTUARIAL STUDY

- Derek Burkhalter, ACAS, MAAA Senior Manager, Bickmore Actuarial
- Outstanding Liabilities as of June 30, 2020
- Data used to calculate the reserves for POOL Audited Financial Statements
- Report Format
 - Conclusions & Recommendations
 - Liability for Outstanding Claims as of 6-30-2020
 - Program Funding: Goals & Objectives
 - Historical Trends
 - Comparison with Previous Results
 - Data Provided for the Analysis
- Report complies with GASB #10 and #30

CONCLUSIONS & RECOMMENDATIONS

- Best Estimate of POOL's Outstanding Claims Liabilities for **Liability and Property** as of June 30, 2020

Confidence

Levels	Expected	70%	75%	85%	90%
Undiscounted	\$9.544M	\$10.737M	\$11.275M	\$12.675M	\$13.714M

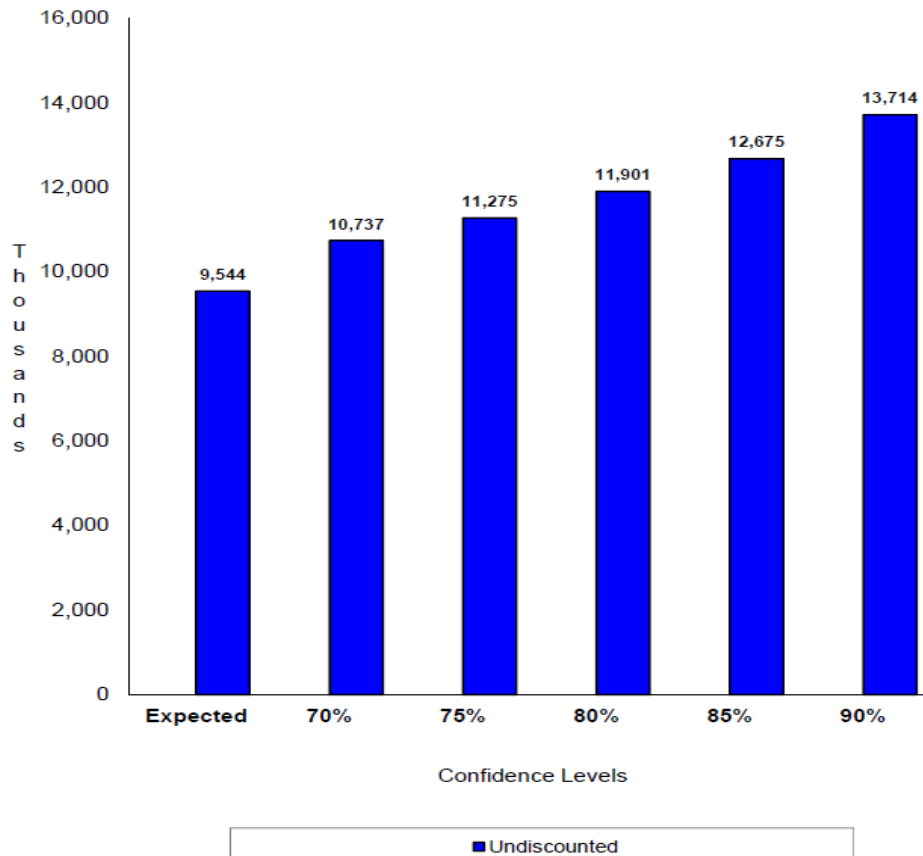
POOL Uses 75% Confidence Level

ESTIMATED EXPECTED LIABILITY

6-30-2020

Graph 1

NPAIP- Liability & Property
Outstanding Liability (\$000's)
at June 30, 2020



The table below displays a breakdown of the program's outstanding loss and ALAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2020, before recognition of investment income.

NPAIP
Self-Insured Liability & Property Program
Estimated Liability for Unpaid Loss and ALAE at June 30, 2020

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$0	\$0	\$0
2011-12	2,495	249	2,744
2012-13	7,880	788	8,668
2013-14	79,510	14,353	93,863
2014-15	452,747	28,639	481,386
2015-16	195,173	97,664	292,837
2016-17	719,516	203,172	922,688
2017-18	560,061	468,701	1,028,762
2018-19	713,699	1,431,522	2,145,221
2019-20	2,349,944	2,217,458	4,567,402
Loss and ALAE	\$5,081,025	\$4,462,548	\$9,543,573

PROGRAM FUNDING



A liability for unpaid claim cost, included all loss adjustment expenses, should be accrued at the time the self-insured events occur. IBNR included.



GASB #10 and #30 do not address funding requirements, rather, a range of funded amounts to be recognized as a funding margin for unexpectedly adverse loss experience. May use discounting for investment income.



The uncertainty in any estimate of outstanding liability should take into account funding policy to have adequate reserves for unexpected adverse loss experience.



Key Factor in Funding Policy: Degree of Stability in level of Contributions
Higher the Confidence Level less likely to need additional contributions should adverse claim development occur in past years as well as current yr.

FUNDING GOALS & OBJECTIVES

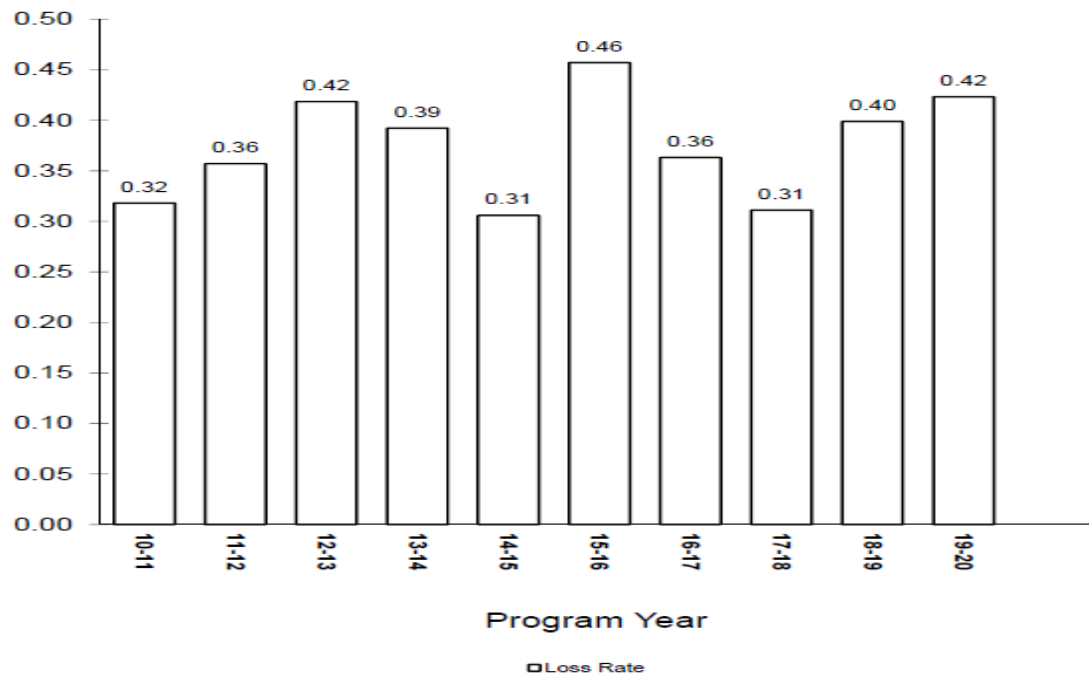
- Bickmore recommends program funding at the 80% CL after recognition of investment income, with a recommended range of the 75% to 80% CL
- They recommend this as the resulting funding will be sufficient to meet claim liabilities, yet not too large to have the entity experience undue \$ hardship.
- Need to fund each year's claims cost in that year.
- When surpluses or deficiencies have developed and funding adjustments are necessary, these should be clearly identified.
- Recommend that you reduce surplus funding more slowly than you would accumulate funding to make up a deficiency.

HISTORICAL TRENDS: LIABILITY

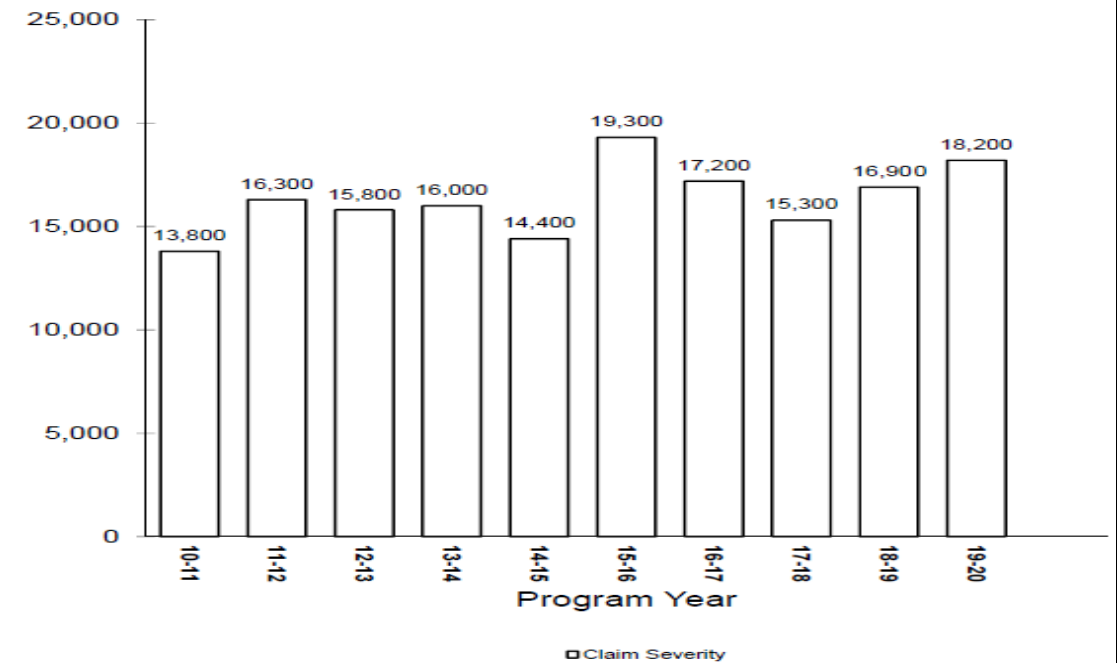
Dollars of Loss Per \$100 of Payroll 10 Year Trend

Dollars of Loss per Claim 10 Year Trend

NPAIP- Liability
Dollars of Loss per
\$100 of Payroll

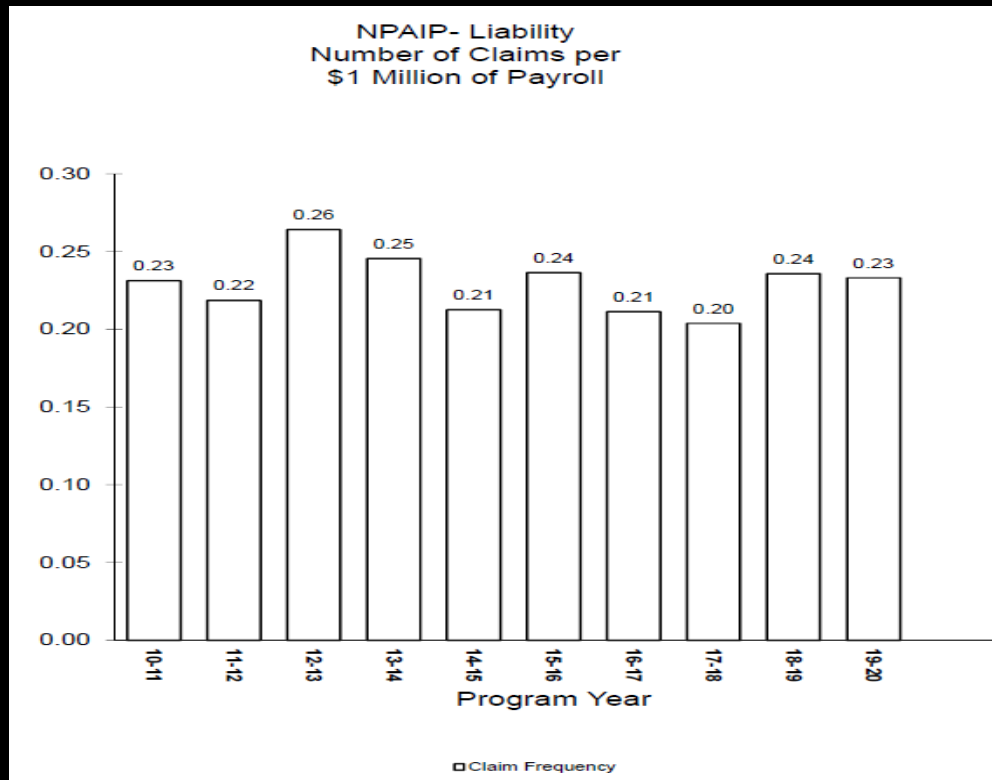


NPAIP- Liability
Dollars of Loss per Claim



HISTORICAL TRENDS: LIABILITY

Number of Claims per \$1 Million of Payroll



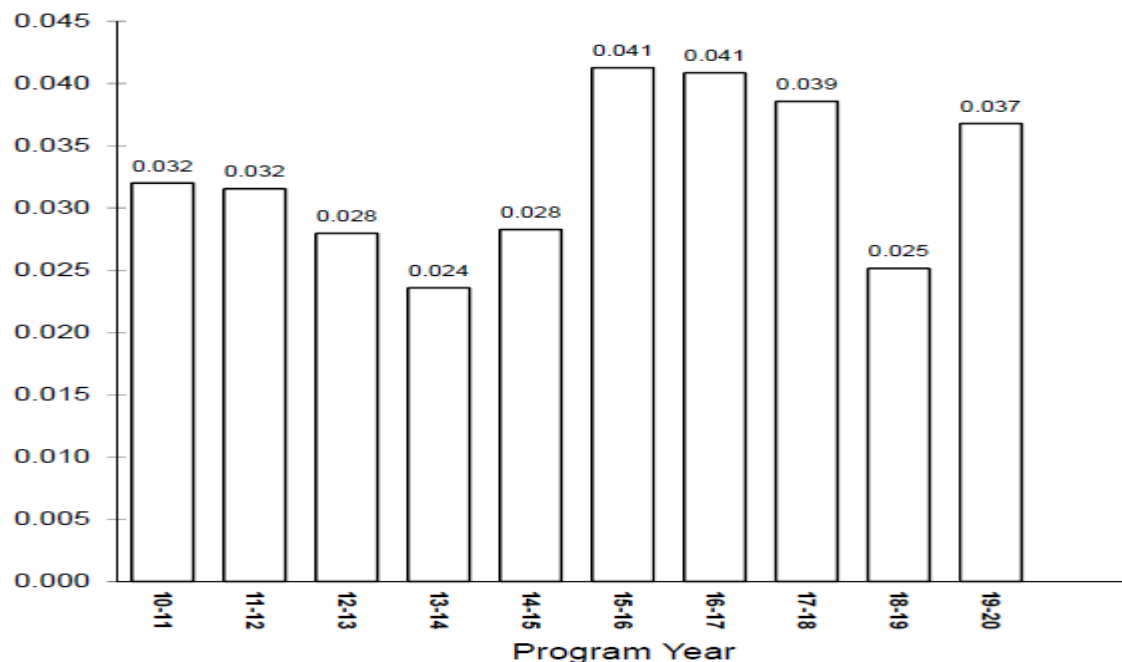
Summary of Key Liability Trends

- Dollar of Loss per \$100 of Payroll is **INCREASING** over past 3 years 😞
- Dollars of Loss per Claim is **INCREASING** over past 3 years 😞
- Number of Claims per \$1M Payroll is **DECREASING** since 2010 😊

HISTORICAL TRENDS: PROPERTY

Dollars of Loss Per \$100 of Payroll 10 Year Trend

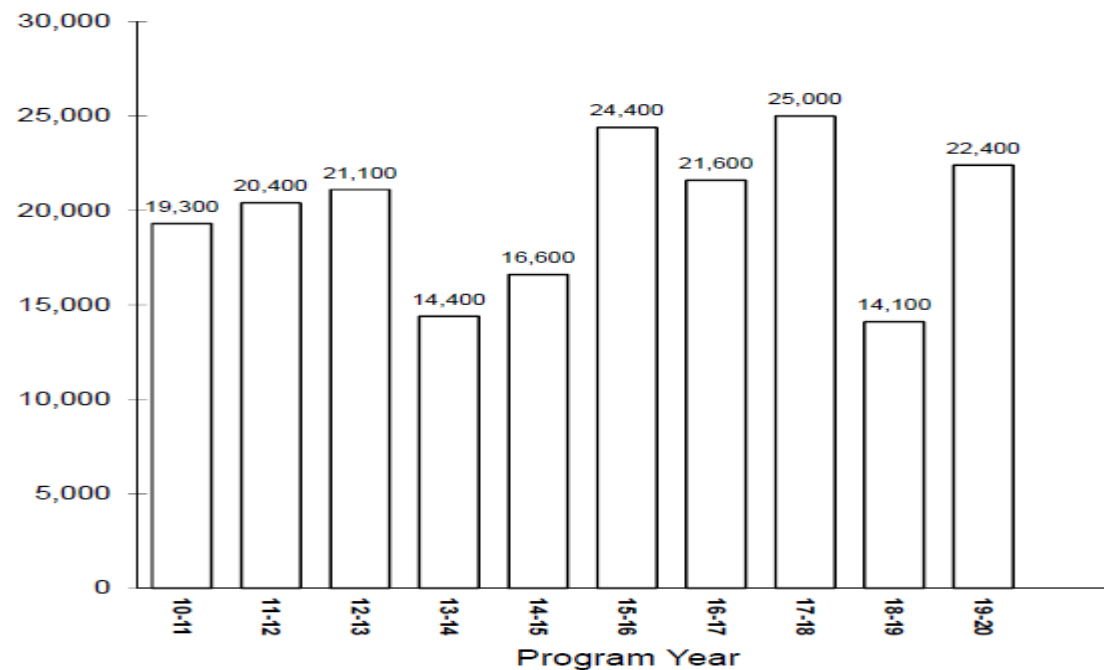
NPAIP - Property
Dollars of Loss per
\$100 of Total Insured Value



Loss Rate

Dollars of Loss per Claim 10 Year Trend

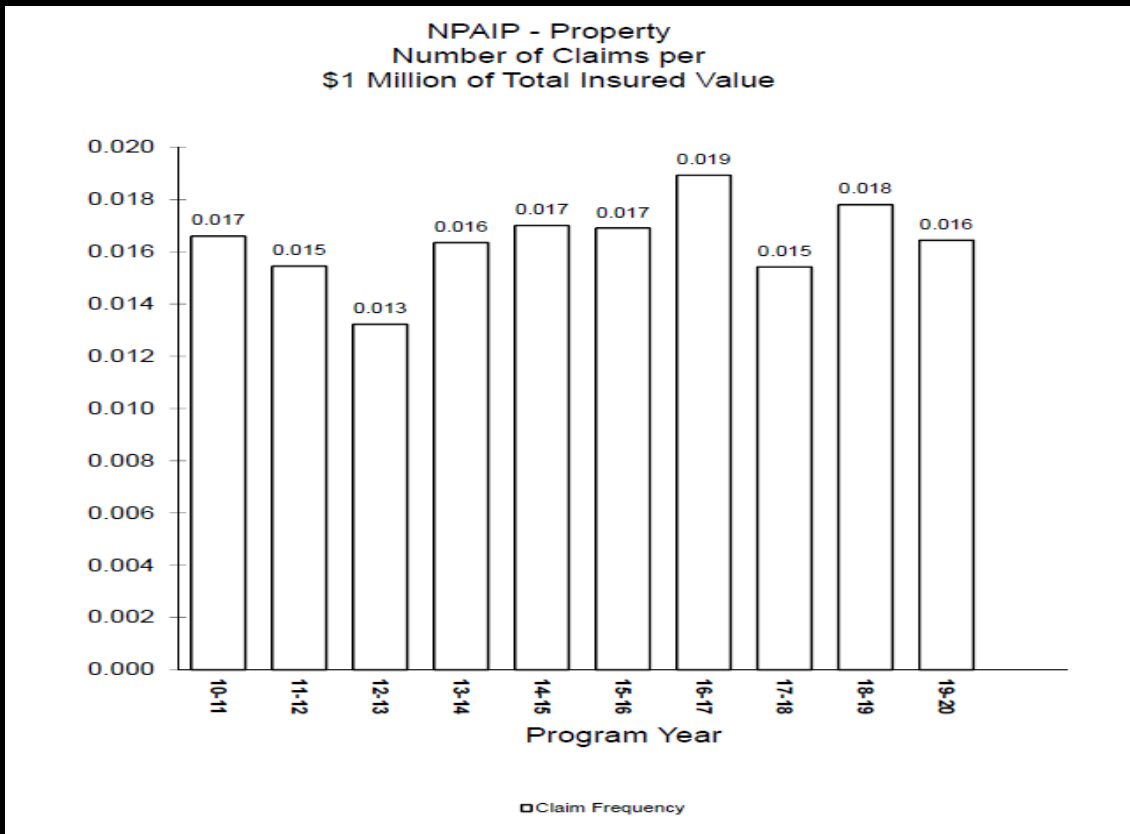
NPAIP - Property
Dollars of Loss per Claim



Claim Severity

HISTORICAL TRENDS: PROPERTY

Number of Claims per
\$1 Million of Total Insured Value



Summary of Key Property Trends

- Dollar of Loss per \$100 of TIV is VARIED over past 10 years 😊
- Dollars of Loss per Claim is INCREASING over the 10 years 😞
- Number of Claims per \$1M TIV has remained FLAT 😊

COMPARISON WITH PREVIOUS RESULTS

ACTUAL VS. EXPECTED INCURRED LOSS AND ALAE DEVELOPMENT

Prior Year Report 9-26-2019

Current Year Claim
Development 9 -28- 2020 Report

Actual Versus Expected Incurred Loss and ALAE Development

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
Prior	\$0	\$0	\$0
2000-01	0	0	0
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	75,000	75,000
2007-08	0	0	0
2008-09	0	0	0
2009-10	0	0	0
2010-11	0	0	0
2011-12	0	14,000	14,000
2012-13	8,000	(38,000)	(46,000)
2013-14	54,000	30,000	(24,000)
2014-15	54,000	21,000	(33,000)
2015-16	112,000	44,000	(68,000)
2016-17	307,000	491,000	184,000
2017-18	858,000	265,000	(593,000)
2018-19	1,231,000	396,000	(835,000)
2019-20	3,449,000	3,546,000	97,000
Total	\$6,073,000	\$4,844,000	(\$1,229,000)

