

SECURIS INSURANCE POOL, INC.
Minutes of the Meeting of the Board of Directors
December 2, 2020

A meeting of the board of directors of Securis Insurance Pool, Inc., was held on December 2, 2020.

Members via remote access:

David Tharp: Central Arizona Fire and Medical Authority
Ed Mezulis: Sedona Fire District
David Maxwell: Daisy Mountain Fire and Medical
Mary Dalton: Arizona Fire and Medical Authority
Randy Karrer: Golder Ranch Fire District
Josh Tope: Pinewood Fire District

Members absent:

Norman "Brad" Bradley: Northwest Fire District

Staff present:

John Ashton: Ashton Tiffany, LLC
Tracy Foss: Ashton Tiffany, LLC
Roshell Lee: Ashton Tiffany, LLC
Wes Gates: Ashton Tiffany, LLC
Garrett Mahoney: Ashton Tiffany, LLC
Lori Jundt: Ashton Tiffany, LLC
Austin Schell: Ashton Tiffany, LLC
Anne Skadeland: Ashton Tiffany, LLC
Catie Basset: Ashton Tiffany, LLC
Krisanne Hudson: Ashton Tiffany, LLC
Lauren Scardello: Ashton Tiffany, LLC
Ashley Perkins: Ashton Tiffany, LLC
Robert Strub: Ashton Tiffany, LLC
Jennifer MacLennan: Gust Rosenfeld, PLC

A. Opening of the Meeting

1. Call to order

David Tharp called the meeting to order at 11:04 a.m.

2. Welcome visitors

Renee Pastor, Industrial Commission of Arizona
Shauna Fisher, Arizona Fire and Medical Authority
Brian Moore, Daisy Mountain Fire and Medical
Brian Tobin, Daisy Mountain Fire and Medical

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B. General Business

1. A motion was made to approve the agenda for December 2, 2020.

Mary Dalton, moved
Josh Tope, seconded
Motion passed unanimously

2. A motion was made to approve the minutes of the September 23, 2020 meeting of the board.

David Maxwell, moved
Ed Mezulis, seconded
Motion passed unanimously

3. Financial report

For the first time since the inception of Securis, Garrett Mahoney presented the pool's financial dashboard as of October 31, 2020. The dashboard summarized the pool's financial performance: contributions and capitalization, loss expenses, and paid and incurred amounts compared to the additional budget.

Mr. Mahoney then presented the interim financial statements as of October 31, 2020. He noted that total assets were \$3,203,032. The reserve for reported losses and loss expense was \$443,918. Claims incurred but not reported (IBNR) increased to \$432,724. Total liabilities were \$2,458,820, and net position was \$744,212.

Mr. Mahoney next presented the statements of revenues, expenses, and changes in net position for the one-month and four-month periods ending October 31, 2020.

Mr. Mahoney closed the financial report with an update on the cash flow statements.

4. Claims report

Austin Schell presented the claims performance reports for Securis. The reports contained claims data through October 31, 2020. Mr. Schell advised that open claims through October showed a gross incurred amount of \$506,973, with a total paid amount of \$73,136. Mr. Schell clarified that the reduction in payments in October was due to the transition to a new risk management platform. He also

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explained that there have been complications due to bills being sent to prior carriers rather than Securis.

Mr. Schell closed the claims report by presenting a chart that outlined the top five loss causes by costs dated as of November 30, 2020.

5. Management report

The following items were discussed in the management report:

- 2021/2022 marketing;
- programs and services;
- loss control program update;
- legislative and regulatory updates; and
- upcoming board meeting.

C. New Business

1. Discussion and approval of underwriting policy and procedure

Tracy Foss presented the proposed Securis underwriting policy and procedure, which outlined Ashton Tiffany's underwriting role and included procedures for underwriting, quoting, and binding Securis coverage.

Ms. Foss explained that Willis Towers Watson, Securis's actuary, is developing internal rating guidelines. The rating guidelines will support the development of member contributions using the rates and rating plans approved by the board and any excess insurer or reinsurer, as required.

It was recommended that the board of directors approve the underwriting policy and procedure.

A motion was made to approve the underwriting policy and procedure as presented.

Randy Karrer, moved
Ed Mezulis, seconded
Motion passed unanimously

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2. Discussion and approval of investment management services

Lori Jundt presented the options for investment management services for Securis as requested by the board at the September 23, 2020 meeting. The Association of Governmental Risk Pools (AGRIP) and current banking contacts provided staff with several recommendations for investment managers with pooling experience. Ms. Jundt explained that staff reached out to these vendors and received responses from four. Ms. Jundt then outlined the following three options for the board:

- Invest in a money market account with Wells Fargo Institutional Retirement and Trust (Wells Fargo).
- Invest in a mutual fund product through Wells Fargo and utilize its investment management services for a flat rate.
- Utilize the investment management services of Claremont Capital Management. Ms. Jundt explained that Claremont is an independent, SEC-registered investment advisor.

It was recommended that the board of directors provide direction to staff regarding a contract for investment management services and approve opening of an investment account.

A motion was made to enter into an investment management services contract with Claremont Capital Investment, LLC, and approve the opening of an investment account with Wells Fargo.

Dave Tharp, moved
Randy Karrer, seconded
Motion passed unanimously

D. Executive Session

A motion was made to enter into executive session at 12:21 p.m.

Mary Dalton, moved
Randy Karrer, seconded
Motion passed unanimously

E. Open Session

A motion was made to re-enter open session at 12:55 p.m.

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Dave Tharp, moved
Josh Tope, seconded
Motion passed unanimously

A motion was made directing Ashton Tiffany and pool counsel to take steps as discussed in executive session, and to approve the minutes of the September 23, 2020 executive session meeting of the board.

Randy Karrer, moved
David Maxwell, seconded
Motion passed unanimously

F. Adjournment

David Tharp adjourned the meeting at 1:01 p.m.



Received and approved by David Tharp
Board President
Securis Insurance Pool, Inc.