

SECURIS INSURANCE POOL, INC.
Minutes of the Meeting of the Board of Directors
August 23, 2023

A meeting of the board of directors of Securis Insurance Pool, Inc., was held on August 23, 2023.

Members present: Norman "Brad" Bradley: Northwest Fire District
Ed Mezulis: Sedona Fire District
Josh Tope: Pinewood Fire District

Members via remote access: Danny Johnson: Verde Valley Fire District
David Maxwell: Daisy Mountain Fire and Medical

Members absent: Dave Tharp: Central Arizona Fire and Medical Authority
Mary Dalton: Arizona Fire and Medical Authority

Staff present: John Ashton: RPA
Tracy Foss: RPA
Roshell Lee: RPA
Garrett Mahoney: RPA
Lori Jundt: RPA
Amy Robinson: RPA
Catie Bassett: RPA
Candy Harper: RPA
David Dodenhoff: RPA
Frankie D'Ambrosio: RPA
Dave Frandsen, RPA
Jennifer MacLennan: Gust Rosenfeld, PLC

A. Opening of the Meeting

1. Call to order

Brad Bradley called the meeting to order at 11:01 a.m.

2. Welcome visitors

Renee Pastor: Industrial Commission of Arizona
Lisa Elliot: Verde Valley Fire District
Rob Schmitz: Sun City Fire District

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B. General Business

1. A motion was made to approve the agenda for August 23, 2023.

Josh Tope, moved
Brad Bradley, seconded
Motion passed unanimously

2. A motion was made to approve the minutes of the June 21, 2023 annual meeting of the membership

Brad Bradley, moved
Josh Tope, seconded
Motion passed unanimously

3. A motion was made to approve the minutes of the June 21, 2023 annual meeting of the board

Brad Bradley, moved
Josh Tope, seconded
Motion passed unanimously

4. Financial reports

Garrett Mahoney presented a summary of Securis's June 30, 2023 financials via the financial dashboard. The dashboard summarized the pool's financial performance, including contributions and capitalization, loss expenses, and paid and incurred amounts compared to budget.

Mr. Mahoney then discussed the preliminary pending final audit review financial statements as of June 30, 2023. Total assets were \$17,655,983. The reserve for reported losses and loss expense was \$5,066,533. Claims incurred but not reported (IBNR) increased to \$8,544,088. Total liabilities were \$14,887,710. Net position as of June 30, 2023 was \$2,768,273.

During his financial presentation Mr. Mahoney shared the 2022/2023 Expense Allocation per \$1.00 of Contributions chart and the Investment Allocation and Income Report as of June 30, 2023 with the board.

Finally, Mr. Mahoney provided information on the preliminary July 31, 2023 financial statements via the financial dashboard.

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5. Claims report

Catie Bassett presented the annual claims performance reports for Securis. The reports contained 2022/2023 claims data through June 30, 2023.

The claims presentation resulted in a board discussion focused on trends, specifically with respect to the lag time in reporting and occupational trainings that are causing injuries. Staff informed the board that they would dive deeper into these trends and report back to the board at the next meeting.

6. Loss control report

David Frandsen presented an update on the Securis loss control program. He began by reminding the board that at the September 2022 board meeting, management announced that the Securis loss control program would focus on seven initiatives during the 2022/2023 policy year. He continued by explaining the progress of each of the initiatives.

Next, Mr. Frandsen informed the board that management has worked to identify the unique needs of membership while revamping elements of the loss control program. He then presented in detail staff's proposed supplemental initiatives for the 2023/2024 policy year, which include:

- district engagement: relationship- and awareness-building;
- a 2023/2024 webinar series;
- an annual safety and risk management workshop;
- quarterly loss control and claims discussions;
- risk control services through business partners;
- ICA and ADOSH collaboration; and
- a revived loss control resource group.

7. Management report

The following items were discussed in the management report:

- government relations update;
- annual conflict of interest statements;
- Board of Directors Manual;
- member services team update;
- February board meeting date; and
- items to be discussed at the next board meeting.

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C. Consent Agenda

The consent agenda consisted of discussion and approval of a revised pool credit card policy.

A motion was made to approve the consent agenda as presented.

Brad Bradley, moved
Ed Mezulis, seconded
Motion passed unanimously

D. New Business

1. Discussion and approval of actuarial analysis of unpaid losses

John Ashton introduced Russ Sutter of Willis Towers Watson to present the findings of the IBNR (incurred but not reported) actuarial analysis for the period ending June 30, 2023.

Mr. Sutter presented the July 13, 2023 report and provided highlights of his analysis. He stated that the pool had indicated liabilities for unpaid losses as of June 30, 2023 of \$13,610,621 and projected liabilities for unpaid losses as of June 30, 2024 of \$16,904,700.

A motion was made to approve the 2023 actuarial analysis of indicated unpaid losses as of June 30, 2023

Brad Bradley, moved
Josh Tope, seconded
Motion passed unanimously

E. Executive Session

1. A motion was made to enter into executive session at 12:31 p.m. pursuant to A.R.S. § 38-431.03(A)(3).

Brad Bradley, moved
Ed Mezulis, seconded
Motion passed unanimously

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F. Open Session

1. A motion was made to re-enter open session at 12:59 p.m.

Brad Bradley, moved
Ed Mezulis, seconded
Motion passed unanimously

2. A motion was made to approve the executive session minutes from the February 22, 2023 meeting of the board.

Brad Bradley, moved
Ed Mezulis, seconded
Motion passed unanimously

G. Adjournment

Brad Bradley adjourned the meeting at 1:00 p.m.



Received and approved by Brad Bradley
Board Vice President
Securis Insurance Pool, Inc.