Actual Versus Expected Paid Loss and ALAE Development

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
Prior	\$0	\$0	\$0
2000-01	0	0	0
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	100,000	175,000	75,000
2007-08	0	0	0
2008-09	0	0	0
2009-10	0	0	0
2010-11	0	0	\$0
2011-12	0	12,000	12,000
2012-13	67,000	91,000	24,000
2013-14	84,000	55,000	(29,000)
2014-15	271,000	137,000	(134,000)
2015-16	394,000	545,000	151,000
2016-17	697,000	689,000	(8,000)
2017-18	771,000	452,000	(319,000)
2018-19	1,796,000	1,402,000	(394,000)
2019-20	1,430,000	1,196,000	(234,000)
Total	\$5,610,000	\$4,754,000	(\$856,000)

OUTSTANDING CLAIM LIABILITY FOR LOSS AND LAE

Outstanding Claim Liabilities for Loss and ALAE

	Prior Report at June 30, 2019	Current Report at June 30, 2020	Change
(A) Case Reserves:	\$4,934,000	\$5,081,000	\$147,000
(B) IBNR Reserves:	4,122,000	4,463,000	341,000
(C) Total Reserves:	\$9,056,000	\$9,544,000	\$488,000

COMPARATIVE SCHEDULE OF CLAIMS DEVELOPMENT

NEVADA PUBLIC AGENCY INSURANCE POOL										
COMPARATIVE SCHEDULE OF CLAIMS DEVELOPMENT (UNAUDITED)										
EARNED ASSESSMENTS AND ALLOCATED EXPENSES FOR TEN-YEAR PERIOD - YEAR ENDED JUNE 30,										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Required Contributions & Investment Income:										
Earned	\$14,964,155	\$16,331,984	\$16,331,984	\$14,843,453	\$15,129,697	\$15,659,967	\$13,926,199	\$14,701,651	\$17,193,234	\$19,409,640
Ceded	(4,642,512)	(5,019,808)	(5,019,808)	(4,812,711)	(5,253,026)	(5,044,561)	(5,633,992)	(5,794,600)	(5,960,178)	(6,807,601)
Net earned	10,321,643	11,312,176	11,312,176	10,030,742	10,030,742	10,615,406	8,292,207	8,907,051	11,233,056	12,602,039
Unallocated Expenses	4,968,874	5,659,813	5,485,380	5,485,380	5,755,797	6,213,405	6,213,405	7,157,245	7,591,756	5,358,681
Estimated Incurred Claims & Expense End of Policy Year:										
Incurred	5,938,000	5,471,000	5,370,000	4,851,000	4,317,000	5,168,000	5,635,000	5,738,000	5,997,000	6,172,000
Ceded	-	-	-	-	-	(87,500)	(1,427,141)	(201,000)	(145,102)	(261,168)
Net Incurred	5,938,000	5,471,000	5,370,000	4,851,000	4,317,000	5,080,500	4,207,859	5,537,000	5,851,898	5,910,832
Paid (cumulative) as of:										
End of policy year	833,000	722,000	652,000	788,000	551,000	485,000	988,000	1,232,000	1,160,000	776,000
One Year Later	1,736,000	1,538,000	1,670,000	1,538,000	1,681,000	2,291,000	2,367,000	2,984,000	2,240,000	
Two Years Later	2,083,000	2,331,000	1,937,000	2,142,000	2,061,000	3,272,000	3,253,000	3,353,000		
Three Years Later	3,053,000	2,601,000	2,548,000	2,656,000	2,277,000	3,939,000	3,958,000			
Four Years Later	3,306,000	2,723,000	2,797,000	2,973,000	2,395,000	4,529,000				
Five Years Later	3,324,000	3,003,000	2,894,000	2,997,000	2,608,000					
Six Years Later	3,370,000	3,078,000	2,944,000	3,046,000						
Seven Years Later	3,627,000	3,249,000	3,094,000							
Eight Years Later	3,974,000	3,327,000								
Nine Years Later	4,031,000									
Re-estimated ceded claims & Expenses	2,478,944	693,711	478,625	2,112,138	480,478	3,069,083	4,990,281	1,781,597	2,216,454	261,168
Re-estimated Claims & Expense										
End of policy year	5,938,000	5,471,000	5,370,000	4,851,000	4,317,000	5,080,500	4,207,859	5,537,000	5,851,898	5,910,832
One Year Later	4,973,000	4,461,000	4,425,000	4,159,000	3,864,000	4,769,000	5,269,000	5,269,000	4,774,000	
Two Years Later	4,827,000	3,780,000	3,650,000	3,713,000	3,134,000	5,406,000	4,761,000	4,569,000		
Three Years Later	4,051,000	3,297,000	3,137,000	3,285,000	3,140,000	4,838,000	5,048,000			
Four Years Later	4,048,000	3,265,000	3,350,000	3,229,000	3,080,000	4,875,000				
Five Years Later	3,972,000	3,308,000	3,235,000	3,196,000	3,177,000					
Six Years Later	3,491,000	3,262,000	3,119,000	3,157,000						
Seven Years Later	4,036,000	3,249,000	3,105,000							
Eight Years Later	3,974,000	3,330,000								
Nine Years Later	4,031,000									
Increase (Decrease) in Estimated Incurred Claims & Expenses from End of Policy Year	(1,907,000)	(2,141,000)	(2,265,000)	(1,694,000)	(1,140,000)	(205,500)	\$40,141	(968,000)	(1,077,898)	-

This information is required by the Governmental Accounting Standards Board

ASSUMPTIONS & LIMITATIONS

- Based on loss experience, exposure data and info provided by POOL
- Relied on statistics and historical loss development patterns of POOL
- Assumed POOL's historical development patterns form a reasonable basis to predict POOL's Future Loss Development
- Cannot predict impact of future law changes and court rulings on Claim Costs... reasonable now but perhaps not in the future
- Assumed loss rate trend with **liability** claim cost increases at **2.0%** per year. Claim severity increases at **2.0%** per year. Assumed **property claims** are increasing by **2.5%** annually and average claim size increases at **2.5%** per year and average frequency remains unchanged.
- Assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.
- Does NOT include provisions for catastrophic events: earthquakes, flooding, mass civil disorder or mass occupational disease.
- Assumes all excess insurance is valid and collectible.

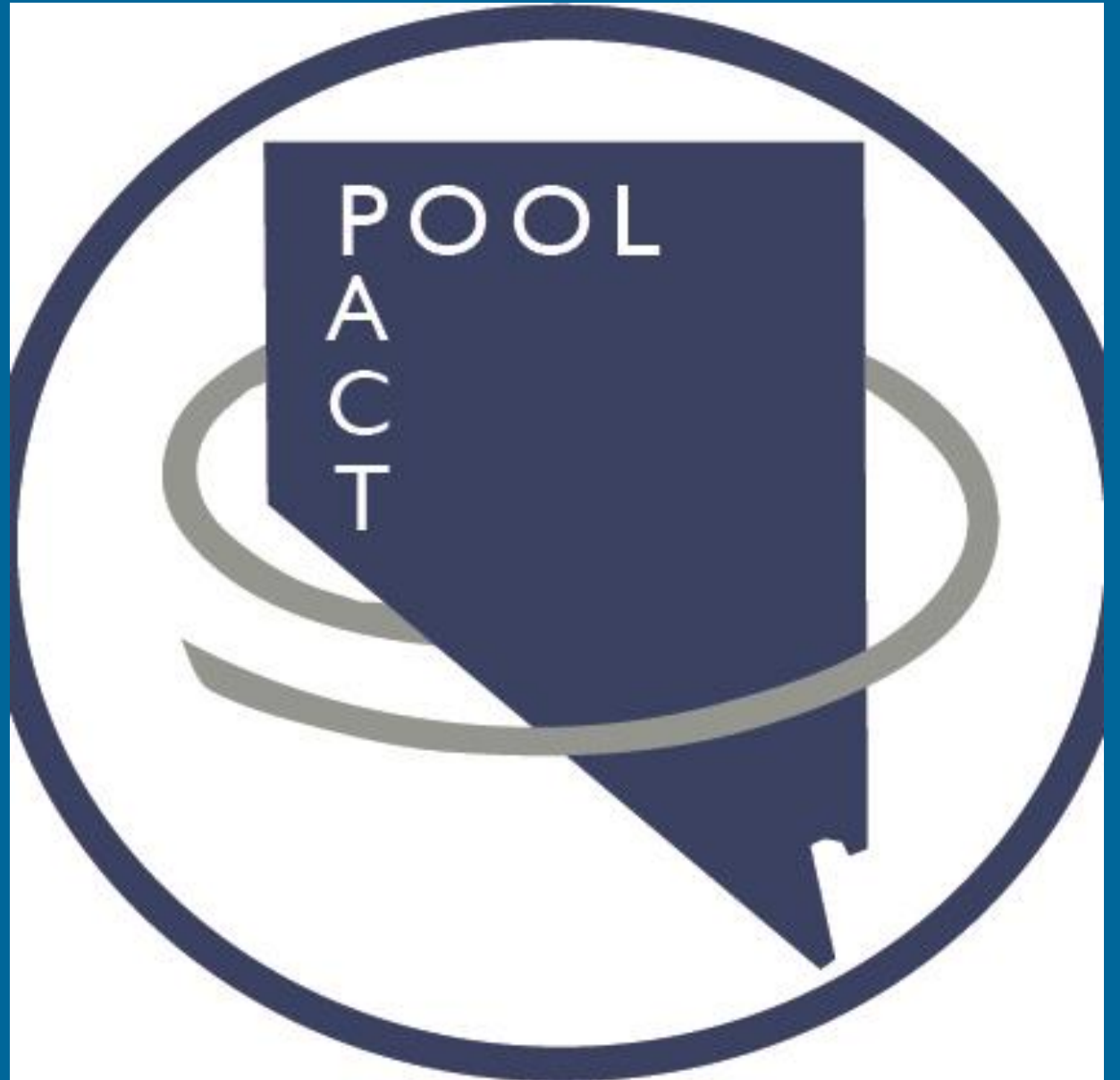
QUESTIONS & REFLECTIONS

Working Together We Achieve Superior Results

The background features a dark, almost black, gradient. Overlaid on this are several flowing, ribbon-like shapes. On the left side, there are vibrant red ribbons that curve and flow towards the center. On the right side, there are bright cyan and blue ribbons that also flow towards the center, creating a sense of movement and depth. The ribbons have a slight transparency and a glossy finish, reflecting light in a way that makes them appear three-dimensional.

POOL AUDIT OVERVIEW

Fiscal Year Ending
June 30, 2020



KEY PLAYERS

Wayne Carlson,
Executive Director
POOL/PACT

Alan Kalt, CFO

Deb Connally,
Controller

Marshall Smith,
Risk Manager

Cash Minor, Chair
NPAIP, Chair PRM

Paul Johnson,
Chair PACT, Chair
PCM

Josh Foli, Audit
Committee
Member

Gina Rackley,
Audit Committee
Member

Michael Bertrand:
Bertrand &
Associates: Audit
Firm

Kathy Parks,
General Counsel

Donna Squires,
ASC, Claims
Management

Derek Burkhalter,
Actuary



KEY SECTIONS OF THE AUDIT REPORT

Executive Director's Letter

Management Discussion and Analysis

Independent Auditors Report

Financial Statements:

Statement of Net Position

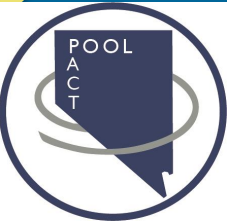
Statements of Revenues, Expenses and Changes

in Net Position

Statements of Cash Flows

Supplemental Schedule on Unpaid Loss Liabilities

Comparative Schedule of Claim Development



NEVADA PUBLIC AGENCY INSURANCE POOL



NEVADA PUBLIC AGENCY INSURANCE POOL Statements of Net Position June 30, 2020 and 2019

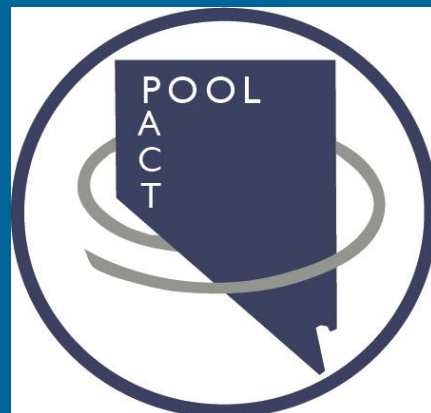
	<u>2020</u>	<u>2019</u> As restated
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,212,980	\$ 969,204
Investments	24,084,648	18,411,809
Accrued interest	94,115	68,263
Deductibles receivable	132,598	644,786
Assessments receivable	20,299	18,426
Other Receivables	6,048	47
Specific and aggregate recoverables	1,883,833	3,321,360
Prepaid expense	99,497	225,108
Total current assets	<u>27,534,018</u>	<u>23,659,003</u>
Capital assets:		
Land, building & equipment, net	1,661,410	1,529,006
Other assets:		
Construction in progress	-	22,894
Total Assets	<u>29,195,428</u>	<u>25,210,903</u>
LIABILITIES		
Other current liabilities:		
Accounts payable	179,099	300,320
Risk Management Grants payable	195,432	136,794
Deferred inflows of resources	-	-
Current portion of reserve for claims and claims adjustment expenses	4,429,730	4,332,222
Total current liabilities	<u>4,804,261</u>	<u>4,769,336</u>
Noncurrent liabilities:		
Reserve for claims and claims adjustment expenses	6,845,270	6,372,778
Total non-current liabilities:	<u>6,845,270</u>	<u>6,372,778</u>
Total Liabilities	<u>11,649,531</u>	<u>11,142,114</u>
NET POSITION		
Net Position, unrestricted	15,884,487	12,539,783
Net Position, invested in capital assets	1,661,410	1,529,006
Total Net Position	<u>\$ 17,545,897</u>	<u>\$ 14,068,789</u>

NEVADA PUBLIC AGENCY INSURANCE POOL



Nevada Public Agency Insurance Pool											
Statement of Net Position											
Fiscal Years Ending June 30th											
Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	\$ Diff	% Diff
ASSETS											
<i>Current Assets:</i>											
Cash and cash equivalents	814,553	2,163,709	2,000,714	1,096,020	419,052	625,884	2,254,893	969,204	1,212,980	243,776	25.2%
Investments	27,128,610	27,905,067	29,313,204	31,146,128	33,121,767	26,229,345	18,107,946	18,411,809	24,084,648	5,672,839	30.8%
Accrued interest			159,855	192,530	172,145	134,765	63,847	68,263	94,115	25,852	37.9%
Deductibles receivables	501,241	233,348	113,516	382,734	260,779	146,244	336,162	644,786	132,598	(512,188)	-79.4%
Assessments receivables	-	75,855	6,101	3,241	15,607	26,170	10,520	18,426	20,299	1,873	10.2%
Other Receivables	3,507	9,716	136,689	47	50	72,522	47	47	6,048	6,001	12768.1%
Specific and aggregate recoverables	300,032	383,132	166,396	1,450,078	1,792,924	2,712,750	2,794,407	3,321,360	1,883,833	(1,437,527)	-43.3%
Prepaid expense	44,436	18,692	71,434	27,095	21,673	83,691	220,453	225,108	99,497	(125,611)	-55.8%
Total Current Assets	28,792,379	30,789,519	31,967,909	34,297,873	35,803,997	30,031,371	23,788,275	23,659,003	27,534,018	3,875,015	16.4%
<i>Capital Assets:</i>											
Land, building & equipment	1,823,470	1,778,877	1,734,284	1,689,691	1,645,098	1,622,469	1,579,483	1,551,900	1,661,410	109,510	7.1%
<i>Other Assets:</i>											
Contribution Surplus to PRM, net											
TOTAL ASSETS	30,615,849	32,568,396	33,702,193	35,987,564	37,449,095	31,653,840	25,367,758	25,210,903	29,195,428	3,984,525	15.8%
LIABILITIES											
<i>Other current liabilities:</i>											
Accounts Payable	56,864	64,724	61,456	41,067	87,831	165,724	124,741	300,320	179,099	(121,221)	-40.4%
Risk Management Grants payable	50,000	-	586,235	-	-	157,564	196,731	136,794	195,432	58,638	42.9%
Deferred inflows of resources	-	21,776	20,005	16,938	-	5,104	-	-	-	-	
Current portion of reserve for claims & claims adjustment expenses	4,586,498	4,811,009	4,336,045	4,280,866	4,552,056	4,581,556	5,047,158	4,332,222	4,429,730	97,508	2.3%
Total current liabilities	4,693,362	4,897,509	5,003,741	4,338,871	4,639,887	4,909,948	5,368,630	4,769,336	4,804,261	34,925	0.7%
<i>Non-current liabilities:</i>											
Reserve for claims and claims adjustment expenses	6,886,502	6,827,991	5,816,955	5,843,134	6,013,944	5,423,444	6,666,842	6,372,778	6,845,270	472,492	7.4%
Total non-current liabilities	6,886,502	6,827,991	5,816,955	5,843,134	6,013,944	5,423,444	6,666,842	6,372,778	6,845,270	472,492	7.4%
TOTAL LIABILITIES	11,579,864	11,725,500	10,820,696	10,182,005	10,653,831	10,333,392	12,035,472	11,142,114	11,649,531	(893,358)	-7.4%
NET POSITION											
Net Position, unrestricted	17,212,515	19,064,019	21,147,213	24,115,868	25,150,166	19,697,979	11,752,803	12,539,783	15,884,487	3,344,704	26.7%
Net Position, invested in capital assets	1,823,470	1,778,877	1,734,284	1,689,691	1,645,098	1,622,469	1,579,483	1,529,006	1,661,410	132,404	8.7%
TOTAL NET POSITION	19,035,985	20,842,896	22,881,497	25,805,559	26,795,264	21,320,448	13,332,286	14,068,789	17,545,897	3,477,108	24.7%

NEVADA PUBLIC AGENCY INSURANCE POOL



NEVADA PUBLIC AGENCY INSURANCE POOL Statements of Revenues, Expenses and Changes in Net Position For Years Ended June 30, 2020 and 2019

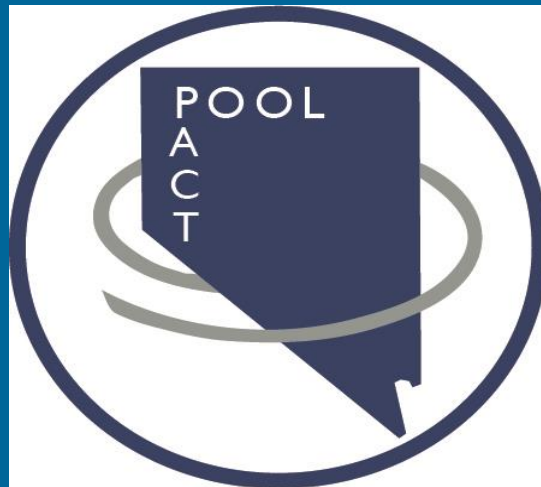
	<u>2020</u>	<u>2019</u> <u>As restated</u>
OPERATING REVENUES		
Premiums written	\$ 17,167,798	\$ 15,678,937
Rental income	236,482	266,582
PRM risk mitigation services	475,000	-
Other Income	46,640	53,460
Total revenues	<u>17,925,920</u>	<u>15,998,979</u>
PROGRAM EXPENSES		
Losses and loss adjustment expenses	3,713,763	5,154,084
Excess insurance premiums	6,805,658	5,960,178
Special insurance programs	1,943	-
Pooling and loss control fees	505,000	505,000
Third party administrator fees	778,009	726,947
Member education and training	1,376,476	1,199,910
Loss control awards and grants	298,407	396,565
Agent commissions	1,124,305	1,024,640
Taxes written	6,923	18,656
Total program expenses	<u>14,610,484</u>	<u>14,985,980</u>
ADMINISTRATIVE EXPENSES		
Management fees	525,000	821,488
Building maintenance and utilities	93,051	93,485
Depreciation	60,047	50,477
Travel	39,067	59,994
Casualty insurance	47,972	47,970
Operating expenses	341,387	143,979
Legal expenses	14,816	16,775
Consultant appraisals	94,860	83,860
Technology services	53,361	106,783
Total pool administration expenses	<u>1,269,561</u>	<u>1,424,811</u>
Total program and administration expenses	<u>15,880,045</u>	<u>16,410,791</u>
Decrease in operating net position	2,045,875	(411,812)
Increase in non-operating net investment income	1,431,233	1,148,315
(Decrease) increase in net position	<u>3,477,108</u>	<u>736,503</u>
Net position, previously stated beginning of year	14,068,789	26,978,956
Prior period adjustment	-	(13,646,670)
Beginning net position as restated	<u>14,068,789</u>	<u>13,332,286</u>
Net position, end of year	<u>\$ 17,545,897</u>	<u>\$ 14,068,789</u>

NEVADA PUBLIC AGENCY INSURANCE POOL



Nevada Public Agency Insurance Pool										
Statements of Revenues, Expenses, and Changes in Net Position										
For Years Ended June 30th										
Description	2013	2014	2015	2016	2017	2018	2019	2020	\$ Difference	% Difference
	REVENUES									
Premiums written	14,551,486	14,350,868	14,103,472	13,938,226	13,832,878	14,390,787	15,678,937	17,167,798	1,488,861	9.5%
Rental income	232,655	247,770	252,861	257,937	258,326	261,643	266,582	236,482	(30,100)	-11.3%
PRM risk mitigation services								475,000	475,000	
Other Income	48,341	12,190	7,671	181,366	68,324	50,174	53,460	46,640	(6,820)	-12.8%
Total Revenues	14,832,482	14,610,828	14,364,004	14,377,529	14,159,528	14,702,604	15,998,979	17,925,920	1,926,941	12.0%
PROGRAM EXPENSES										
Loss and loss adjustment expense	2,994,002	2,752,708	2,818,174	3,629,644	4,549,021	6,461,215	5,154,084	3,713,763	(1,440,321)	-27.9%
Excess insurance premiums	4,812,711	4,919,456	5,253,026	5,044,561	5,633,992	5,309,446	5,960,178	6,805,658	845,480	14.2%
Special insurance programs						485,154	-	1,943	1,943	
Pooling and loss control fees	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	-	0.0%
Third Party administrator fees	644,938	626,501	663,688	652,721	659,418	710,655	726,947	778,009	51,062	7.0%
Member education & training	720,341	774,404	852,379	1,067,403	1,310,767	1,177,977	1,199,910	1,376,476	176,566	14.7%
Loss control awards & grants	109,584	90,800	126,348	185,900	320,627	240,525	396,565	298,407	(98,158)	-24.8%
Amortization/PRM Contribution Expense	1,237,581	1,500,000	-	1,488,723	4,300,000	5,700,000	-	-	-	
Agent commissions	951,511	937,796	921,697	911,271	905,483	955,653	1,024,640	1,124,305	99,665	9.7%
Taxes written	7,394	7,234	8,579	8,248	2,166	18,443	18,656	6,923	(11,733)	-62.9%
Total Program Expenses	11,983,062	12,113,899	11,148,891	13,493,471	18,186,474	21,564,068	14,985,980	14,610,484	(375,496)	-2.5%
ADMINISTRATIVE EXPENSES										
Management fees	475,860	490,140	462,000	475,860	490,136	513,174	821,488	525,000	(296,488)	-36.1%
Building maintenance and utilities	46,254	53,254	57,357	80,948	124,219	93,190	93,485	93,051	(434)	-0.5%
Depreciation	44,593	44,593	44,593	44,593	44,564	49,317	50,477	60,047	9,570	19.0%
Amortization	-	-	-	-	-	-	-	-	-	
Travel	35,354	42,226	42,079	54,711	48,662	54,981	59,994	39,067	(20,927)	-34.9%
Casualty Insurance	37,381	37,381	38,971	40,767	51,553	31,075	47,970	47,972	2	0.0%
Operating expenses	159,223	141,213	160,343	232,066	113,484	189,723	143,979	341,387	197,408	137.1%
Legal expenses	22,422	11,593	11,354	40,931	85,109	45,788	16,775	14,816	(1,959)	-11.7%
Consultant appraisals	75,540	114,660	141,355	114,850	87,500	85,700	83,860	94,860	11,000	13.1%
Environmental consultation	21,757	9,365	21,200	18,972	23,665	-	-	-	-	
Technology services	-	-	-	-	81,967	12,483	106,783	53,361	(53,422)	-50.0%
Total Administrative Expenses	918,384	944,425	979,252	1,103,698	1,150,859	1,075,431	1,424,811	1,269,561	(155,250)	-10.9%
Total Program and Administrative Expenses	12,901,446	13,058,324	12,128,143	14,597,169	19,337,333	22,639,499	16,410,791	15,880,045	(530,746)	-3.2%
Decrease in operating net position	1,931,036	1,552,504	2,235,861	(219,640)	(5,177,805)	(7,936,895)	(411,812)	2,045,875	2,457,687	
Increase in non-operating net investment income	(124,125)	486,097	688,201	1,209,345	(297,011)	(51,267)	1,148,315	1,431,233	282,918	24.6%
(Decrease) increase in net position	1,806,911	2,038,601	2,924,062	989,705	(5,474,816)	(7,988,162)	736,503	3,477,108	2,740,605	372.1%
Net Position, beginning of year	19,035,985	20,842,896	22,881,497	25,805,559	26,795,264	21,320,448	13,332,286	14,068,789	736,503	5.5%
Net Position, end of year	20,842,896	22,881,497	25,805,559	26,795,264	21,320,448	13,332,286	14,068,789	17,545,897	3,477,108	24.7%

NEVADA PUBLIC AGENCY INSURANCE POOL



NEVADA PUBLIC AGENCY INSURANCE POOL Statements of Cash Flows For Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u> <u>As restated</u>
Cash flows from operating activities:		
Premiums written	\$ 19,109,639	\$ 14,835,454
Rental income	236,482	266,582
PRM risk mitigation services	475,000	-
Other revenues	46,640	53,460
Payment for claims	(3,145,763)	(6,163,084)
Payment to vendors	(12,067,059)	(11,099,660)
Net Cash Provided (Used) from Operating Activities	<u>4,654,939</u>	<u>(2,107,248)</u>
Cash flows from investing activities:		
Interest and dividend income, net of expenses	488,727	518,640
Purchases of investments	(12,940,407)	(31,745,904)
Proceeds from sales of investments	8,210,074	32,071,717
Net Cash (Used) Provided from Investing Activities	<u>(4,241,606)</u>	<u>844,453</u>
Cash flows from capital activities:		
Equipment purchases	(169,557)	-
Construction in progress	-	(22,894)
Net Cash Used for Capital Activities	<u>(169,557)</u>	<u>(22,894)</u>
Increase (decrease) in Cash and Cash Equivalents	243,776	(1,285,689)
Cash and Cash Equivalents, beginning of fiscal year	969,204	2,254,893
Cash and Cash Equivalents, year ended June 30	<u>1,212,980</u>	<u>969,204</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating net Income (Loss)	2,045,875	(411,812)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	60,047	50,477
Decrease (increase) in deductibles and assessments receivables	510,315	(316,530)
Decrease (increase) in prepaid expense	125,611	(4,655)
(Increase) in other receivables	(6,001)	-
Decrease (increase) in recoverables	1,437,527	(526,953)
(Increase) in accrued interest	(25,852)	(4,417)
(Decrease) increase in accounts payable	(121,221)	175,579
Increase (decrease) increase in Risk Management Grants liability	58,638	(59,937)
Increase (decrease) in reserve for claims and loss adjustments	570,000	(1,009,000)
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,654,939</u>	<u>\$ (2,107,248)</u>

Total Capital Contributions to PRM	\$29,477,263
Investment Balance at 6-30-2020	\$24,084,648
Total Assets at 6-30-2020	\$29,195,428
Reserves for claim losses	\$11,275,000
Net Investment Income for 2020	\$ 1,431,233
Net Position June 30, 2020	\$17,545,897
Total Premiums Revenues FY 2020	\$17,167,798
Member education and services	\$ 1,376,476
Total Loss Fund and program expenses	\$14,610,484
Total Administration Expenses	\$ 1,269,561

NEVADA PUBLIC AGENCY INSURANCE POOL

KEY FINANCIAL FIGURES

See detailed financial statements and notes for more details.



Mission Statement Financial Items:

*Financial Strength, security, and durability
Cost Effective risk sharing and financing
Stewards of Public Assets*

Vision Statement:

*To sustain financial strength to meet our commitment to
Members*

Net Position to SIR (Target 20:1) 35.09 to 1.0

SIR To Net Position 0.028 to 1.0

Cash/Investments to Current Liabilities 5.3 to 1.0

Total Assets/Total Liabilities 2.51 to 1.0

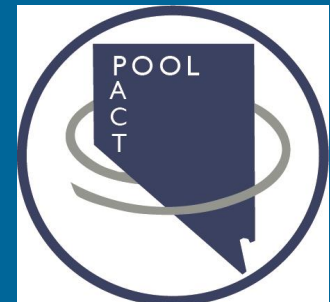
Revenues to Net Position 1.02 to 1.0

Loss Reserves to Net Position 0.64 to 1.0

See detailed financial statements and notes for more details.

NEVADA PUBLIC AGENCY INSURANCE POOL

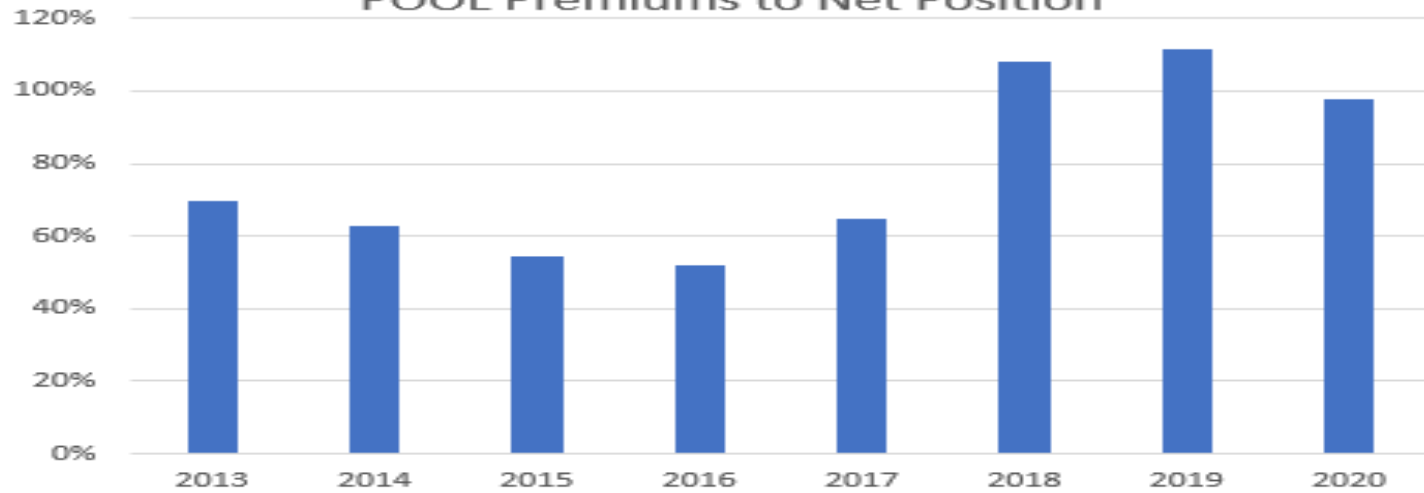
KEY FINANCIAL BENCHMARK FIGURES



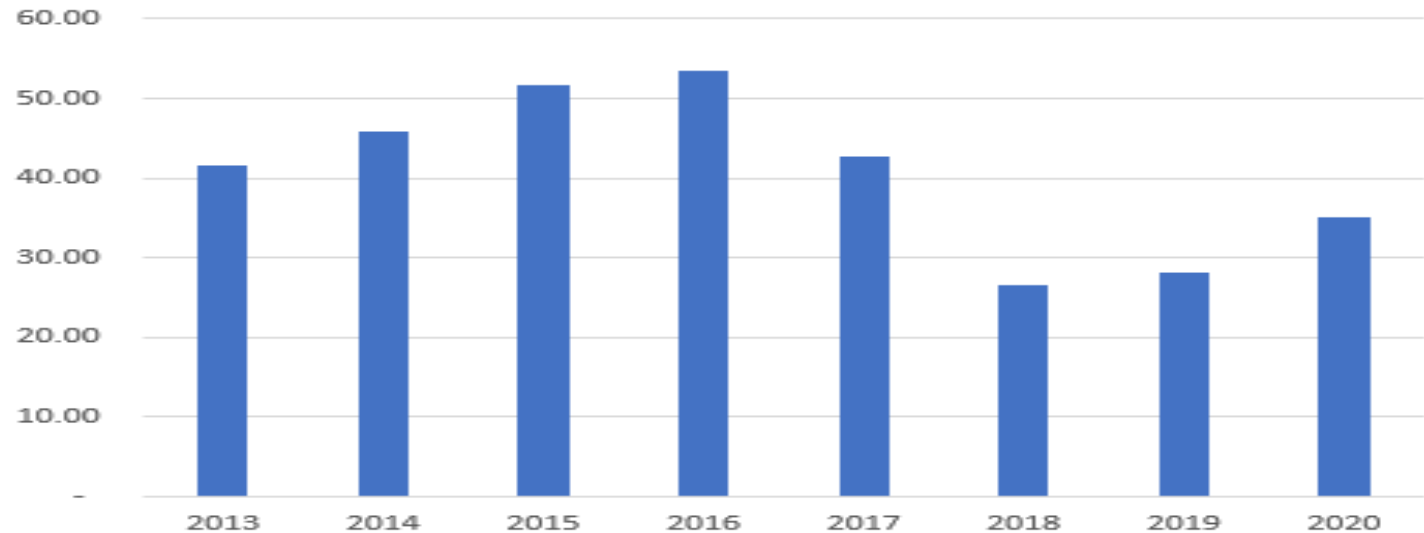
Bench Mark Data Analysis		2013	2014	2015	2016	2017	2018	2019	2020
POOL									
POOL Premiums to Surplus		69.82%	62.72%	54.65%	52.02%	64.88%	107.94%	111.44%	97.85%
POOL Surplus to SIR		41.69	45.76	51.61	53.59	42.64	26.66	28.14	35.09
POOL Pure Loss and Loss Adjustment Ratio		20.58%	19.18%	19.98%	26.04%	32.89%	44.90%	32.87%	21.63%
POOL Program Expense Ratio including Reinsurance		60.60%	64.07%	58.00%	68.61%	96.31%	102.72%	61.45%	60.79%
POOL Admin Expense Ratio (Excluding Depreciation/Amor		6.19%	6.46%	6.82%	7.68%	8.13%	7.31%	8.91%	7.08%

NEVADA PUBLIC AGENCY INSURANCE POOL

POOL Premiums to Net Position



POOL Net Position to SIR



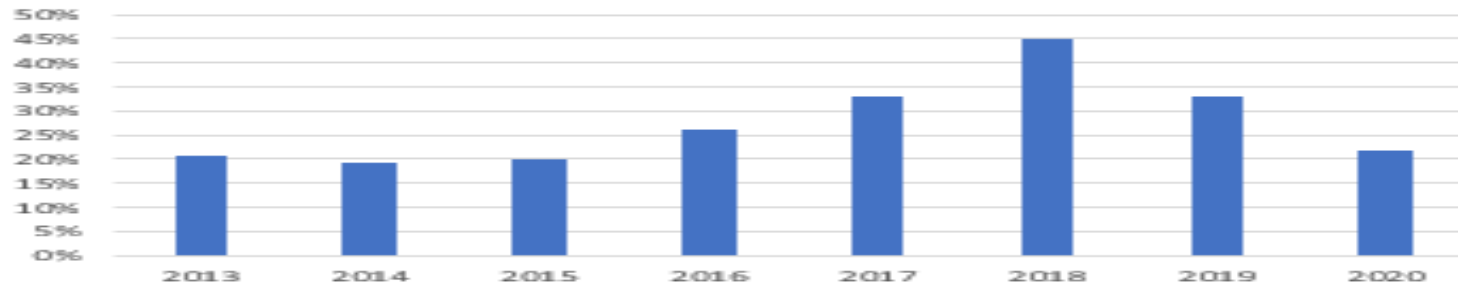
KEY FINANCIAL BENCHMARK FIGURES



NEVADA PUBLIC AGENCY INSURANCE POOL

KEY FINANCIAL BENCHMARK FIGURES

POOL Pure Loss and Loss Adjustment



POOL Program Expense Ratio Including Reinsurance

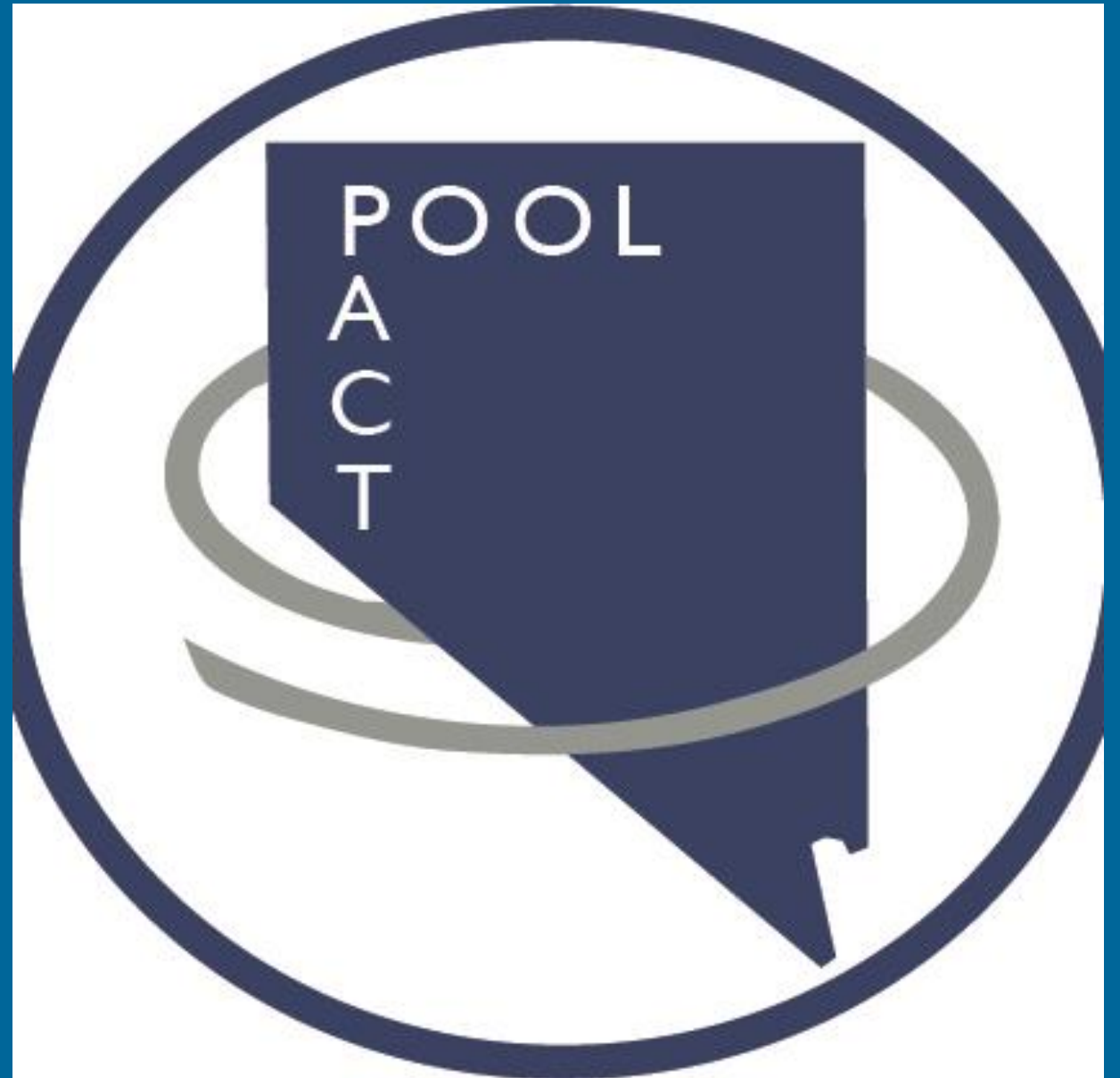


POOL Admin Expense Ratio (Excluding Depreciation/Amort)



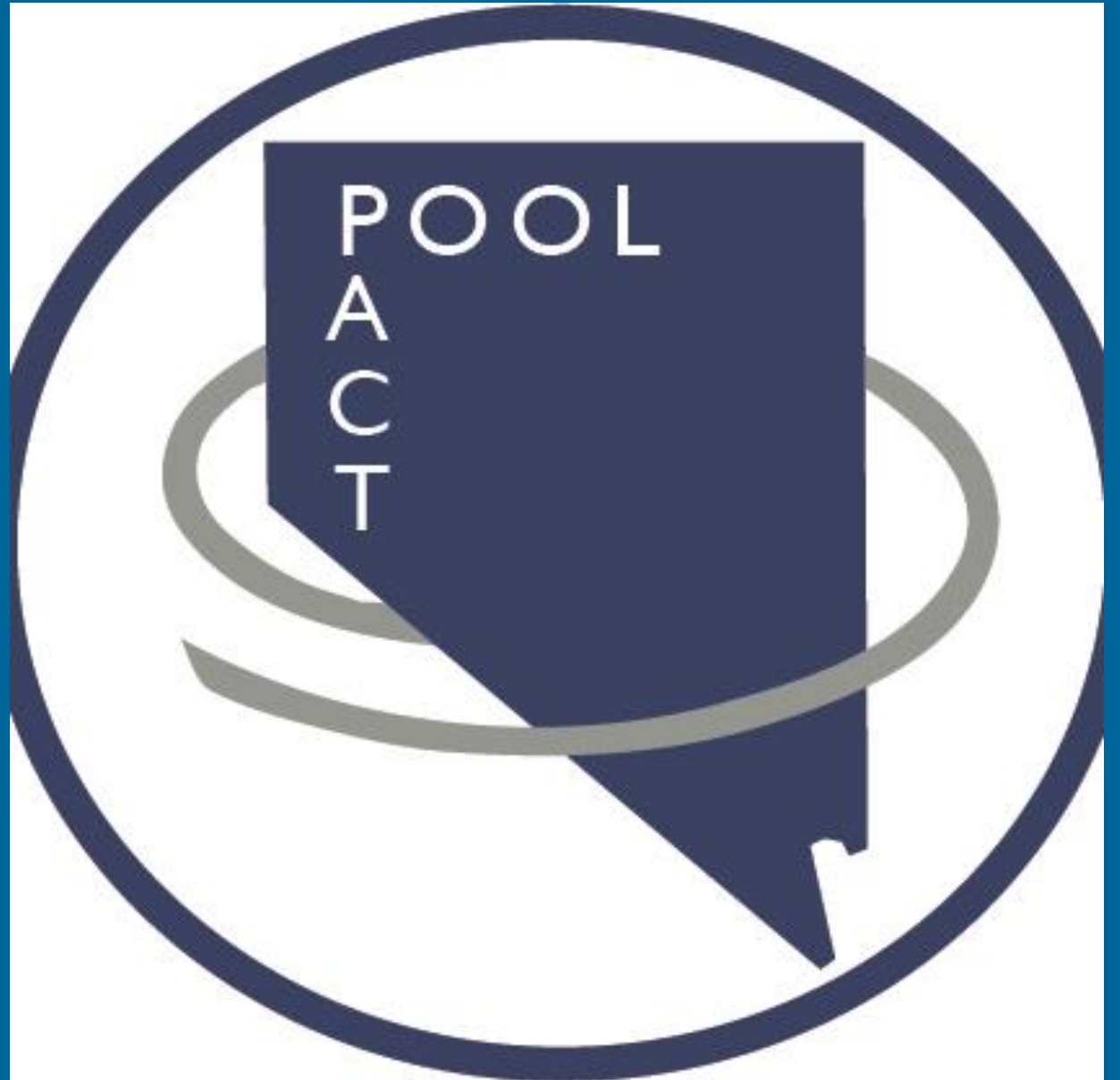
POOL AUDIT QUESTIONS & ANSWERS

Fiscal Year Ending
June 30, 2020



THANK YOU FOR
YOUR FINANCIAL
LEADERSHIP

*Working Together
We Achieve Superior Results*



October 16, 2020

To the Board of Directors
Nevada Public Agency Insurance Pool
201 S. Roop St Suite 201
Carson City, NV 89701

We have audited the financial statements of the business-type activities of Nevada Public Agency Insurance Pool (POOL) for the years ended June 30, 2020 and 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards require that we provide you with the following information related to our audit which is divided into the two following sections:

Section I – Required Communications with those Charged with Governance

Section II – Other Recommendations and Related Information

Section I includes information that current auditing standards required independent auditors to communicate to those individuals charged with governance. We will report this information annually to the Board in our Audit Committee Letter.

Section II presents recommendations related to internal controls, procedures, and other matters during our current audit year. These comments are offered in the interest of helping the Board in its efforts toward continuous improvement, not just in the areas of internal controls and accounting procedures, but also in operations and administrative efficiency and effectiveness.

Section I – Communications Required under AU 260

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated October 30, 2019 our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter regarding planning matters dated October 30, 2019.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by POOL are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the fiscal year audited.

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were:

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting POOL's financial statements were for the loss reserves, specific and aggregate recoverables and maintenance deductibles receivable and amortization of the investment in PRM.

Management's estimate of the loss reserves is based on a study prepared by an independent actuary. Member deductibles receivable is based on their judgment on what they believe is collectible derived from known facts. Specific and aggregate recoverables are based on estimated recoverables from excess insurers after taking into consideration the Self-Insured Retention (SIR) and member deductible.

The Board in April of 2020 adopted the policy to expense 100% of the contributions to PRM in the year of transfer. Remaining unamortized balances were capitalized as of July 1, 2018 resulting in a re-statement of the prior year financial statements ending June 30, 2019 to provide comparability of balances between the two years.

We evaluated the key factors and assumptions used to develop the loss reserves, member deductibles receivable and specific and aggregate recoverables balance in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were described in Note 6 regarding the unpaid loss liability as that is based on expected trends in claim severity, claim frequency, and other factors that may vary as claims are settled.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatement

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There was one misstatement discovered during our audit and management corrected that by expensing the amounts disbursed for the new Nevada Risk Pooling grant. We proposed various adjustments which are discussed in detail in our letter to the Audit Committee.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 16, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Section II – Other Recommendations and Related Information


Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We provided an Audit Committee recommendations letter dated October 16, 2020 to the audit committee. In this letter we identified exceptions noted and recommendations.

This information is intended solely for the use of the Board of Directors charged with governance and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Bertrand & Associates LLC

NEVADA PUBLIC AGENCY INSURANCE POOL

FINANCIAL STATEMENTS

June 30, 2020 and 2019

CONTENTS

INDEPENDENT AUDITOR’S REPORT 3

EXECUTIVE DIRECTOR’S LETTER 5

MANAGEMENT’S DISCUSSION AND ANALYSIS 8

BASIC FINANCIAL STATEMENTS

 Statements of Net Position 14

 Statements of Revenues, Expenses and Changes in Net Position 15

 Statements of Cash Flows 16

 Notes to the Financial Statements 17

REQUIRED SUPPLEMENTARY INFORMATION

 Required Supplementary Schedule – 10 Year Claims Development 27

BERTRAND & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Executive Director and the Board of Directors
Nevada Public Agency Insurance Pool
Carson City, Nevada

Report on the Financial Statements

We have audited the accompanying Statements of Net Position of the Nevada Public Agency Insurance Pool as of June 30, 2020 and 2019 and the related Statements of Revenues, Expenses and Changes in Net Position and Statements of Changes of Cash Flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Nevada Public Agency Insurance Pool as of June 30, 2020 and 2019 and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Restatement of the Financial Statements

Without modifying our opinion, we draw attention to Note 8 to the restated financial statements, which explains that the restated statements for the year ended June 30, 2019 have been restated from those which we originally reported on October 11, 2019.

Other Matters

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis beginning on page 8 and the 10-year claims development schedule on page 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Bertrand & Associates, LLC

Carson City, Nevada
October 16, 2020

EXECUTIVE DIRECTOR'S LETTER

Members of Nevada Public Agency Insurance Pool

As the Executive Director, I am pleased to present the NPAIP Annual Audited Financial Statements for the year ended June 30, 2020, the conclusion of our 33rd full year of operations. As noted in part of NPAIP's Mission Statement, we excel in financial strength, security, durability and cost-effective risk sharing and financing. This financial report will demonstrate our commitment to our Mission Statement.

In addition to the preparation of the audited financial statements in accordance with GASB pronouncements and other financial standards, this report includes a required Management Discussion and Analysis of the financial results during the years.

Over the years, the NPAIP Board adopted fiscally responsible policies to retain net position to achieve long-term, stable financial results for members. In 2016, they adopted a Net Assets policy to target net position at a minimum of twenty times the highest self-insured retention. In 2020, the Board approved a change in the accounting policy related to the transfer of capital to Public Risk Mutual (PRM) to expense 100% in the year of transfer effective retroactively to July 1, 2018 noting that the unamortized balances will be a reduction in NPAIP's Net Position as Contributed Surplus to PRM would be eliminated in the restatement of the 2019 financial statement.

As of July 1, 2018, Contributed Surplus to PRM from NPAIP was \$29,477,263 with accumulated amortization of \$15,830,593 resulting in Contributed Surplus, net of accumulated amortization, of \$13,646,670 which was eliminated in the July 1, 2018 Net Position. Even with this accounting change, a restated Net Position of \$14,068,789 on July 1, 2018, we have exceeded the Net Assets to Retention goal for 2019 (28.1:1) and for the current year (35.1: 1) shown in the audit. Net position increased during the year because of an increase in operating net position of \$2,045,875 and increase in non-operating net investment income of \$1,431,233.

Since Fiscal Year 2004, NPAIP has contributed \$29,477,263 to the PRM captive to serve as one of the reinsurers for NPAIP for certain property and liability coverage during the year. The benefits of the captive are reduced administrative costs, reinsurance opportunities and a broader investment portfolio including risk assets. As PRM grows in financial strength, additional member services and program costs can be funded directly through the captive. See the separate annual audited financial statements of PRM for more details.

Through the oversight of the Audit Committee, Executive Committee and the Board of Directors, NPAIP members can be assured that NPAIP will remain financially sound. Members should be proud of the success we have achieved together.

NPAIP has been serving its membership for over 33 years. We are government risk experts with a passion for risk management services. We provide comprehensive coverage and risk management solutions for our members. As the risk management arm for our members, NPAIP manages claims and provides a broad array of in-depth loss control services, training, and risk consultation. With services such as POOL/PACT Human Resources, our extensive support system for human resources issues, members receive support services no one else offers. Our interactive loss control programs and resources guide our members' efforts toward reducing the probability of losses and the effect of losses that do occur.

Both property and casualty coverages can experience significant volatility particularly when the retention levels per loss are high. Because NPAIP retains a substantial portion of the property and casualty risk, it is important

to the long-term viability of NPAIP to be able to meet its financial obligations to its Members by growing its Net Position. Insurance market conditions periodically make it important to be able to increase our retentions, which results in increased volatility that must be cushioned strongly. Consistent with NPAIP board policy, funding at a 70% actuarial confidence level for pricing is a prudent level to develop a strong financial position in keeping with the NPAIP Board's goals of creating and sustaining a durable financial position. NPAIP is the sole owner of PRM and is its sole policyholder and is entitled to a return of those capital contributions before any other distributions can be made by PRM. The captive continues to enjoy financial success as a reinsurance option for NPAIP.

NPAIP continued its membership in the following reinsurers in which it has a financial interest:

- ❖ Public Risk Mutual, its own pure captive, that provides reinsurance for property and liability coverage
- ❖ County Reinsurance, Ltd., a captive mutual reinsurer for all members other than schools for liability coverage
- ❖ United Educators, a captive risk retention group for school district liability coverage reinsurance
- ❖ Government Entities Mutual (GEM), a captive mutual reinsurer, that provides a layer of liability reinsurance

The table below shows some key financial ratios tracked by management and the board to benchmark NPAIP's financial condition and risk retention strategies:

In order to enhance analysis, comparative information is provided for Total Revenue, Net Position, Revenues and Expenses as shown in the chart below. The benchmarks shown in the chart are derived from a pooling and captives' industry study conducted a few years ago by Tillinghast and provided to facilitate management's analysis and understanding of the financial results. Other performance indicators used by insurance companies but are not necessarily useful comparative indicators for risk pools.						
Financial Ratios	POOL 2014/2015	POOL 2015/2016	POOL 2016/2017	POOL 2017/2018	POOL as Restated 2018/2019	POOL 2019/2020
Total Revenue	\$ 14,364,004	\$ 14,377,529	\$ 14,159,528	\$ 14,702,604	\$ 15,998,979	\$ 17,925,920
Total Net Income	\$ 1,225,208	\$ 699,263	\$ (3,121,709)	\$ (4,761,722)	\$ 736,503	\$ 3,477,108
Net Operating Income	\$ 537,007	\$ (510,082)	\$ (2,824,698)	\$ (4,710,455)	\$ (411,812)	\$ 2,045,875
Net Investment Income	\$ 688,201	\$ 1,209,345	\$ (297,011)	\$ (51,267)	\$ 1,148,315	\$ 1,431,233
Total Assets	\$ 44,345,129	\$ 45,516,218	\$ 42,074,070	\$ 39,014,428	\$ 25,210,903	\$ 29,195,428
Total Liabilities	\$ 10,182,005	\$ 10,653,831	\$ 10,333,392	\$ 12,035,472	\$ 11,142,114	\$ 11,649,531
Net Position	\$ 34,163,123	\$ 34,862,387	\$ 31,740,678	\$ 26,978,956	\$ 14,068,789	\$ 17,545,897
Net Position to SIR (Board target: 20:1)	68.3	69.7	63.5	54.0	28.1	35.1
SIR to Net Position (Benchmark: captives <.10; group captives <.25)	0.015	0.014	0.016	0.019	0.036	0.028
% Assets attributable to Net Position	77.0%	76.6%	75.4%	69.2%	55.8%	60.1%
Total assets/total liabilities	4.36	4.27	4.07	3.24	2.26	2.51
Revenues to Net Position (Benchmark: <2.5:1 and >0)	0.42	0.41	0.45	0.54	1.14	1.02
Loss Reserves to Net Position (discounted): Benchmark <3:1 and >0	0.34	0.33	0.36	0.43	0.82	0.65
Total liabilities to liquid assets: Benchmark <100%	32%	32%	38%	59%	59%	59%
Change in Net Position: >-10%	3.7%	2.0%	-9.0%	-15.0%	-55.7%	-35.0%
Return on Net Position: Net Operating Income/Net Position	1.6%	-1.5%	-8.9%	-17.5%	-2.9%	11.7%
Return on Net Position: Total Income/Net Position	3.6%	2.0%	-9.8%	-17.6%	5.2%	19.8%

We continue to provide stability in the mist of uncertainty, allowing members to focus on serving their communities. We will continue to offer reliability and stability in a risky property and casualty world.

Economic Factors:

For fiscal year ending June 30, 2020, economic conditions showed continued signs of improvement with some growth continuing for the nation and Nevada. NPAIP's investments, although showing improved results this year, have performed consistently with fixed income investment markets considering the statutory requirements to invest in governmental securities. Most of NPAIP's investments are

anticipated to be held to maturity. NPAIP is restricted by Nevada statutes to invest in governmental securities in the same manner as other political subdivisions. Management adjusts the mix of investments as market conditions change.

Medical inflation continues to be higher than the overall consumer price index nationally, which affects the underlying costs of liability claims payable by NPAIP. Based upon claims activity and the tendency of plaintiffs to appeal judgments more often, litigation costs continue to rise. NPAIP's defense costs have risen as a result of the types of cases being filed and the increase in the hourly rate that assures retention of competent counsel to handle civil rights cases in particular. Fiscal year ending June 30, 2020 evidenced hardening insurance market conditions for property and liability reinsurance. Rates in property coverage experienced increases as did liability rates. NPAIP was able to retain its coverage capacity at current levels.

Preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff. Staff includes Wayne Carlson, Executive Director, Mike Rebaleati, Chief Operations Officer, Marshall Smith, Risk Officer, Alan Kalt, Chief Financial Officer, Debbie Connally, Controller, Melissa Mack, Accounting Technician, Zaria Hanses, Administrative Assistant and Mike Van Houten, e-learning Manager and Webmaster. Thanks also to the dedicated professional staff from Bertrand & Associates, LLC, our independent auditors, for their contribution and support throughout the audit process. Special thanks to the Executive Committee, Audit Committee and Board of Directors for their keen interest and support in the planning and conducting of the financial operations of NPAIP in a responsible and progressive manner.

Thank you for your participation in NPAIP and for having confidence in our ongoing ability to meet the Mission, Vision and Motto you set for our member services consortium. We welcome your comments and suggestions to further strengthen NPAIP's financial position, to provide you with additional information and to enhance Member services. I am honored to serve as Executive Director. Thank you for your continued active participation as a Member of NPAIP.

Sincerely,

Wayne Carlson

NPAIP Executive Director

NEVADA PUBLIC AGENCY INSURANCE POOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019

Nevada Public Agency Insurance Pool's (NPAIP) discussion and analysis is designed to, (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the entity's financial activities, (c) identify changes in NPAIP's financial position (its ability to address next and subsequent years challenges), and (d) identify any material deviations from the financial plan.

We encourage readers to read this information in conjunction with the Executive Director's letter, financial statements and notes to gain a more complete understanding of the information presented.

Organization Overview

Nevada Public Agency Insurance Pool is a quasi-governmental entity formed by an intergovernmental agreement between political subdivisions of the state of Nevada and organized to operate as a group self-insurer. The purpose of the organization is to seek the prevention or lessening of casualty losses to its members and injuries to persons, which might result in claims being made against such members. In addition to self-funding property, casualty and cyber coverage, the program provides risk management services with emphasis on loss control, claims administration, and management support services. NPAIP is fully funded by member participants. Members file claims with Alternative Services Concepts, LLC/Davies (ASC) which has been contracted to perform claims management services for NPAIP.

NPAIP provides property, casualty and cyber coverage to member governmental entities pursuant to state statutes. The program is fully funded by member entities and is governed by a Board of Directors composed of representatives of each member. Any member may withdraw from the program by giving 120 days' notice in advance of the renewal date. NPAIP's independent actuary develops required NPAIP contributions needed to be assessed and collected.

Background:

NPAIP is subject to Governmental Accounting Standards Board (GASB) requirements set forth in GASB Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government*. NPAIP's financial information must be accompanied by enhanced analysis, both short and long term, and explanations of significant financial statement elements. Since NPAIP operates as an enterprise created pursuant to NRS 277, the Interlocal Cooperation Act, its financial statements will be presented in a manner that reflects its operations much like a private company.

Using this Annual Report:

Since the financial statements report information about NPAIP using accounting methods similar to those used by private sector organizations, these statements offer short- and long-term financial information about NPAIP's activity. The financial statements show a comparison of two audited years ending June 30, 2020 and June 30, 2019 to facilitate understanding of changes in the financial position over time.

The Statement of Net Position includes all NPAIP's assets and liabilities and information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing rate of return, evaluation of the capital structure and for assessing the solvency, liquidity and financial flexibility of NPAIP.

Current year revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of NPAIP's operations for the fiscal year compared to the previous fiscal year and can be used as a measure of NPAIP's credit worthiness and whether NPAIP successfully recovers its costs through its sources of revenue.

The Statement of Cash Flows serves to provide information about NPAIP's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments and net changes in cash resulting from operations, capital and related financing activities and investing activities. It also discloses from where cash comes, for what it was

used and the change in cash balance during the reporting period. Since NPAIP incurs financial obligations to pay for claims that occurred in the past from current year resources and at the same time receives revenue that it must retain for payment of future claims from future resources, cash flow may vary significantly from year to year.

Financial Highlights

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, including the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

The auditor's report offers an unmodified opinion on the financial statements, the best opinion that can be attained.

Critical Accounting Estimates

Preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the accounting period. Actual results could differ from these estimates.

NPAIP has identified the estimates inherent in the valuation of investments and loss reserves (including reserves for incurred but not reported claims (IBNR) as critical in that they involve a higher degree of judgment and are subject to a significant degree of variability. In developing these estimates, management makes subjective and complex judgments that are inherently uncertain and subject to material change as facts and circumstances develop. Although variability is inherent in these estimates, management believes the amounts provided are appropriate and conservative based upon the facts available as of the date of the financial statements. NPAIP uses the assistance of an independent outside actuarial firm in relation to the IBNR and overall loss reserve adequacy.

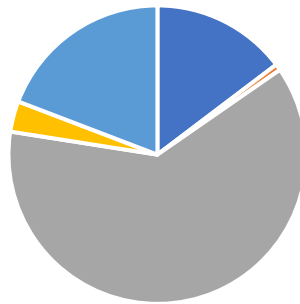
Investments

One significant estimate inherent in the valuation of investments is the evaluation of fair value. Investments consist predominantly of government and government backed securities and are reported at their fair value in the Statement of Net Position. Fair value is determined utilizing the market value of the investments as reflected on the applicable brokerage statements. Net increases and decreases in the fair value are included in the Statement of Revenue, Expenses and Changes in Net Position. Nevada Revised Statutes and the Board approved Investment Policy outlines the restrictions on the types of allowed investments. NPAIP is authorized to make investments in bonds and debentures of the United States, bills and notes of the U.S. Treasury, and in high-grade corporate backed securities. NPAIP is authorized to purchase negotiable certificates of deposits issued by commercial banks or insured savings and loan associations.

Cash and investments of \$25,297,628 are available to meet current liabilities, including reserves for loss and loss adjustment expenses of \$4,804,261. Total current liabilities include accounts payable, risk management grants payable, specific recoverable and current portion of reserves for claims. This is a conservative measure of cash and investments available to pay current obligations. NPAIP's cash ratio is 5.3, meaning that it has 5.3 times the unrestricted cash and investments on hand to meet its obligations. Last year's cash ratio was 4.1. The increase in the cash ratio is due primarily to the reduction in the current portion of accounts payable of \$179,099 compared to prior year of \$300,320 a reduction of \$121,221. This is further aided by the increase in cash and investment balance at fiscal year-end in the amount of \$5,916,615 due to cash provided by operations.

Investment balances as of June 30, 2020 were \$24,084,648 compared to the prior year amount of \$18,411,809. This represents an increase of \$5,672,839 or 30.8% The increase is due primarily to the increase in cash provided by operations and investment income and operations during the year. As noted in Note 3, the following is a summary of the fair value of investments as of June 30, 2020:

Investment Allocations

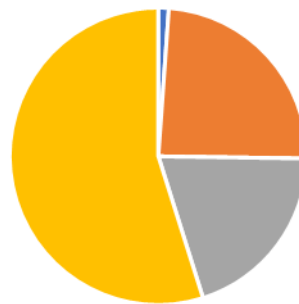


■ US Treasuries
 ■ US Government & Agencies
 ■ US Mortgage-backed securities
■ US Government backed securities
 ■ Corporate Bonds

Investment Descriptions

Investment Descriptions	Fair Value 6-30-2020	Fair Value 6-30-2019
U.S. Treasuries	3,538,734	-
U.S. Government & Agencies	163,206	278,673
U.S. Mortgage backed securities	14,957,724	14,670,959
U.S. Government backed securities	800,301	838,640
Corporate bonds	<u>4,624,683</u>	<u>2,623,537</u>
Total investments	<u>\$24,084,648</u>	<u>\$18,411,809</u>

2020 Maturities



■ 1 Yr or Less
 ■ 1-5 Years
 ■ 5-10 Years
 ■ Over 10 Years

Accrued Interest

The investment income receivable at June 30, 2020 is \$94,115 compared to \$68,263 in 2019. This is a change of \$25,852 or 37.9%. This is due primarily to the increase in investment balances at year end and the timing of the payment of accrued interest on the investments.

Specific and Aggregate Recoverables

Specific and aggregate recoverables at June 30, 2020 are \$1,883,833, compared to \$3,321,360 in 2019. This is a decrease of \$1,437,527 or 43.3% due to increased collections during the fiscal year on a large settlement.

Land, Building and Equipment

The land, building and equipment increased from \$1,529,006 in fiscal year 2019 to \$1,661,410 due to replacement of the roof in the amount of \$192,451 less depreciation. See Note 4 for more details.

Contributed Surplus Public Risk Mutual

In May of 2004, NPAIP's board of directors authorized the startup of a member-owned nonprofit captive mutual insurance company and contributed surplus to the company. The company, named Public Risk Mutual, ("PRM") is domiciled in Nevada. PRM subsequently converted from an association captive to a pure captive form owned by NPAIP. PRM is one of the reinsurers for NPAIP. The benefits of the captive are reduced administrative costs, reinsurance opportunities, a broader investment portfolio which can include risk assets, and to build equity to enable provision of coverage not obtainable elsewhere. Management considers the contributed surplus costs a development cost that can provide lower operating costs in the future and estimates that the savings in reinsurance cost to NPAIP will recoup the contributed capital. At the annual meeting held on April 17, 2020, the Board approved a change in the accounting policy related to the transfer of capital to PRM to expense 100% in the year of transfer effective retroactively to July 1, 2018 noting that the unamortized balances will reduce NPAIP's Net Position and Contributed Surplus to PRM would be eliminated in the restatement of the 2019 financial statement. As of July 1, 2018, Contributed Surplus from NPAIP was \$29,477,263. As of June 30, 2018, the accumulated amortization was \$18,125,819 resulting in Contributed Surplus, net of accumulated amortization of \$11,351,444 and the same reduction in NPAIP's Net Position as of July 1, 2018. This accounting change will impact NPAIP's financial benchmarks and make NPAIP more comparable with our peers in years without the transfer. See note 8 for more details. The following chart indicates NPAIP's surplus contributions to PRM since inception:

Fiscal Year	Contributions	Total Contributions
2004	\$ 1,000,000	\$ 1,000,000
2005	\$ -	\$ 1,000,000
2006	\$ -	\$ 1,000,000
2007	\$ 1,000,000	\$ 2,000,000
2008	\$ 1,100,000	\$ 3,100,000
2009	\$ 3,800,000	\$ 6,900,000
2010	\$ 808,416	\$ 7,708,416
2011	\$ 5,265,924	\$12,974,340
2012	\$ 2,276,619	\$15,250,959
2013	\$ 1,237,581	\$16,488,540
2014	\$ 1,500,000	\$17,988,540
2015	\$ -	\$17,988,540
2016	\$ 1,488,723	\$19,477,263
2017	\$ 4,300,000	\$23,777,263
2018	\$ 5,700,000	\$29,477,263
2019	\$ -	\$29,477,263
2020	\$ -	\$29,477,263

As noted above, NPAIP has contributed \$29,477,263 to PRM in accordance with NPAIP's Capitalization Strategy Policy which allows NPAIP's Executive Committee to distribute a portion of the Net Assets to provide additional capitalization of PRM to reduce reliance on other excess or reinsurance providers. PRM has increased its reinsurance capacity and thereby reduced NPAIP's retention as a result of the additional contributions to PRM's surplus.

Reserves for Claim Losses

Loss reserves are estimates of losses and loss development and as such will differ from the ultimate results. Therefore, one of the critical accounting estimates is the proper amount of reserves to be set aside to meet future liabilities of the current in-force business. Changes in or deviations from the assumptions used to develop the loss reserves can significantly affect NPAIP's reserve levels and related future operations. Assumptions include company methodology for underwriting and claims handling and current estimates of the legal, inflation rate, and social environment. Annually, NPAIP retains an outside independent actuary to provide a loss reserve opinion and to establish a range for NPAIP's loss reserves. NPAIP's policy is to book reserves at the 75% confidence level as recommended by the actuary. The actuarial analysis for the current fiscal year revealed an overall increase in case reserves and IBNR reserves over prior years estimated incurred losses. In previous actuarial analyses, the understanding was that the member deductibles eroded NPAIP's SIR layer. The current analysis for June 30, 2020 reflects that NPAIP's retention is in addition to the member deductible. This resulted in an increased reserve for NPAIP and a lower reserve for PRM.

See Note 6 Unpaid Claim Liabilities and the Supplemental Schedule of Claim Development in the financial statements for more details.

Reserves for current portion of claims increased from \$4,332,222 to \$4,429,730 in fiscal year ending June 30, 2020. The noncurrent reserve for claims and claims loss adjustment expenses increased from \$6,372,778 to \$6,845,270 in 2020. Total reserves increased to \$11,275,000 from \$10,705,000 an increase of \$570,000 or 5.3% based on claim payments and decreased claims costs and development as calculated by the actuary. The development schedule included in the financial statement provides the history of the claims reserve changes each year over 10 years included in the financial statements for more details.

Change in Net Position

NPAIP's Restated Total Net Position increased from \$14,068,789 to \$17,545,897 during the fiscal year ending June 30, 2020, an increase of \$3,477,108 or 24.7%. This increase primarily is due to overall increase in operating net position of \$2,045,875 and increased by net investment income of \$1,431,233 for fiscal year 2020.

The following is the comparative Statements of Net Position for NPAIP as of June 30, 2020 and 2019.

CONDENSED STATEMENTS OF NET POSITION	<u>2020</u>	<u>2019</u>
		<u>As restated</u>
Cash and investments	\$ 25,297,628	\$ 19,381,013
Accrued interest	94,115	68,263
Receivables	2,042,778	3,984,619
Other assets	99,497	248,002
Capital assets, net	1,661,410	1,529,006
Total assets	<u>29,195,428</u>	<u>25,210,903</u>
Accounts payable	179,099	300,320
Other liabilities and deferred revenues	195,432	136,794
Reserve for claims and claims related expense	11,275,000	10,705,000
Total liabilities	<u>11,649,531</u>	<u>11,142,114</u>
Net position -unrestricted	15,884,487	12,539,783
Net position -invested in capital assets	1,661,410	1,529,006
Total net position	<u>\$ 17,545,897</u>	<u>\$ 14,068,789</u>

Total Operating Revenues

NPAIP's primary revenue source comes from premiums written. Premium written increased from \$15,678,937 to \$17,167,798 during fiscal year ending June 30, 2020. This is an increase of \$1,488,861 or 9.5%. This increase is attributable to a rate increase needed to fund increased claims, allocation of special insurance programs into the rates, changes in members deductible options and operating programs. In fiscal year 2020, NPAIP received \$475,000 from PRM to pay for risk mitigation services to support member services.

Program Expenses

Total program expenses decreased to \$14,610,484 from \$14,985,980 in Fiscal Year 2019. This reflects a decrease of \$375,496 or 2.5% in the current year. Losses and loss adjustment expenses decreased \$1,440,321 due to favorable development during the prior year. The reinsurance/excess insurance premiums increased \$845,480 from \$5,960,178 to \$6,805,658 because of hardening in the global reinsurance market causing increased premium rates and increased losses and loss adjustments in the prior year. There was a decrease of \$98,158 in risk management grants to the members during the year from \$396,565 to \$298,407 based on membership grant submittal. Slight increases were noted in Third party administrator fees of \$51,062 due to increase in claims processing cost, an increase of \$176,566 in member education and training from \$1,199,910 to \$1,376,476, an increase of \$99,665 in agent commissions due to higher premiums paid and \$11,733 decrease in taxes written .

Administration Expenses

Total administrative expenses were \$1,269,561 in Fiscal Year ending June 30, 2020 compared to \$1,424,811 in FY 2019. This represents a decrease of \$155,250 or 10.9%. The management fees went from \$821,488 to \$525,000 a decrease of \$296,488. The Board of Directors approved \$250,000 in management grant to start Nevada Risk Pooling, Inc. to serve as the new management company effective July 1, 2019 increasing the amount paid in the prior year. Technology services decreased to \$53,361 from \$106,783.

Non-operating Net Investment Income

Investments are marked to market value at the time of the financial statements, which may result in a negative or positive overall result. Restrictions imposed by law on the types of investments NPAIP may utilize are similar to other local governments. The investment portfolio consists of governmental type investments which, if held to maturity, will yield the respective coupon rates although interim performance may lag. Most of NPAIP's investments are anticipated to be held to maturity. Non-operating net investment income was \$1,431,233 for Fiscal Year end June 30, 2020 compared to \$1,148,315 in 2019. The investment income was positive for NPAIP as a result the earned investment income on the investments as well as the mark to market value adjustment because of decreasing interest rates in fiscal year 2020. See Note 3 Investment Securities for more details.

Revenues, Expenses and Changes in Net Position:

CONDENSED STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION

	<u>2020</u>	<u>2019</u> <u>As restated</u>
Revenues	\$ 17,925,920	\$ 15,998,979
Loss fund provision and program expenses	14,610,484	14,985,980
Administration expenses	1,269,561	1,424,811
Total expenses	<u>15,880,045</u>	<u>16,410,791</u>
Increase (decrease) in operating net position	2,045,875	(411,812)
Non-operating net investment income	1,431,233	1,148,315
Increase in net position	<u>\$ 3,477,108</u>	<u>\$ 736,503</u>

Capital Assets and Debt Administration:

NPAIP has land and the office building as the only physical assets and no borrowed funds. The capital assets of land, building and equipment net is \$1,661,410 as of June 30, 2020. This represents 5.7% of the total assets. This building generates rental income and diversifies NPAIP's investments. NPAIP remains debt free.

Subsequent Events:

There were no subsequent events that would affect the financial statements for the current fiscal year.

Requests for Information:

While the purpose of this discussion and financial report is to provide a general overview of NPAIP's financial position, requests for additional financial information should be addressed to Wayne Carlson, Executive Director, 201 S. Roop St., Suite 102, Carson City, NV 89701-4790.

NEVADA PUBLIC AGENCY INSURANCE POOL
Statements of Net Position
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u> <u>As restated</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,212,980	\$ 969,204
Investments	24,084,648	18,411,809
Accrued interest	94,115	68,263
Deductibles receivable	132,598	644,786
Assessments receivable	20,299	18,426
Other Receivables	6,048	47
Specific and aggregate recoverables	1,883,833	3,321,360
Prepaid expense	99,497	225,108
Total current assets	<u>27,534,018</u>	<u>23,659,003</u>
Capital assets:		
Land, building & equipment, net	1,661,410	1,529,006
Other assets:		
Construction in progress	-	22,894
Total Assets	<u><u>29,195,428</u></u>	<u><u>25,210,903</u></u>
LIABILITIES		
Other current liabilities:		
Accounts payable	179,099	300,320
Risk Management Grants payable	195,432	136,794
Deferred inflows of resources	-	-
Current portion of reserve for claims and claims adjustment expenses	4,429,730	4,332,222
Total current liabilities	<u>4,804,261</u>	<u>4,769,336</u>
Noncurrent liabilities:		
Reserve for claims and claims adjustment expenses	6,845,270	6,372,778
Total non-current liabilities:	<u>6,845,270</u>	<u>6,372,778</u>
Total Liabilities	<u><u>11,649,531</u></u>	<u><u>11,142,114</u></u>
NET POSITION		
Net Position, unrestricted	15,884,487	12,539,783
Net Position, invested in capital assets	1,661,410	1,529,006
Total Net Position	<u><u>\$ 17,545,897</u></u>	<u><u>\$ 14,068,789</u></u>

See accompanying notes

NEVADA PUBLIC AGENCY INSURANCE POOL
Statements of Revenues, Expenses and Changes in Net Position
For Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u> <u>As restated</u>
OPERATING REVENUES		
Premiums written	\$ 17,167,798	\$ 15,678,937
Rental income	236,482	266,582
PRM risk mitigation services	475,000	-
Other Income	46,640	53,460
Total revenues	<u>17,925,920</u>	<u>15,998,979</u>
PROGRAM EXPENSES		
Losses and loss adjustment expenses	3,713,763	5,154,084
Excess insurance premiums	6,805,658	5,960,178
Special insurance programs	1,943	-
Pooling and loss control fees	505,000	505,000
Third party administrator fees	778,009	726,947
Member education and training	1,376,476	1,199,910
Loss control awards and grants	298,407	396,565
Agent commissions	1,124,305	1,024,640
Taxes written	6,923	18,656
Total program expenses	<u>14,610,484</u>	<u>14,985,980</u>
ADMINISTRATIVE EXPENSES		
Management fees	525,000	821,488
Building maintenance and utilities	93,051	93,485
Depreciation	60,047	50,477
Travel	39,067	59,994
Casualty insurance	47,972	47,970
Operating expenses	341,387	143,979
Legal expenses	14,816	16,775
Consultant appraisals	94,860	83,860
Technology services	53,361	106,783
Total pool administration expenses	<u>1,269,561</u>	<u>1,424,811</u>
Total program and administration expenses	<u>15,880,045</u>	<u>16,410,791</u>
Increase (decrease) in operating net position	2,045,875	(411,812)
Increase in non-operating net investment income	<u>1,431,233</u>	<u>1,148,315</u>
Increase in net position	3,477,108	736,503
Net position, previously stated beginning of year	14,068,789	26,978,956
Prior period adjustment	-	(13,646,670)
Beginning net position as restated	<u>14,068,789</u>	<u>13,332,286</u>
	-	-
Net position, end of year	\$ 17,545,897	\$ 14,068,789

See accompanying notes

NEVADA PUBLIC AGENCY INSURANCE POOL
Statements of Cash Flows
For Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u> <u>As restated</u>
Cash flows from operating activities:		
Premiums written	\$ 19,109,639	\$ 14,835,454
Rental income	236,482	266,582
PRM risk mitigation services	475,000	-
Other revenues	46,640	53,460
Payment for claims	(3,145,763)	(6,163,084)
Payment to vendors	(12,067,059)	(11,099,660)
Net Cash Provided (Used) from Operating Activities	<u>4,654,939</u>	<u>(2,107,248)</u>
Cash flows from investing activities:		
Interest and dividend income, net of expenses	488,727	518,640
Purchases of investments	(12,940,407)	(31,745,904)
Proceeds from sales of investments	8,210,074	32,071,717
Net Cash (Used) Provided from Investing Activities	<u>(4,241,606)</u>	<u>844,453</u>
Cash flows from capital activities:		
Equipment purchases	(169,557)	-
Construction in progress	-	(22,894)
Net Cash Used for Capital Activities	<u>(169,557)</u>	<u>(22,894)</u>
Increase (decrease) in Cash and Cash Equivalents	243,776	(1,285,689)
Cash and Cash Equivalents, beginning of fiscal year	969,204	2,254,893
Cash and Cash Equivalents, year ended June 30	<u>1,212,980</u>	<u>969,204</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating net Income (Loss)	2,045,875	(411,812)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	60,047	50,477
Decrease (increase) in deductibles and assessments receivables	510,315	(316,530)
Decrease (increase) in prepaid expense	125,611	(4,655)
(Increase) in other receivables	(6,001)	-
Decrease (increase) in recoverables	1,437,527	(526,953)
(Increase) in accrued interest	(25,852)	(4,417)
(Decrease) increase in accounts payable	(121,221)	175,579
Increase (decrease) increase in Risk Management Grants liability	58,638	(59,937)
Increase (decrease) in reserve for claims and loss adjustments	570,000	(1,009,000)
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,654,939</u>	<u>\$ (2,107,248)</u>

See accompanying notes

NEVADA PUBLIC AGENCY INSURANCE POOL
Notes to Financial Statements
June 30, 2020 and 2019

NOTE 1 - NATURE OF ORGANIZATION

The Nevada Public Agency Insurance Pool (NPAIP) is a quasi-governmental entity formed by an intergovernmental agreement between political subdivisions of the state of Nevada and organized to operate as a group self-insurer. The purpose of the organization is to seek the prevention or lessening of casualty losses to its members and injuries to persons, which might result in claims being made against such members. In addition to self-funding and excess insurance protection, the program provides risk management services with emphasis on loss control, claims administration, and management support services. The NPAIP is fully funded by member participants. Members file claims with Davies Claims Solutions, which has been contracted to perform claims adjustments for the NPAIP.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Presentation

The Nevada Public Agency Insurance Pool has prepared its financial statements in accordance with accounting principles generally accepted in the United States of America. NPAIP has implemented Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments*.

The financial statements have been prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises, where applicable, which may differ from the basis of accounting followed in statutory reporting.

Accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Measurement Focus, Basis of Accounting

The financial statements are reported using the economic resources management focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Expenditures are recorded when the related fund liability is incurred.

Cash Equivalents:

For purposes of the statement of cash flows, the NPAIP considers investments with original maturity dates less than 90 days to be cash equivalents.

Investment and Interest Income:

Investments are recorded at fair market value. Interest income, and realized and unrealized gains and losses are shown as net investment income.

The NPAIP is authorized, by state statutes, to make investments in bonds and debentures of the United States, bills and notes of the U.S. Treasury, the maturities of which cannot be more than 10 years from date of purchase except as permitted by law. The NPAIP is also authorized to purchase negotiable certificates of deposit issued by commercial banks or insured savings and loan associations, the U.S. Postal Service and Government National Mortgage Association securities.

Credit Risk:

Credit risk is the risk that the issuer of a security will default on principal and interest of the security. NPAIP's policy is to invest in securities with credit ratings of AAA, AA, or A as rated by a Nationally Recognized Statistically Rating Organization pursuant to statutory limitations. In addition, NPAIP's policy is to diversify the investment portfolio so that the impact of potential losses from any one type of security or from any one issuer will be minimized.

Budget

A budget is prepared by management though there is no legal budgetary requirement.

NEVADA PUBLIC AGENCY INSURANCE POOL
Notes to Financial Statements
June 30, 2020 and 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Credit Risk:

NPAIP limits investments in fixed income securities to 10% of the total fixed income portfolio to any one issuer. Corporate bond allocation cannot exceed 20% of the total par value of the portfolio. NPAIP will not directly invest in securities that have a weighted average life of more than ten (10) years from the date of purchase, except as permitted by law. The policy does not place a limit on the purchase of U.S. government and government backed securities.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. NPAIP will, to the extent possible, minimize this risk by matching investment maturities to liability due dates. This allows NPAIP to hold investments to maturity thus mitigating losses from the sale of investments prior to their maturity date.

Deductibles and Specific Excess Recoverable Receivables:

Deductibles receivable represents the portion of a claim to be collected from members. Specific excess recoverables represents amounts to be collected from excess insurers on claims made by members against the NPAIP in excess of the NPAIP's retention.

Fixed Assets:

Equipment on the books is depreciated over the estimated useful lives of the assets using the straight-line method and the lives assigned to assets range from 5 years to 7 years. The capitalization policy allows for the recording as an asset and depreciation for amounts of and in excess of \$5,000. The office building cost is depreciated using the straight-line method over a period of 40 years with no salvage value.

Legal Fees:

Legal fees included in administration expenses are primarily for corporate legal work only; all legal expenses associated with a particular claim are charged directly to that claim's experience. Legal work on claims affects losses incurred and loss adjustment expenses.

Losses and Loss Adjustment Expenses:

Reserves for losses and allocated loss adjustment expenses are provided based on case basis estimates for losses reported and NPAIP's historical loss experience for claims incurred but not reported (IBNR). The liability for unpaid losses and loss adjustment expenses includes the estimated cost of investigating and settling all claims incurred as of the balance sheet date. Such amounts are determined based on an evaluation prepared by management and an independent consulting actuary using a 75% confidence level. Although such estimates are best estimates of the expected values, the actual results may vary from these values.

Member Loss Fund Contributions and Unearned Member Loss Fund Contributions:

Member contributions are collected in advance and recognized as revenue in the period for which insurance protection is provided. Contributions are allocated by NRP with actuarial input.

Federal Income Taxes

In accordance with Internal Revenue Service code Section 115, organizations formed, operated and funded by political subdivisions may exclude income from those activities that qualify for exclusion. Accordingly, no provision for income taxes has been provided in the accompanying financial statements.

Supplementary Development Schedule - Unaudited

The Claims Development Schedule reports claims on a reported year basis.

Reclassifications

Certain amounts in the 2019 financial statements have been reclassified to conform to the current year presentation.

NEVADA PUBLIC AGENCY INSURANCE POOL
Notes to Financial Statements
June 30, 2020 and 2019

NOTE 3 – CASH AND INVESTMENTS

The carrying amount of NPAIP’s deposits with financial institutions at June 30, 2020 and 2019 was \$1,212,980 and \$969,204. The financial institution balance at June 30, 2020 and 2019 was \$1,293,543 and \$1,500,745 respectively. The difference between the carrying amount and bank balance results from outstanding checks and/or deposits not yet reflected in the bank’s records.

	<u>2020</u>	<u>2019</u>
Amounts insured by FDIC	\$ 249,055	\$ 250,000
Amounts collateralized	-	721,913
Amounts uninsured and uncollateralized	1,499	-
Cash equivalents at brokerage firm	1,042,989	528,832
Total deposits at financial institutions	<u>\$ 1,293,543</u>	<u>\$ 1,500,745</u>

NPAIP maintains its cash, cash equivalents and investments in a commercial bank and a brokerage institution. All amounts in the commercial bank are insured by the FDIC or collateralized. Amounts at the brokerage firm are insured through SIPC and additional amounts above SIPC coverage limits are insured by the broker through an insurance policy.

A summary of investments as of June 30, 2020 is as follows:

	Fair Value	Investment Maturities in Years			
		1 year or less	1-5	5-10	Over 10
U.S. Treasuries	\$ 3,538,734	\$ -	\$ -	\$ 3,538,734	\$ -
U.S. Government & Agencies	163,206	-	163,206	-	-
U.S. Mortgage-backed securities	14,957,724	15,174	781,474	1,252,059	12,909,017
U.S. Government backed securities	800,301	257,608	237,363	-	305,330
Corporate bonds	4,624,683	-	4,624,683	-	-
Total cash and investments	<u>\$ 24,084,648</u>	<u>\$ 272,782</u>	<u>\$ 5,806,726</u>	<u>\$ 4,790,793</u>	<u>\$ 13,214,347</u>

A summary of investments as of June 30, 2019 is as follows:

	Fair Value	Investment Maturities in Years			
		1 year or less	1-5	5-10	Over 10
U.S. Government & Agencies	\$ 278,673	\$ -	\$ 278,673	\$ -	\$ -
U.S. Mortgage-backed securities	14,670,959	138	177,301	2,310,184	12,183,336
U.S. Government backed securities	838,640	-	-	488,492	350,148
Corporate bonds	2,623,537	-	2,623,537	-	-
Total cash and investments	<u>\$ 18,411,809</u>	<u>\$ 138</u>	<u>\$ 3,079,511</u>	<u>\$ 2,798,676</u>	<u>\$ 12,533,484</u>

Actual maturities may differ from contractual maturities as some borrowers have the right to call or prepay with or without call or prepayment penalties. NPAIP categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NPAIP has the following recurring fair value measurements as of year-end June 30:

- 1 - U.S. Treasury Notes and other debt obligations of \$3,538,734 and \$0 for years ended June 30, 2020 and 2019 respectively are valued using a matrix pricing model (Level 1 inputs).
- 2- U.S. Government, government back securities and corporate bonds of \$20,545,914 and \$18,411,809 for years ended June 30, 2020 and 2019 respectively are valued using a matrix pricing model (Level 2 inputs).

NEVADA PUBLIC AGENCY INSURANCE POOL
Notes to Financial Statements
June 30, 2020 and 2019

NOTE 4 – LAND, BUILDING AND EQUIPMENT

Building and equipment are reported at cost less accumulated depreciation and land at cost.. Depreciation is calculated on the straight line basis over the estimated useful lives of the assets. NPAIP capitalizes equipment and building related expenditures that are greater than \$5,000. When assets are disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in operations. Activity for the years ended June 30, 2020 and 2019 was as follows:

Property and equipment activity for the year ended June 30, 2020 was as follows:

	Estimated				
	Useful Life	June 30, 2019	Additions	Dispositions	June 30, 2020
Land	-	\$ 466,652	\$ -	\$ -	\$ 466,652
Building	40	1,783,716	-	-	1,783,716
Equipment, furniture, fixtures & vehicles	5-7	124,278	192,451	-	316,729
		<u>2,374,646</u>	<u>192,451</u>	<u>-</u>	<u>2,567,097</u>
Less accumulated depreciation		(845,640)	(60,047)	-	(905,687)
Capital assets net accumulated depreciation		<u>\$ 1,529,006</u>	<u>\$ 132,404</u>	<u>\$ -</u>	<u>\$ 1,661,410</u>

Property and equipment activity for the year ended June 30, 2019 was as follows:

	Estimated				
	Useful Life	June 30, 2018	Additions	Dispositions	June 30, 2019
Land	-	\$ 466,652	\$ -	\$ -	\$ 466,652
Building	40	1,783,716	-	-	1,783,716
Equipment, furniture, fixtures & vehicles	5-7	124,278	-	-	124,278
		<u>2,374,646</u>	<u>-</u>	<u>-</u>	<u>2,374,646</u>
Less accumulated depreciation		(795,163)	(50,477)	-	(845,640)
Capital assets net accumulated depreciation		<u>\$ 1,579,483</u>	<u>\$ (50,477)</u>	<u>\$ -</u>	<u>\$ 1,529,006</u>

Construction in progress for 2019 was \$22,894.

NOTE 5 – RETENTION

Nevada Public Agency Insurance Pool retains a portion of claims prior to the application of coverage provided by its excess or reinsurance contracts. The coverage limits provided by the NPAIP within its retention amounts are as follows:

<u>NPAIP Limits:</u>	<u>2019-2020</u>	<u>2018-2019</u>
Property blanket limit	\$200,000	\$200,000
Liability per event	\$500,000	\$500,000
Monies & securities per loss	\$200,000	\$200,000
Equipment breakdown	\$50,000	\$ 50,000
Data Security Liability	\$250,000	\$250,000

NEVADA PUBLIC AGENCY INSURANCE POOL
Notes to Financial Statements
June 30, 2020 and 2019

NOTE 6 – UNPAID CLAIMS LIABILITIES

NPAIP estimates losses and loss adjustment expense based on historical experience and payment and reporting patterns. These estimates are based on data available at the time of the estimate and are reviewed by NPAIP’s independent consulting actuary.

Inherent in the estimates of the ultimate liability for unpaid claims are expected trends in claim severity, claim frequency, and other factors that may vary as claims are settled. The amount and uncertainty in the estimates are affected by such factors as the knowledge of the actual facts and circumstances and amount of historical claims experienced relative to the development period that has been affected by the change in premium levels and increase in closing and settlement of claims.

As discussed in Note 2, the NPAIP establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claims adjustment expenses, both allocated and unallocated. The following represents changes in those aggregate liabilities for the NPAIP in the last two years:

	<u>2020</u>	<u>2019</u>
Unpaid losses and loss adjustment expenses at beginning of year or period	<u>\$ 10,705,000</u>	<u>\$ 11,714,000</u>
Incurred losses and loss adjustment expenses:		
Provision for insured events of current year	6,172,000	5,997,000
Increase (decrease) in provision for insured events of prior fiscal years	<u>(2,458,237)</u>	<u>(842,916)</u>
Total incurred losses and loss adjustment	3,713,763	5,154,084
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year/period	(776,000)	(1,160,000)
Claims and claims adjustment expenses attributable to insured events of prior	<u>(2,367,763)</u>	<u>(5,003,084)</u>
Total Payments	(3,143,763)	(6,163,084)
Unpaid claims and claims adjustment expenses At end of fiscal year	<u><u>\$ 11,275,000</u></u>	<u><u>\$ 10,705,000</u></u>

In 2020 the current portion of the reserve, cash expected to be paid within 12 months, is \$4,429,730 and the long-term portion is \$6,845,270. At the end of 2019 the current portion was \$4,332,222 and the long-term portion was \$6,372,778.

At June 30, 2020 and 2019, NPAIP recorded the liability for losses and loss adjustment expenses based on an estimate by its independent consulting actuary. The reserve balances were developed by an independent actuary and are management’s best estimate of reserves at June 30, 2020 and 2019.

NEVADA PUBLIC AGENCY INSURANCE POOL
Notes to Financial Statements
June 30, 2020 and 2019

NOTE 7 - RELATED PARTY TRANSACTIONS

PARMS

Public Agency Risk Management Services, Inc. (PARMS) contracted with the NPAIP to provide management services from July 1, 2014 through June 30, 2019. PARMS serves as the Executive Director/Administrator. PARMS is a service corporation wholly owned by Mr. Wayne Carlson. Contract fees paid for years ended June 30, 2019 was \$571,488.

PARMS leased office space at 201 S. Roop St. in Carson City, Nevada from the Nevada Public Agency Insurance Pool through a separate lease agreement that coincides with the term of the management contract. Payments received in 2019 was \$72,627. The contract dated July 1, 2013 was for a five year lease period and includes a 2% per annum increase in the lease expenses which began on July 1, 2014. A new three-year lease for the period of July 1, 2019 to June 30, 2022 at an rate of \$7,128 adjusted annually by a 2% increase in year two and three of the agreement for the Executive Director's office space.

Nevada Risk Pooling

Effective July 1, 2019, Nevada Public Agency Insurance Pool (NPAIP) jointly with Public Agency Compensation Trust (PACT) provided a five-year grant to Nevada Risk Pooling, Inc. (NRP), a nonprofit organization formed by the executive director of NPAIP, Wayne Carlson, and whose directors are Gerry Eick, Josh Foli, Chris Mulkerns, Cash Minor, and Paul Johnson. The NRP contract allocation is for POOL to pay 43.75% and PACT 56.25%. NRP will manage all administrative and risk management duties for NPAIP and PACT. The cost to NPAIP for the year ended June 30, 2020 was \$525,000. Future minimum payments are as follows:

2021	543,375
2022	562,393
2023	582,077
2024	602,450
Total minimum future payments	<u>\$ 2,290,295</u>

NRP leases office space at 201 S. Roop St. in Carson City, Nevada from the Nevada Public Agency Insurance Pool through a separate lease agreement that coincides with the term of the grant agreement. The contract dated July 1, 2019 is for a five year lease period for an annual amount of \$51,732 and is adjusted annually thereafter by 2%.

Pooling Resources, Inc

Effective July 1, 2006, Nevada Public Agency Insurance Pool (NPAIP) jointly with Public Agency Compensation Trust (PACT) provided a grant to Pooling Resources, Inc. (PRI), a nonprofit organization formed by the executive director of NPAIP, Wayne Carlson, and whose directors are Cash Minor, Paul Johnson and Curtis Calder. PRI provides human resources management services to NPAIP members. The total contract is allocated for POOL to pay 65% and PACT 35%. The cost of this grant for POOL was \$811,200 and \$794,950 for the years ended June 30, 2020 and 2019 respectively. The grant was renewed for five years beginning July 1, 2020 through June 30, 2025. PRI paid Nevada Risk Pooling a management fee for year ending June 30, 2020 and to PARMS for year ending June 30, 2019 to provide operational and financial oversight of PRI. Future minimum payments are as follows:

2021	843,648
2022	868,958
2023	895,026
2024	921,877
2025	949,533
Total minimum future payments	<u>\$ 4,479,042</u>

PRI paid Nevada Risk Pooling a management fee for year ending June 30, 2020 and to PARMS for year ending June 30, 2019 to provide operational and financial oversight of PRI. The NRP contract commenced on July 1, 2019 until June 30, 2024. The agreement is for \$25,000 for fiscal year 2020 with a 3% increase for the subsequent four fiscal years.

NEVADA PUBLIC AGENCY INSURANCE POOL
Notes to Financial Statements
June 30, 2020 and 2019

NOTE 7 - RELATED PARTY TRANSACTIONS (continued)

Other Related Party Transactions

NPAIP is the sole policy holder of Public Risk Mutual Company (PRM) which was formed as a non-profit captive mutual insurance company. PRM provided \$475,000 to NPAIP to provide risk management services to the membership for the year ending June 30, 2020.

On July 1, 2017, NPAIP assumed ownership from PARMS of the server and computers and absorbed all costs related to the maintenance, replacement and improvements for all technological needs of NPAIP, PACT, PRM, (Public Risk Management), PCM (Public Compensation Mutual), and PRI (Public Resources, Inc). The related companies of PACT, PRM, PCM, PARMS and PRI make payments to NPAIP for use of the information technology equipment and services.

NOTE 8 –PRIOR PERIOD ADJUSTMENT FOR CONTRIBUTED SURPLUS TO PUBLIC RISK MUTUAL

In May 2004, NPAIP's board of directors authorized the startup of a member-owned nonprofit captive mutual insurance company and contributed to the surplus of the company with an initial \$1,000,000 surplus contribution. The company, Public Risk Mutual, is domiciled in Nevada and as of September 1, 2004, became the excess property insurer for NPAIP. Subsequent contributions to surplus were made by NPAIP. The cumulative contributions were \$29,477,263 as of years ended June 30, 2020 and 2019. Some of the Public Risk Mutual's board members also serve as board members of NPAIP.

Public Risk Mutual was formed by members of NPAIP to reduce the costs of insurance, to obtain direct access to reinsurance, to provide broader coverage for policyholders, to broaden investment opportunities and to build equity to enable provision of coverage not obtainable elsewhere.

Since the creation of the captive PRM, all transfers from NPAIP to PRM have been amortized over a ten-year period. Therefore, the initial \$4,300,000 asset transfer has been accounted for in the amortization schedule that continually accounts for the NPAIP capital surplus contributions to PRM. NPAIP's investment advisor, Strategic Asset Alliance, and NPAIP's money manager, New England Asset Management, have developed an orderly transfer plan based on the appropriate selling and purchasing points for the designated assets. This helps accomplish the goals of providing NPAIP with profits of the sales and PRM with the purchase of more suitable investment assets. This enables NPAIP and PRM to maintain the appropriate Net Position for their respective risk retention amounts.

As a condition of providing surplus contributions, but without any expectation that the funds will be returned, NPAIP will recoup the contributions to surplus. Therefore, management considers the surplus contributions a development cost asset that can provide lower operating costs in the future and estimates that the savings in excess insurance costs to NPAIP will recoup the contributions to surplus. Therefore, the NPAIP's interest in PRM is being amortized over 10 years.

At the April 17, 2020 Annual Board meeting, the Board approved a change in the accounting policy related to the transfer of surplus capital to PRM providing for 100% expense in the year of transfer effective retroactively to July 1, 2018 nothing that the unamortized balances will be a reduction in Net Position as the other asset: Contributed Surplus to PRM would be eliminated. As of July 1, 2018, contributed surplus from NPAIP was \$29,477,263. As of June 30, 2018, the accumulated amortization was \$15,830,593 resulting in Contributed Surplus, net of accumulated amortization of \$13,646,670 which was eliminated and the same reduction in Net Position as of July 1, 2018.

Prior year statements ending June 30, 2019 were restated to remove the \$2,295,226 of amortization expense and a prior period adjustment was recorded to reduce Net Position by \$11,351,444 to eliminate the remaining unamortized Net Contributed Surplus asset.

This accounting change will impact NPAIP's financial benchmarks and make NPAIP more comparable with our peer group in years without the transfers.

NEVADA PUBLIC AGENCY INSURANCE POOL
Notes to Financial Statements
June 30, 2020 and 2019

NOTE 9 – EXCESS INSURANCE OR REINSURANCE

Nevada Public Agency Insurance Pool offers limits as shown in the policy form. Highlights of some of the limits and sub-limits are shown on the table below. However, NPAIP obtains various excess or reinsurance policies from several excess or reinsurance companies to bear a portion of the risks not retained by the NPAIP under its retention.

<u>Property limits:</u>	<u>2019 -2020</u>	<u>2018 - 2019</u>
Blanket limit per loss:	\$300,000,000	\$300,000,000
Earthquake Aggregate Sub-limit:	150,000,000	150,000,000
Flood Aggregate Sub-limit:	150,000,000	150,000,000
Equipment Breakdown Sub-limit:	100,000,000	100,000,000
Money & Securities (including Employee Dishonesty) Sub-limit:	500,000	500,000
<u>Liability limits:</u>		
Each and Every Per Event Limit:	10,000,000	10,000,000
Products/Completed Operations (per member)	Included	Included
Wrongful Acts (per member)	Included	Included
Law Enforcement (per member)	Included	Included
Emergency Response to Pollution Aggregate Sub-limit:	1,000,000	1,000,000
Sexual Abuse Sub-limit	2,500,000	2,500,000
<u>Aggregate Limits:</u>		
General Aggregate (per member)	10,000,000	10,000,000
Sexual abuse Sub-limit	2,500,000	2,500,000
<u>Cyber-Security Event Liability and Privacy Response Cover Limits:</u>		
Cyber Security Event Liability	3,000,000	2,000,000
Privacy Response Expense	500,000	500,000

NPAIP reinsurance is as follows:

Property 2019-2020: The property limits shown above excess of NPAIP's retentions as follows:

Retention \$200,000 per event

Public Risk Mutual: \$300,000 limit per loss subject to \$200,000 NPAIP retention all coverages including monies and securities, plus 3% of \$100,000,000 excess of \$50,000,000

Travelers Boiler Re: \$50,000 NPAIP retention for Equipment Breakdown

Lloyds of London various syndicates: NPAIP retention is \$500,000 per occurrence except no reinsurance for Equipment breakdown or money and securities for limits above.

Liability 2019-2020: The liability limits shown above excess of NPAIP's retention of \$500,000 with:

- a) Public Risk Mutual 30% of \$2,500,000, excluding school districts, plus 25% of \$7,000,000 excess of \$3,000,000 all Members; plus \$1,000,000 excess of \$250,000 retention per data security liability except school districts, plus \$250,000 excess of \$250,000 retention for school districts.
- b) County Reinsurance, ltd. 70% of \$2,500,000, excluding school districts, plus \$2,000,000 excess of \$250,000 per data security liability event
- c) United Educators \$2,500,000 for school districts only, plus \$1,500,000 per data security liability event for school districts only.
- d) Government Entities Mutual, Inc., 35% quota share of \$7,000,000 excess of \$3,000,000.
- e) Lloyds of London Brit Syndicates, Ltd., 40% quota share of \$7,000,000 excess of \$3,000,000.

NEVADA PUBLIC AGENCY INSURANCE POOL
Notes to Financial Statements
June 30, 2020 and 2019

NOTE 9 – EXCESS INSURANCE OR REINSURANCE (continued)

Property 2018-2019 The property limits shown above excess of NPAIP’s retentions as follows:

Retention \$200,000 per event

Public Risk Mutual: \$300,000 limit per loss subject to \$200,000 NPAIP retention all coverages including monies and securities.

Travelers Boiler Re: \$50,000 NPAIP retention for Equipment Breakdown

Lloyds of London various syndicates: NPAIP retentions \$500,000 per occurrence except no reinsurance for Equipment breakdown or money and securities.

Liability 2018-2019: The liability limits shown above excess of NPAIP’s retention of \$500,000 with:

- a. Public Risk Mutual 30% of \$2,500,000, excluding school districts, plus 25% of \$2,500,000 for school districts, plus 25% of \$7,000,000 excess of \$3,000,000 for all members; plus \$1,000,000 excess of \$1,000,000 per data security event plus \$250,000 excess \$250,000 each school district per data security event.
- b. County Reinsurance, ltd. 70% of \$2,500,000, excluding school districts, plus \$750,000 excess of \$250,000 per cyber liability event
- c. United Educators \$2,500,000 for school districts only, plus \$1,500,000 per data security liability event for school districts only
- d. Government Entities Mutual, Inc., 35% quota share of \$7,000,000 excess of \$3,000,000
- e. Lloyds of London Brit Syndicates, Ltd., 40% quota share of \$7,000,000 excess of \$3,000,000

NOTE 10 – LEASES

On April 6, 2018 NPAIP entered into a lease agreement with Sierra Office Solutions for a high-speed copy machine. The lease is classified as an operating lease with minimum monthly payments of \$631 for 60 months.

NPAIP entered a lease for a postage machine with Mailfinance in July 2018. The lease is an operating lease with minimum monthly payments of \$87.50 for 60 months. Minimum lease payments for leases are as follows for the following years ended June 30,

Minimum lease payments:		
	2021	\$ 8,622
	2022	8,622
	2023	6,729
Total minimum lease payments		<u>\$ 23,973</u>

NOTE 11 –SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. On March 17, 2020, the Governor of Nevada declared a health emergency and issued an order to close all nonessential businesses until further notice. In response, NPAIP. has allowed some employees to work from home on a rotation schedule to ensure only the minimum amount of personnel are in the office at any one time. When employees are in the office, they are encouraged to observe social distancing guidelines and to comply with government directives. While NPAIP does not expect this matter to negatively impact its results of operations, cash flows and financial position, the related impact cannot be reasonably estimated at this time.

NEVADA PUBLIC AGENCY INSURANCE POOL
Notes to Financial Statements
June 30, 2020 and 2019

NOTE 11 –SUBSEQUENT EVENTS (continued)

Management has evaluated the activities and transactions subsequent to June 30, 2020 to determine the need for any adjustments to, and disclosure within the financial statements for the year ended June 30, 2020. Management has evaluated subsequent events through October 16, 2020 which is the date the financial statements were available for issue.

**NEVADA PUBLIC AGENCY INSURANCE POOL
COMPARATIVE SCHEDULE OF CLAIMS DEVELOPMENT (UNAUDITED)**

EARNED ASSESSMENTS AND ALLOCATED EXPENSES FOR TEN-YEAR PERIOD - YEAR ENDED JUNE 30,

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Required Contributions & Investment Income:										
Earned	\$14,964,155	\$16,331,984	\$16,331,984	\$14,843,453	\$15,129,697	\$15,659,967	\$13,926,199	\$14,701,651	\$17,193,234	\$19,409,640
Ceded	(4,642,512)	(5,019,808)	(5,019,808)	(4,812,711)	(5,253,026)	(5,044,561)	(5,633,992)	(5,794,600)	(5,960,178)	(6,807,601)
Net earned	10,321,643	11,312,176	11,312,176	10,030,742	10,030,742	10,615,406	8,292,207	8,907,051	11,233,056	12,602,039
Unallocated Expenses	4,968,874	5,659,813	5,485,380	5,485,380	5,755,797	6,213,405	6,213,405	7,157,245	7,591,756	5,358,681
Estimated Incurred Claims & Expense End of Policy Year:										
Incurred	5,938,000	5,471,000	5,370,000	4,851,000	4,317,000	5,168,000	5,635,000	5,738,000	5,997,000	6,172,000
Ceded	-	-	-	-	-	(87,500)	(1,427,141)	(201,000)	(145,102)	(261,168)
Net Incurred	5,938,000	5,471,000	5,370,000	4,851,000	4,317,000	5,080,500	4,207,859	5,537,000	5,851,898	5,910,832
Paid (cumulative) as of:										
End of policy year	833,000	722,000	652,000	788,000	551,000	485,000	988,000	1,232,000	1,160,000	776,000
One Year Later	1,736,000	1,538,000	1,670,000	1,538,000	1,681,000	2,291,000	2,367,000	2,984,000	2,240,000	
Two Years Later	2,083,000	2,331,000	1,937,000	2,142,000	2,061,000	3,272,000	3,253,000	3,353,000		
Three Years Later	3,053,000	2,601,000	2,548,000	2,656,000	2,277,000	3,939,000	3,958,000			
Four Years Later	3,306,000	2,723,000	2,797,000	2,973,000	2,395,000	4,529,000				
Five Years Later	3,324,000	3,003,000	2,894,000	2,997,000	2,608,000					
Six Years Later	3,370,000	3,078,000	2,944,000	3,046,000						
Seven Years Later	3,627,000	3,249,000	3,094,000							
Eight Years Later	3,974,000	3,327,000								
Nine Years Later	4,031,000									
Re-estimated ceded claims & Expenses	2,478,944	693,711	478,625	2,112,138	480,478	3,069,083	4,990,281	1,781,597	2,216,454	261,168
Re-estimated Claims & Expense										
End of policy year	5,938,000	5,471,000	5,370,000	4,851,000	4,317,000	5,080,500	4,207,859	5,537,000	5,851,898	5,910,832
One Year Later	4,973,000	4,461,000	4,425,000	4,159,000	3,864,000	4,769,000	5,269,000	5,269,000	4,774,000	
Two Years Later	4,827,000	3,780,000	3,650,000	3,713,000	3,134,000	5,406,000	4,761,000	4,569,000		
Three Years Later	4,051,000	3,297,000	3,137,000	3,285,000	3,140,000	4,838,000	5,048,000			
Four Years Later	4,048,000	3,265,000	3,350,000	3,229,000	3,080,000	4,875,000				
Five Years Later	3,972,000	3,308,000	3,235,000	3,196,000	3,177,000					
Six Years Later	3,491,000	3,262,000	3,119,000	3,157,000						
Seven Years Later	4,036,000	3,249,000	3,105,000							
Eight Years Later	3,974,000	3,330,000								
Nine Years Later	4,031,000									
Increase (Decrease) in Estimated Incurred Claims & Expenses from End of Policy Year	(1,907,000)	(2,141,000)	(2,265,000)	(1,694,000)	(1,140,000)	(205,500)	840,141	(968,000)	(1,077,898)	-

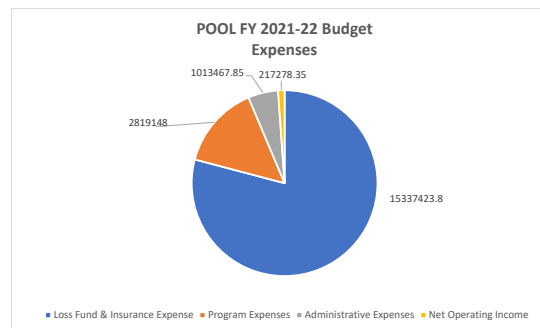
This information is required by the Governmental Accounting Standards Board

POOL BUDGET 2021-2022

Discussion at April 5, 2021 Joint Executive Meeting To Be Approved at Annual Meeting	FY 2019-2020 Audit	FY 2020-2021 Budget	FY 2021-2022 Budget OPTION 1 75% CL	Dollar Difference	Percentage Change	% of Total Revenues	FY 2021-2022 Budget OPTION 2 70% CL	Dollar Difference	Percentage Change	% of Total Revenues	Notes
Revenues											
Premiums Written	\$ 17,167,798	\$ 18,552,474	\$ 20,560,773	\$ 2,008,299	10.8%	96.3%	\$ 19,707,009	\$ 1,154,535	6.2%	95.7%	
Other Income	\$ 46,640	\$ 121,075	\$ 67,000	\$ (54,075)	-44.7%	0.3%	\$ 67,000	\$ (54,075)	-44.7%	0.6%	Technology reimbursement
Rental Income	\$ 236,482	\$ 238,769	\$ 245,932	\$ 7,163	3.0%	1.2%	\$ 245,932	\$ 7,163	3.0%	2.5%	Rent for building offices, FMV
PRM Risk Management Services Payment	\$ 475,000	\$ 475,000	\$ 475,000	\$ -	0.0%	2.2%	\$ 475,000	\$ -	0.0%	2.5%	Fixed Amount from PRM
Total Revenues	\$ 17,925,920	\$ 19,387,318	\$ 21,348,705	\$ 1,961,387	10.1%	100%	\$ 20,494,941	\$ 1,107,623	5.7%	100.0%	
Loss Fund and Insurance Expenses											
Losses and loss adjustment expenses	\$ 3,713,763	\$ 6,176,000	\$ 6,819,000	\$ 643,000	10.4%	31.9%	\$ 6,400,000	\$ 224,000	3.6%	31.2%	Actuarial Amount at 70% CL
Excess Insurance Premiums	\$ 6,805,658	\$ 7,338,139	\$ 7,924,150	\$ 586,011	8.0%	37.1%	\$ 7,544,150	\$ 206,011	2.8%	36.8%	Property, Liability Insurance
Special Insurance programs	\$ 1,943	\$ 505,023	\$ 477,403	\$ (27,620)	-5.5%	2.2%	\$ 477,403	\$ (27,620)	-5.5%	2.3%	Environmental & Student Accident
Agent Commissions & Taxes Written	\$ 1,131,228	\$ 1,318,262	\$ 1,451,656	\$ 133,394	10.1%	6.8%	\$ 1,396,892	\$ 78,630	6.0%	6.8%	Board Policy ... State Tax Regs
Total Loss Fund and Insurance Costs	\$ 11,652,592	\$ 15,337,424	\$ 16,672,209	\$ 1,334,785	8.7%	78.1%	\$ 15,818,445	\$ 481,021	4.1%	77.2%	
Program Expenses											
Pooling and loss control fees	\$ 505,000	\$ 505,000	\$ 505,000	\$ -	0.0%	2.4%	\$ 505,000	\$ -	0.0%	2.5%	Willis Pooling Broker & LC Services
Third party administrator fees	\$ 778,009	\$ 730,000	\$ 778,009	\$ 48,009	6.6%	3.6%	\$ 778,009	\$ 48,009	6.6%	3.8%	Davies Claims Administration
Member education and training	\$ 1,376,476	\$ 1,584,148	\$ 1,541,458	\$ (42,690)	-2.7%	7.2%	\$ 1,541,458	\$ (42,690)	-2.7%	7.5%	Members Services Dividend
Total Program Expenses	\$ 2,659,485	\$ 2,819,148	\$ 2,824,467	\$ 5,319	0.2%	13.2%	\$ 2,824,467	\$ 5,319	0.2%	13.8%	
Administrative Expenses											
Management Services	\$ 525,000	\$ 543,375	\$ 642,735	\$ 99,360	18.3%	3.0%	\$ 642,735	\$ 99,360	18.3%	3.1%	Nevada Risk Pooling Management Team
Casualty Insurance, Travel, Technology Services	\$ 140,400	\$ 183,362	\$ 179,881	\$ (3,481)	-1.9%	0.8%	\$ 179,881	\$ (3,481)	-1.9%	0.9%	Insurance, Travel, Technology support
Operating expenses	\$ 341,387	\$ 151,178	\$ 151,178	\$ -	0.0%	0.7%	\$ 151,178	\$ -	0.0%	0.7%	Copier, phones, utilities, meeting costs
Legal Expenses, Consultant appraisals	\$ 109,676	\$ 135,553	\$ 140,303	\$ 4,750	3.5%	0.7%	\$ 140,303	\$ 4,750	3.5%	0.7%	Coverage Counsel, Asset Works Appraisals
Total pool administration expenses	\$ 1,116,463	\$ 1,013,468	\$ 1,114,097	\$ 100,629	9.9%	5.2%	\$ 1,114,097	\$ 100,629	9.0%	5.4%	
Total Loss Fund, Program and Administration Expenses	\$ 15,428,540	\$ 19,170,040	\$ 20,610,773	\$ 1,440,733	7.5%	96.5%	\$ 19,757,009	\$ 3,741,500	24.3%	96.4%	
Net Operating Income (Loss)											
Non-Operating Investment Income	\$ 2,497,380	\$ 217,278	\$ 737,932	\$ 520,654	239.6%	3.5%	\$ 737,932	\$ (2,280,102)	-91.3%	3.6%	
Net Gain (Loss)	\$ 3,928,613	\$ 814,153	\$ 1,241,032	\$ 426,879	52.4%	5.8%	\$ 1,241,032	\$ (2,373,877)	-60.4%	6.1%	Earnings from investment portfolio
Building Cost Expenses as noted below			164,651				164,651				
Net Gain (Loss) including Loss Control Grants & Build Exp	\$ 3,477,108	\$ 439,153	\$ 651,381			3.1%	\$ 651,381			3.2%	Net Margin for Contingencies/Loss Development
Other Expenses: Loss Control Grants Paid From Surplus	\$ 298,407	\$ 375,000	\$ 425,000				\$ 425,000				Board Policy: \$500K less \$75K Jail Audits

Other : Building Ownership											
Rental Income	\$ 236,482	\$ 238,769	\$ 245,932				\$ 245,932				Fair Market Value of Office Rents in Carson
Total Building Income	\$ 236,482	\$ 238,769	\$ 245,932				\$ 245,932				
Building Utilities and Maintenance	\$ 93,051	\$ 98,159	\$ 101,104				\$ 101,104				Janitorial, utilities, maintenance, landscaping
Building Roof Repairs or Extraordinary Repairs											None anticipated in FY 2022
Depreciation	\$ 60,047	\$ 55,225	\$ 63,547				\$ 63,547				Non-cash item based on life of building
Total Building Expenses	\$ 153,098	\$ 153,684	\$ 164,651				\$ 164,651				
Net Building Income (Loss)	\$ 83,384	\$ 85,085	\$ 81,281				\$ 81,281				

Pool Budget	OPTION 1
Loss Fund & Insurance Expense	\$ 16,672,209
Program Expenses	\$ 2,824,467
Administrative Expenses	\$ 1,114,097
Net Operating Income	\$ 503,100
Total Budget	\$ 21,113,873



NPAIP/PRM Renewal Options to Consider
2021-2022
April 22, 2021

POOL Options

1. Revert POOL's Loss Fund Contribution from 70% Confidence Level back to 75% Confidence Level (CL) for Property and Liability Coverage. **Fiscal Impact:** = +\$419,000
Discussion: The POOL is using the 70% Confidence Level (Marginally Acceptable) from the Bickmore Actuarial Reports for the current year. This means that 70% of the time, it will result in adequate funding and 30% of the time it would be underfunded. In an effort to improve underwriting reserves, an increase to 75% CL would provide additional funds to pay claims.

Liability Funding at 75% CL would be \$3,876,000 compared to \$3,636,000 at the 70% CL a difference of \$240,000 or 6.6%. This current year (FY 21) rate at the 70% CL is \$3,586,000 so keeping the same 70% CL would be \$50,000 or 1.4% increase over expiring rate. Reverting to the 75% CL funding rate would be an increase of \$290,000 or 8.1% over the expiring rate to move to the 75% CL. These funds are retained in the POOL and NOT paid to a re-insurance company.

Property Funding at 75% CL would be \$2,943,000 compared to \$2,764,000 at the 70% CL a difference of \$179,000 or 6.5%. This current year (FY 21) rate at the 70% is \$2,590,000 so keeping the same 70% CL would be an increase of \$174,000 or 6.7%. Reverting to the 75% CL funding rate would be an increase of \$353,000 or 13.6% over the expiring rate. These funds are retained in the POOL and NOT paid to a re-insurance company.

The **Combined Increase** to revert to the 75% CL would be \$419,000 an increase over the 70% CL rates determined by our independent actuary. To continue at the lower confidence level at 70%, the increase would be \$224,000 or 3.6% increase over the expiring rate.

Recommendation: 70% Confidence Level. It is a difficult renewal with price increases so the timing of raising the CL to 75% may create a financial hardship to members. Goal would be to work towards the 75% Confidence Level in the near future.

Board Direction:

2. Cyber Loss Fund Contribution

Fiscal Impact: \$250,000

Discussion: We are seeing an increase in the number of Cyber incidents with our membership. Some of these incidents have resulted in the payments from the POOL. Starting with Fiscal Year 2020-2021, a \$250,000 Cyber Loss Fund Contribution was implemented to assist in paying for these claims. Claims cost above the \$250,000 loss fund contribution are paid from our surplus.

Recommendation: Given the increase in frequency of these cyber claims and more members working remotely, a loss fund contribution of \$250,000 should be continued to assist in funding these claims.

Board Direction:

Reinsurance Options / PRM

3. Maintain 75% Confidence Level for Captive **Fiscal Impact:** +\$164,197 over expiring

Discussion: The higher the confidence level the more likely the reserve is adequate to for the actual claim results. A higher CL could result in an Underwriting Gain. Lower rate could result in an Underwriting Loss for the year. As noted by our Auditor, we have experienced losses in the PRM layer of coverage. Part of this increase is the result of moving to a 50/50 allocation of NRP costs to POOL and PACT rather than the 40/60 apportionment in Fiscal Year 2020-21.

Recommendation: Maintain 75% Confidence Level for Captive coverage

Board Direction:

4. Property Quotation: Pending

PRM to consider filling in for any “holes” in the quilt

Fiscal Impact: Unknown

Increase SIR from \$500K to \$750K to Up to \$1M

Discussion: Pending more information from the London Market Place

Recommendation:

Board Direction:

5. Liability Quotation: UE Sexual Abuse & Molestation Coverage issue/Change in Retention and Aggregate Limits: Pending

PRM to consider filling in for any “holes” in limits related to Sexual abuse and molestation coverage for School Districts

Fiscal Impact: Unknown

Discussion:

Recommendation:

Board Direction:

Cost Allocation Options

6. PRM Administration Cost Allocation to POOL **Fiscal Impact:** \$83,009
Discussion: PRM administrative expenses include management, actuary, audit fees and meeting expenses. This increase is the result of moving to the 50/50 cost apportionment to POOL/PRM and PACT/PCM. Amount included in the PRM rates given to POOL.
Recommendation: Apportion the administrative expenses of PRM to the property and liability renewal quotes given to NPAIP.
Board Direction:

7. Member Education & Risk Management Services: **Fiscal Impact:** \$1,541,458
Focused Risk Management Programs: PRI contract, Jail Audits, Cyber, School HVA, E-Learning, Law Enforcement/Fire training, and EAP.
Discussion: RM Programs to mitigate claim losses. Important programs for members with group pricing provided through POOL. Estimated program cost: PRI \$869K; Jails Assessments \$75K; Cyber response, training, Tony Rucci \$175K; School training, HVA updates \$100K; LLRMI \$50K; Absorb \$50K; Loss Control Excellence Program Awards \$75K.
Recommendation: Continue to provide Member Education and Risk Management Services to the Membership. Staff to continue to evaluate the effectiveness of programs and services.
Board Direction:

8. NRP Cost Allocation: **Information Only**
The third year of the NRP grant has the following cost allocation for the period of 7-1-2021 to 6-30-2022: POOL \$642,735; PACT \$642,735; PRM \$159,135; PCM \$159,135. Note that PRM and PCM will be prorated as it has a calendar year accounting system. (50% old rate = 50% of new rate).

9. Potential Withdrawal of Members: **Information Only**
POOL has been notified that the following entities provided Notice to Withdraw as required by the Interlocal Local Agreement: Carson City School District, Douglas County and Douglas County School District. It is our understanding that they are going to bid, and POOL anticipates submitting a renewal quote based on our proposed budget.

10. Potential of Additional Prospective Members: **Information Only**
POOL has been asked to prepare a quote for Carson City. Carson City was previously a long-term member until they went self-insured. Due to the hard market, they are seeking bids to present to their Board of Supervisors for consideration.

11. Any Other Items from Board Members



POOL
ACTUARIAL REVIEW
OF SELF-INSURED
LIABILITY & PROPERTY
PROGRAMS RESERVES
FORECAST
FY 2021-22

Presented by Alan Kalt

BICKMORE ACTUARIAL STUDY

- Derek Burkhalter, ACAS, MAAA Senior Manager, Bickmore Actuarial
- Loss and ALAE Funding Guidelines for FY 2021-2022
- Data used to develop Budget for FY 2021-2022
- Report Format
 - Conclusions & Recommendations
 - Estimated Loss Cost for FY 2021-2022 Claims and Claims Loss Expense
 - Program Funding: Goals & Objectives
 - Historical Trends
 - Comparison with Previous Results
 - Data Provided for the Analysis
- Report complies with GASB #10 and #30

CONCLUSIONS & RECOMMENDATIONS

- Best Estimate of POOL's Loss and ALAE Expense for **Liability and Property** for FY 2021-2022 Program Year at **\$500,000 for Liability and \$200,000 for Property**

Confidence Levels	Expected	70%	75%	85%	90%
Property	\$2.383M	\$2.764M	\$2.943M	\$3.420M	\$3.772M
Liability	\$3.126M	\$3.636M	\$3.876M	\$4.517M	\$4.992M
Totals	\$5.509M	\$6.400M	\$6.819M	\$7.937M	\$8.764M
Difference		-\$419,000		+\$1.118M	+\$1.945M

POOL historically uses 75% Confidence Level... using 70% in FY 20-21

ESTIMATED **LIABILITY** EXPENSE DIFFERENT SIR RETENTIONS

Nevada Public Agency Insurance Pool
Self-Insured Liability Program
Loss and ALAE Funding Guidelines for 2021-22
Self-Insured Retention (SIR) of \$750,000

	Expected	Marginally	Recommended Range			Conservative
		Acceptable 70% CL	Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE: Gross of Members' Deductibles	\$4,895,000					
Expected Amount from Members' Deductibles	(1,193,000)					
Loss and ALAE – Net of Members' Deductible	\$3,702,000	\$4,313,000	\$4,605,000	\$4,950,000	\$5,379,000	\$5,957,000
Rate per \$100 of 2021-22 Payroll	\$0.528	\$0.615	\$0.657	\$0.706	\$0.767	\$0.850

Nevada Public Agency Insurance Pool
Self-Insured Liability Program
Loss and ALAE Funding Guidelines for 2021-22
Self-Insured Retention (SIR) of \$1,000,000

	Expected	Marginally	Recommended Range			Conservative
		Acceptable 70% CL	Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE: Gross of Members' Deductibles	\$5,301,000					
Expected Amount from Members' Deductibles	(1,193,000)					
Loss and ALAE – Net of Members' Deductible	\$4,108,000	\$4,790,000	\$5,119,000	\$5,505,000	\$5,985,000	\$6,630,000
Rate per \$100 of 2021-22 Payroll	\$0.586	\$0.683	\$0.730	\$0.785	\$0.853	\$0.945

ESTIMATED **PROPERTY** EXPENSE DIFFERENT SIR RETENTIONS

The table below shows our funding recommendations for NPAIP for the 2021-22 fiscal year based on a \$500,000 SIR option.

Nevada Public Agency Insurance Pool
Self-Insured Property Program
Loss and ALAE Funding Guidelines for 2021-22
Self-Insured Retention (SIR) of \$500,000
No Corridor Deductible

	Expected	Marginally Acceptable	Recommended Range			Conservative
		70% CL	Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE: Gross of Members' Deductibles	\$3,547,000					
Expected Amount from Members' Deductibles	(433,000)					
Loss and ALAE – Net of Members' Deductible	3,114,000	\$3,634,000	\$3,880,000	\$4,170,000	\$4,534,000	\$5,020,000
Rate per \$100 of 2021-22 Total Insured Value	\$0.055	\$0.065	\$0.069	\$0.074	\$0.081	\$0.089

The table below shows our funding recommendations for NPAIP for the 2021-22 fiscal year based on a \$1,000,000 SIR option.

Nevada Public Agency Insurance Pool
Self-Insured Property Program
Loss and ALAE Funding Guidelines for 2021-22
Self-Insured Retention (SIR) of \$1,000,000
No Corridor Deductible

	Expected	Marginally Acceptable	Recommended Range			Conservative
		70% CL	Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE: Gross of Members' Deductibles	\$3,885,000					
Expected Amount from Members' Deductibles	(435,000)					
Loss and ALAE – Net of Members' Deductible	3,450,000	\$4,043,000	\$4,333,000	\$4,675,000	\$5,103,000	\$5,675,000
Rate per \$100 of 2021-22 Total Insured Value	\$0.061	\$0.072	\$0.077	\$0.083	\$0.091	\$0.101

PROGRAM FUNDING



A liability for unpaid claim cost, included all loss adjustment expenses, should be accrued at the time the self-insured events occur. IBNR included.



GASB #10 and #30 do not address funding requirements, rather, a range of funded amounts to be recognized as a funding margin for unexpectedly adverse loss experience. May use discounting for investment income.



The uncertainty in any estimate of outstanding liability should take into account funding policy to have adequate reserves for unexpected adverse loss experience.



Key Factor in Funding Policy: Degree of Stability in level of Contributions
Higher the Confidence Level less likely to need additional contributions should adverse claim development occur in past years as well as current yr.

FUNDING GOALS & OBJECTIVES

- Bickmore recommends program funding at the 80% CL after recognition of investment income, with a recommended range of the 75% to 80% CL
- They recommend this as the resulting funding will be sufficient to meet claim liabilities, yet not too large to have the entity experience undue \$ hardship.
- Need to fund each year's claims cost in that year.
- When surpluses or deficiencies have developed and funding adjustments are necessary, these should be clearly identified.
- Recommend that you reduce surplus funding more slowly than you would accumulate funding to make up a deficiency.

ASSUMPTIONS & LIMITATIONS

- Based on loss experience, exposure data and info provided by POOL
- Relied on statistics and historical loss development patterns of POOL
- Assumed POOL's historical development patterns form a reasonable basis to predict POOL's Future Loss Development
- Cannot predict impact of future law changes and court rulings on Claim Costs... reasonable now but perhaps not in the future
- Assumed loss rate trend with **liability** claim cost increases at **2.0%** per year. Claim severity increases at **2.0%** per year. Assumed **property claims** are increasing by **2.5%** annually and average claim size increases at **2.5%** per year and average frequency remains unchanged.
- Assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.
- Does NOT include provisions for catastrophic events: earthquakes, flooding, mass civil disorder or mass occupational disease.
- Assumes all excess insurance is valid and collectible.

QUESTIONS & REFLECTIONS

Working Together We Achieve Superior Results

The background features a dark, almost black, gradient. In the lower portion, there are dynamic, flowing shapes. On the left, a vibrant red wave-like form curves upwards. On the right, a bright cyan wave-like form curves downwards, meeting the red form in the center. The overall effect is one of movement and energy.

POOL Summary of All Claims
as of 6/30/20

Claims Frequency	Claims Costs	Claims Frequency	Claims Costs	Claims Frequency	Claims Costs	Claims Frequency	Claims Costs	Claims Frequency	Claims Costs	Claims Frequency	Claims Costs	5 Year Ave Costs	3 Year Ave Costs
7/1/15-6/30/16	7/1/15-6/30/16	7/1/16-6/30/17	7/1/16-6/30/17	7/1/17-6/30/18	7/1/17-6/30/18	7/1/18-6/30/19	7/1/18-6/30/19	7/1/19-6/30/20	7/1/19-6/30/20	TOTAL	TOTAL	2015/2016-2019/2020	2017/2018-2019/2020
508	\$ 9,540,956	748	\$ 11,016,109	578	\$ 6,624,318	698	\$ 6,141,687	565	\$ 4,121,189	3,097	\$ 37,444,259	\$ 7,488,852	\$ 5,629,065

POOL Counties

Member Name	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	5 Year Ave	3 Year Ave
	Frequency	Costs	Frequency	Costs	Frequency	Costs	Frequency	Costs	Frequency	Costs	Frequency	Costs	Costs	Costs
	7/1/15- 6/30/16	7/1/15- 6/30/16	7/1/16- 6/30/17	7/1/16- 6/30/17	7/1/17- 6/30/18	7/1/17- 6/30/18	7/1/18- 6/30/19	7/1/18- 6/30/19	7/1/19- 6/30/20	7/1/19- 6/30/20	TOTAL	TOTAL	2015/2016- 2019/2020	2017/2018- 2019/2020
CARSON CITY (No Long	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
CHURCHILL COUNTY	6	\$ 24,048	1	\$ -	6	\$ 28,637	8	\$ 120,959	2	\$ 2,500	23	\$ 176,144	\$ 35,229	\$ 50,699
DOUGLAS COUNTY	50	\$ 1,978,601	33	\$ 427,561	19	\$ 16,179	23	\$ 80,742	40	\$ 202,511	165	\$ 2,705,593	\$ 541,119	\$ 99,810
ELKO COUNTY	17	\$ 21,361	35	\$ 57,127	16	\$ 45,040	20	\$ 249,964	16	\$ 269,602	104	\$ 643,094	\$ 128,619	\$ 188,202
ESMERALDA COUNTY	3	\$ 52,539	6	\$ 25,701	10	\$ 526,046	6	\$ 49,351	4	\$ 4,473	29	\$ 658,110	\$ 131,622	\$ 193,290
EUREKA COUNTY	13	\$ 1,111	9	\$ 35,883	7	\$ 124,545	9	\$ 73,900	8	\$ 49,343	46	\$ 284,781	\$ 56,956	\$ 82,596
HUMBOLDT COUNTY	8	\$ 646,617	7	\$ 29,420	9	\$ 96,780	11	\$ 67,534	8	\$ 24,966	43	\$ 865,318	\$ 173,064	\$ 63,093
LANDER COUNTY	11	\$ 487,249	9	\$ 118,230	2	\$ 38,294	4	\$ 29,586	7	\$ 45,208	33	\$ 718,567	\$ 143,713	\$ 37,696
LINCOLN COUNTY	3	\$ 79,919	7	\$ 38,380	6	\$ 11,019	2	\$ 121,171	6	\$ 40,790	24	\$ 291,279	\$ 58,256	\$ 57,660
LYON COUNTY	17	\$ 442,784	12	\$ 240,572	18	\$ 216,714	6	\$ 17,259	11	\$ 216,226	64	\$ 1,133,554	\$ 226,711	\$ 150,066
MINERAL COUNTY	10	\$ 115,319	11	\$ 391,865	5	\$ 2,076,169	3	\$ 40,694	8	\$ 47,479	37	\$ 2,671,527	\$ 534,305	\$ 721,448
NYE COUNTY	40	\$ 566,707	74	\$ 687,983	49	\$ 351,029	64	\$ 504,692	74	\$ 448,791	301	\$ 2,559,203	\$ 511,841	\$ 434,838
PERSHING COUNTY	2	\$ 2,864	7	\$ 55,605	6	\$ 50,115	4	\$ 20,931	11	\$ 52,044	30	\$ 181,559	\$ 36,312	\$ 41,030
STOREY COUNTY	9	\$ 501,919	15	\$ 1,103,722	8	\$ 134,381	13	\$ 48,537	13	\$ 107,001	58	\$ 1,895,561	\$ 379,112	\$ 96,640
WHITE PINE COUNTY	16	\$ 67,034	17	\$ 127,452	4	\$ 5,514	8	\$ 18,724	8	\$ 9,125	53	\$ 227,849	\$ 45,570	\$ 11,121
TOTAL	205	\$ 4,988,072	243	\$ 3,339,501	165	\$ 3,720,462	181	\$ 1,444,044	216	\$ 1,520,059	1010	\$ 15,012,138	\$ 3,002,428	\$ 2,228,188

POOL Cities

Member Name	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	5 Year Ave Costs	3 Year Ave Costs	
	Frequency	Costs	Frequency	Costs	Frequency	Costs	Frequency	Costs	Frequency	Costs	Frequency			Costs
	7/1/15- 6/30/16	7/1/15- 6/30/16	7/1/16- 6/30/17	7/1/16- 6/30/17	7/1/17- 6/30/18	7/1/17- 6/30/18	7/1/18- 6/30/19	7/1/18- 6/30/19	7/1/19- 6/30/20	7/1/19- 6/30/20	TOTAL			TOTAL
BOULDER CITY	29	\$ 121,941	18	\$ 79,778	17	\$ 12,463	23	\$ 90,626	20	\$ 102,659	107	\$ 407,468	\$ 81,494	\$ 68,583
CALIENTE	4	\$ 42,776	3	\$ -	0	\$ -	2	\$ 4,500	2	\$ 5,050	11	\$ 52,326	\$ 10,465	\$ 3,183
CARLIN CITY	3	\$ 34,296	0	\$ -	3	\$ 23,466	1	\$ 255	2	\$ 10,000	9	\$ 68,018	\$ 13,604	\$ 11,240
CITY OF ELKO	17	\$ 106,162	28	\$ 1,338,394	15	\$ 39,764	24	\$ 74,421	28	\$ 261,575	112	\$ 1,820,317	\$ 364,063	\$ 125,254
ELY CITY	9	\$ 15,340	6	\$ 18,732	6	\$ 2,690	9	\$ 48,964	6	\$ 79,000	36	\$ 164,726	\$ 32,945	\$ 43,551
CITY OF FERNLEY	6	\$ 55,172	3	\$ 15,239	5	\$ 64,005	8	\$ 109,612	5	\$ 34,116	27	\$ 278,144	\$ 55,629	\$ 69,244
CITY OF LOVELOCK	0	\$ -	1	\$ -	1	\$ 14,989	0	\$ -	1	\$ 27,500	3	\$ 42,489	\$ 8,498	\$ 14,163
MESQUITE CITY (No Long	13	\$ 32,855	0	\$ -	0	\$ -	0	\$ -	0	\$ -	13	\$ 32,855	\$ 6,571	\$ -
WELLS CITY	1	\$ 3,786	3	\$ 6,854	0	\$ -	2	\$ -	1	\$ 10,000	7	\$ 20,640	\$ 4,128	\$ 3,333
WEST WENDOVER	15	\$ 140,945	7	\$ 11,724	8	\$ 16,125	10	\$ 21,341	3	\$ 1,369	43	\$ 191,504	\$ 38,301	\$ 12,945
CITY OF WINNEMUCCA	6	\$ 23,998	2	\$ 10,591	4	\$ 29,608	0	\$ -	1	\$ 2,500	13	\$ 66,697	\$ 13,339	\$ 10,703
CITY OF YERINGTON	1	\$ -	0	\$ -	3	\$ 88,264	1	\$ -	2	\$ 9,740	7	\$ 98,005	\$ 19,601	\$ 32,668
TOTAL	104	\$ 577,272	71	\$ 1,481,313	62	\$ 291,375	80	\$ 349,720	71	\$ 543,510	388	\$ 3,243,189	\$ 648,638	\$ 394,868

POOL School Districts

Member Name	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	5 Year Ave	3 Year Ave
	Frequency	Costs	Frequency	Costs	Frequency	Costs	Frequency	Costs	Frequency	Costs	Frequency	Costs	Costs	Costs
	7/1/15- 6/30/16	7/1/15- 6/30/16	7/1/16- 6/30/17	7/1/16- 6/30/17	7/1/17- 6/30/18	7/1/17- 6/30/18	7/1/18- 6/30/19	7/1/18- 6/30/19	7/1/19- 6/30/20	7/1/19- 6/30/20	TOTAL	TOTAL	2015/2016- 2019/2020	2017/2018- 2019/2020
CARSON CITY SCHOOL DISTRICT	11	\$ 91,541	16	\$2,362,965	6	\$ 13,921	4	\$ 11,192	11	\$ 229,663	48	\$ 2,709,282	\$ 541,856	\$ 84,925
CHURCHILL COUNTY SCHOOL DISTRICT	2	\$ 100,055	3	\$ 1,387	1	\$ 6,787	3	\$ 14,751	0	\$ -	9	\$ 122,980	\$ 24,596	\$ 7,179
DOUGLAS COUNTY SCHOOL DISTRICT	37	\$ 22,647	219	\$ 260,683	192	\$ 206,745	176	\$ 55,137	69	\$ 41,214	693	\$ 586,426	\$ 117,285	\$ 101,032
ELKO COUNTY SCHOOL DISTRICT	34	\$ 138,581	37	\$ 564,577	13	\$ 325,134	22	\$2,680,431	7	\$ 85,858	113	\$ 3,794,582	\$ 758,916	\$1,030,474
ESMERALDA COUNTY SCHOOL DISTRICT	0	\$ -	0	\$ -	2	\$ 26,703	0	\$ -	2	\$ 31,500	4	\$ 58,203	\$ 11,641	\$ 19,401
EUREKA COUNTY SCHOOL DISTRICT	0	\$ -	1	\$ 212,327	0	\$ -	0	\$ -	4	\$ 478,161	5	\$ 690,489	\$ 138,098	\$ 159,387
HUMBOLDT COUNTY SCHOOL DISTRICT	10	\$ 151,271	5	\$ 71,528	15	\$ 225,166	6	\$ 4,988	5	\$ 16,191	41	\$ 469,145	\$ 93,829	\$ 82,115
LANDER COUNTY SCHOOL DISTRICT	10	\$ 49,332	27	\$ 61,448	21	\$ 36,516	31	\$ -	7	\$ -	96	\$ 147,296	\$ 29,459	\$ 12,172
LINCOLN COUNTY SCHOOL DISTRICT	11	\$ 545,605	2	\$ 25,153	4	\$ 139,280	3	\$ 141,601	3	\$ 28,500	23	\$ 880,139	\$ 176,028	\$ 103,127
LYON COUNTY SCHOOL DISTRICT	15	\$ 174,494	6	\$ 83,051	16	\$ 434,159	88	\$ 398,426	47	\$ 117,451	172	\$ 1,207,582	\$ 241,516	\$ 316,679
MINERAL COUNTY SCHOOL DISTRICT	5	\$ 45,778	9	\$ 457,558	4	\$ 21,383	1	\$ 21,473	3	\$ 32,500	22	\$ 578,692	\$ 115,738	\$ 25,119
NYE COUNTY SCHOOL DISTRICT	6	\$ 308,502	14	\$ 50,733	16	\$ 178,786	14	\$ 112,804	31	\$ 244,583	81	\$ 895,408	\$ 179,082	\$ 178,724
PERSHING COUNTY SCHOOL DISTRICT	1	\$ 2,136	2	\$ 1,032	0	\$ -	1	\$ 9,852	1	\$ 7,000	5	\$ 20,021	\$ 4,004	\$ 5,617
STOREY COUNTY SCHOOL DISTRICT	2	\$ -	7	\$ 74,684	7	\$ 32,503	4	\$ 10,841	2	\$ 39,000	22	\$ 157,028	\$ 31,406	\$ 27,448
WHITE PINE COUNTY SCHOOL DISTRICT	4	\$ 265,768	3	\$ 28,694	5	\$ 107,857	8	\$ 44,853	5	\$ 5,012	25	\$ 452,184	\$ 90,437	\$ 52,574
TOTAL	148	\$1,895,710	351	\$4,255,822	302	\$1,754,937	361	\$3,506,351	197	\$1,356,634	1307	\$12,140,221	\$2,553,891	\$2,205,974

POOL Special Districts, Towns Others

Member Name	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	Claims	5 Year Ave	3 Year Ave
	Frequency 7/1/15- 6/30/16	Costs 7/1/15- 6/30/16	Frequency 7/1/16- 6/30/17	Costs 7/1/16- 6/30/17	Frequency 7/1/17- 6/30/18	Costs 7/1/17- 6/30/18	Frequency 7/1/18- 6/30/19	Costs 7/1/18- 6/30/19	Frequency 7/1/19- 6/30/20	Costs 7/1/19- 6/30/20	TOTAL	TOTAL	Costs 2015/2016- 2019/2020	Costs 2017/2018- 2019/2020
CARSON CITY:														
CARSON WATER SUBCONSERVANCY DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
NEVADA ASSN OF COUNTIES	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 5,000	1	\$ 5,000	\$ 1,000	\$ 1,667
NEVADA COMMISSION FOR RECONSTRUCTION OF V&T	2	\$ 7,151	3	\$ 634	0	\$ -	0	\$ -	1	\$ -	6	\$ 7,785	\$ 1,557	\$ -
NEVADA LEAGUE OF CITIES	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
NEVADA RISKING POOLING, INC.	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
NEVADA RURAL HOUSING AUTHORITY	2	\$ 5,604	2	\$ 2,778	5	\$ 3,847	2	\$ -	3	\$ 383	14	\$ 12,613	\$ 2,523	\$ 1,410
NEVADA PUBLIC AGENCY INSURANCE POOL	1	\$ 35,873	0	\$ -	0	\$ -	1	\$ 415	1	\$ -	3	\$ 36,288	\$ 7,258	\$ 138
POOLING RESOURCES, INC.	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
WESTERN NEVADA DEVELOPMENT DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
CLARK COUNTY:														
MOAPA VALLEY WATER DISTRICT	1	\$ -	0	\$ -	0	\$ -	2	\$ 8,246	0	\$ -	3	\$ 8,246	\$ 1,649	\$ 2,749
MOUNT CHARLESTON FIRE PROTECTION DISTRICT	0	\$ -	1	\$ 73,348	0	\$ -	0	\$ -	2	\$ 23,510	3	\$ 96,858	\$ 19,372	\$ 7,837
SOUTHERN NEVADA AREA COMMUNICATIONS COUNCIL	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
SOUTHERN NEVADA HEALTH DISTRICT	0	\$ -	3	\$ 106,262	4	\$ 110,743	9	\$ 39,620	9	\$ 75,951	25	\$ 332,575	\$ 66,515	\$ 75,438
VIRGIN VALLEY WATER DISTRICT (No Longer Member)	1	\$ 423,949	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 423,949	\$ 84,790	\$ -
CHURCHILL COUNTY:														
CHURCHILL CO. MOSQUITO & WEED ABATEMENT DIST.	0	\$ -	1	\$ 211	0	\$ -	1	\$ 4,430	0	\$ -	2	\$ 4,641	\$ 928	\$ 1,477
DOUGLAS COUNTY:														
DOUGLAS CO. MOSQUITO ABATEMENT DISTRICT	1	\$ 8,046	0	\$ -	0	\$ -	1	\$ 2,767	0	\$ -	2	\$ 10,813	\$ 2,163	\$ 922
DOUGLAS CO. REDEVELOPMENT AGENCY	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
DOUGLAS CO LAKE TAHOE SEWER AUTHORITY	0	\$ -	1	\$ -	3	\$ -	0	\$ -	5	\$ 45,000	9	\$ 45,000	\$ 9,000	\$ 15,000
EAST FORK SWIMMING POOL DISTRICT	0	\$ -	1	\$ 5,395	0	\$ -	1	\$ -	1	\$ -	3	\$ 5,395	\$ 1,079	\$ -
TOWN OF GARDNERVILLE	4	\$ 325	0	\$ -	1	\$ 1,357	3	\$ 18,415	2	\$ 25,000	10	\$ 45,097	\$ 9,019	\$ 14,924
GARDNERVILLE RANCHOS GID	0	\$ -	1	\$ 6,696	0	\$ -	2	\$ 5,340	4	\$ 13,093	7	\$ 25,129	\$ 5,026	\$ 6,144
TOWN OF GENOA	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ -	1	\$ -	\$ -	\$ -
INDIAN HILLS GID	0	\$ -	1	\$ -	0	\$ -	2	\$ 23,831	1	\$ 1,116	4	\$ 24,947	\$ 4,989	\$ 8,316
KINGSBURY GID	1	\$ -	0	\$ -	5	\$ 33,129	2	\$ 30,000	2	\$ 41,674	10	\$ 104,803	\$ 20,961	\$ 34,934
LAKERIDGE GID	0	\$ -	0	\$ -	0	\$ -	2	\$ 10,000	0	\$ -	2	\$ 10,000	\$ 2,000	\$ 3,333
LOGAN CREEK ESTATES GID	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
MARLA BAY GID	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
TOWN OF MINDEN	3	\$ 24,020	3	\$ 85,696	2	\$ 63,238	1	\$ 16,561	0	\$ -	9	\$ 189,515	\$ 37,903	\$ 26,600
MINDEN GARDNERVILLE SANITATION DISTRICT	1	\$ 1,176,754	2	\$ 1,157	0	\$ -	0	\$ -	0	\$ -	3	\$ 1,177,911	\$ 235,582	\$ -
NEVADA TAHOE CONSERVATION DISTRICT	0	\$ -	0	\$ -	5	\$ 5,342	0	\$ -	0	\$ -	5	\$ 5,342	\$ 1,068	\$ 1,781
ROUND HILL GID (No Longer a Member)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
SIERRA ESTATES GID	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
SKYLAND GID	0	\$ -	3	\$ 6,680	0	\$ -	0	\$ -	0	\$ -	3	\$ 6,680	\$ 1,336	\$ -
TAHOE DOUGLAS DISTRICT	1	\$ -	1	\$ 11,648	0	\$ -	0	\$ -	0	\$ -	2	\$ 11,648	\$ 2,330	\$ -
TAHOE DOUGLAS FIRE PROTECTION DIST	1	\$ 415	1	\$ -	0	\$ -	2	\$ 14,589	2	\$ 6,926	6	\$ 21,931	\$ 4,386	\$ 7,172
TOPAZ RANCH ESTATES GID	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
ZEPHYR COVE GENERAL IMPROVEMENT DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
ZEPHYR HEIGHTS GENERAL IMPROVEMENT DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	3	\$ 4,586	3	\$ 4,586	\$ 917	\$ 1,529
ELKO COUNTY:														
ELKO CENTRAL DISPATCH ADMINISTRATION	1	\$ 3,718	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 3,718	\$ 744	\$ -
ELKO CO. AGRICULTURAL ASSOCIATION	0	\$ -	0	\$ -	1	\$ 9,402	0	\$ -	0	\$ -	1	\$ 9,402	\$ 1,880	\$ 3,134
ELKO CONVENTION & VISITORS AUTHORITY	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 4,468	1	\$ 4,468	\$ 894	\$ 1,489
ELKO TV DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
WENDOVER ADMINISTRATIVE AUTHORITY	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
WEST WENDOVER RECREATION	4	\$ 187,229	3	\$ 6,422	1	\$ -	2	\$ 17,786	0	\$ -	10	\$ 211,437	\$ 42,287	\$ 5,929
ESMERALDA COUNTY:														
EUREKA COUNTY:														
COUNTY FISCAL OFFICERS ASSOCIATION	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
CENTRAL NEVADA REGIONAL WATER AUTHORITY	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
HUMBOLDT COUNTY:														
HUMBOLDT GENERAL HOSPITAL	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
HUMBOLDT RIVER BASIN WATER AUTHORITY	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -
LANDER COUNTY:														
LINCOLN COUNTY:														
ALAMO SEWER AND WATER DISTRICT	0	\$ -	0	\$ -	2	\$ 46,123	0	\$ -	0	\$ -	2	\$ 46,123	\$ 9,225	\$ 15,374
COYOTE SPRINGS GID (No Longer a Member)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -

POOL Special Districts, Towns Others

LINCOLN COUNTY WATER DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
NEVADA ASSOC OF CONSERVATION DISTRICTS	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ -	1	\$ -	\$ -	\$ -	\$ -
PAHRANAGAT VALLEY FIRE DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
LYON COUNTY:															
FERNLEY SWIMMING POOL DISTRICT	0	\$ -	1	\$ 1,935	0	\$ -	0	\$ -	0	\$ -	1	\$ 1,935	\$ 387	\$ -	\$ -
MASON VALLEY SWIMMING POOL DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
NORTH LYON FIRE PROTECTION DISTRICT	0	\$ -	0	\$ -	0	\$ -	4	\$ 17,465	5	\$ 94,500	9	\$ 111,965	\$ 22,393	\$ 37,322	\$ -
SILVER SPRINGS GID	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
SILVER SPRINGS STAGECOACH HOSPITAL DISTRICT	1	\$ 3,330	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 3,330	\$ 666	\$ -	\$ -
STAGECOACH GID	0	\$ -	1	\$ 23,396	0	\$ -	1	\$ -	3	\$ 69,672	5	\$ 93,068	\$ 18,614	\$ 23,224	\$ -
US BOARD OF WATER COMMISSIONERS	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
WALKER BASIN CONSERVANCY	0	\$ -	0	\$ -	0	\$ -	4	\$ 10,532	4	\$ 38,164	8	\$ 48,696	\$ 9,739	\$ 16,232	\$ -
WALKER RIVER IRRIGATION DISTRICT	0	\$ -	0	\$ -	1	\$ -	2	\$ 644	0	\$ -	3	\$ 644	\$ 129	\$ 215	\$ -
WESTERN NEVADA REGIONAL YOUTH CENTER	0	\$ -	1	\$ 3,226	0	\$ -	3	\$ 88,863	0	\$ -	4	\$ 92,089	\$ 18,418	\$ 29,621	\$ -
MINERAL COUNTY:															
MINERAL COUNTY HOUSING AUTHORITY	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ -	1	\$ -	\$ -	\$ -	\$ -
NYE COUNTY:															
AMARGOSA VALLEY LIBRARY DISTRICT	0	\$ -	0	\$ -	1	\$ 2,143	0	\$ -	0	\$ -	1	\$ 2,143	\$ 429	\$ 714	\$ -
BEATTY LIBRARY DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
BEATTY WATER & SANITATION	0	\$ -	2	\$ 26,745	1	\$ -	0	\$ -	2	\$ 306	5	\$ 27,051	\$ 5,410	\$ 102	\$ -
CENTRAL NEVADA HISTORICAL SOCIETY	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
NORTHERN NYE COUNTY HOSPITAL DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 378	1	\$ 378	\$ 76	\$ 126	\$ -
TOWN OF PAHRUMP	3	\$ 1,100	4	\$ 49,775	1	\$ 2,872	1	\$ 14,554	3	\$ 7,500	12	\$ 75,801	\$ 15,160	\$ 8,309	\$ -
PAHRUMP LIBRARY DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
PRIME CARE NEVADA (No Longer a Member)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
ROUND MOUNTAIN TOWN	1	\$ 2,442	0	\$ -	0	\$ -	0	\$ -	1	\$ 50,000	2	\$ 52,442	\$ 10,488	\$ 16,667	\$ -
SMOKY VALLEY LIBRARY DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
TOWN OF TONOPAH	1	\$ -	0	\$ -	1	\$ 11,070	2	\$ 26,475	4	\$ 29,009	8	\$ 66,554	\$ 13,311	\$ 22,185	\$ -
TONOPAH LIBRARY DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 16,000	1	\$ 16,000	\$ 3,200	\$ 5,333	\$ -
PERSHING COUNTY:															
LOVELOCK MEADOWS WATER DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
PERSHING CO. TOURISM AUTHORITY (No Longer a Member)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
PERSHING CO WATER CONSERVATION DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 5,500	1	\$ 5,500	\$ 1,100	\$ 1,833	\$ -
STOREY COUNTY:															
CANYON GID	0	\$ -	1	\$ 878,503	0	\$ -	0	\$ -	0	\$ -	1	\$ 878,503	\$ 175,701	\$ -	\$ -
STOREY RTC (No Longer a Member)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
TAHOE RENO INDUSTRIAL GID	0	\$ -	0	\$ -	3	\$ 132,684	1	\$ -	0	\$ -	4	\$ 132,684	\$ 26,537	\$ 44,228	\$ -
VIRGINIA CITY CONVENTION & TOURISM	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 50,621	1	\$ 50,621	\$ 10,124	\$ 16,874	\$ -
WASHOE COUNTY:															
CARSON TRUCKEE WATER CONSERVANCY DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
GERLACH GENERAL IMPROVEMENT DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
INCLINE VILLAGE GID	10	\$ 34,431	29	\$ 415,218	5	\$ 32,305	19	\$ 464,935	9	\$ 69,629	72	\$ 1,016,518	\$ 203,304	\$ 188,956	\$ -
NEVADA ASSOC OF SCHOOL BOARDS															
NEVADA ASSOC OF SCHOOL SUPERINTENDENTS															
NORTH LAKE TAHOE FIRE PROTECTION DISTRICT	1	\$ 85,659	6	\$ 68,357	1	\$ 44	0	\$ -	0	\$ -	8	\$ 154,060	\$ 30,812	\$ 15	\$ -
PALOMINO VALLEY GENERAL IMPROVEMENT DISTRICT	0	\$ -	0	\$ -	0	\$ -	3	\$ 7,522	1	\$ -	4	\$ 7,522	\$ 1,504	\$ 2,507	\$ -
RTC OF WASHOE COUNTY	0	\$ -	0	\$ -	3	\$ 398,341	2	\$ 18,581	4	\$ 23,000	9	\$ 439,922	\$ 87,984	\$ 146,641	\$ -
SIERRA FIRE PROTECTION DISTRICT	1	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ -	\$ -	\$ -	\$ -
SUN VALLEY GID	2	\$ -	1	\$ -	2	\$ 4,324	1	\$ -	0	\$ -	6	\$ 4,324	\$ 865	\$ 1,441	\$ -
TRUCKEE MEADOWS FIRE PROTECTION DISTRICT	6	\$ 78,452	10	\$ 165,393	0	\$ -	0	\$ -	0	\$ -	16	\$ 243,845	\$ 48,769	\$ -	\$ -
TRUCKEE MEADOWS REGIONAL PLANNING AGENCY	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
WASHOE COUNTY FIRE SUPPRESSION	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
WASHOE CO. WATER CONSERVATION DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
WHITE PINE COUNTY															
WHITE PINE CO. FIRE PROTECTION DISTRICT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
WHITE PINE CO. TOURISM & RECREATION BOARD	1	\$ 1,403	0	\$ -	1	\$ 582	0	\$ -	0	\$ -	2	\$ 1,985	\$ 397	\$ 194	\$ -
WHITE PINE CO TV DISTRICT #1	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
WILLIAM BEE RIRIE HOSPITAL (No Longer a Member)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	\$ -	\$ -
TOTAL	51	\$ 2,079,902	83	\$ 1,939,473	49	\$ 857,545	76	\$ 841,573	81	\$ 700,986	340	\$ 6,419,479	\$ 1,283,896	\$ 800,035	\$ -

POOL Executive Committee

	Re-election Term	Entity	Officers	Counties/Cities With Less Than 35,000 Population (Total 2)	Counties/Cities With 35,000 or More Population (Total 2)	School Districts (Total 2)	Special Districts (Total 1)
Cash Minor	2019-2021	Elko County	Chair		X		
Geof Stark	2019-2021	Churchill County		X			
Josh Foli	2019-2021	Lyon County	Vice Chair		X		
Dan Murphy	2019-2021	Pershing Co. School District				X	
Gina Rackley	2020-2022	Humboldt County	<u>Fiscal Officer</u>	X			
Ann Cyr	2020-2022	Carson City School District				X	
Dee Carey	2020-2022	Incline Village GID					X

Candidates:

Voting Special Districts/Towns:

Greg Reed	Gardnerville Ranchos GID	X
Susan Severt	Sun Valley GID	X
Chris Mulkerns	Town of Tonopah	X
Dee Carey	Incline Village GID	X
Amy Hagan-Martin	Southern Nevada Health District	X
Scott Baker - replacement needed	Tahoe Douglas Fire Protection District	X