

**SECURIS INSURANCE POOL, INC.**  
**Minutes of the Meeting of the Board of Directors**  
**September 18, 2024**

A meeting of the board of directors of Securis Insurance Pool, Inc., was held on September 18, 2024.

**Members via remote access:**

Norman “Brad” Bradley: Northwest Fire District  
Mary Dalton: Arizona Fire and Medical Authority  
Lee Barnes: Central Arizona Fire and Medical Authority  
Ed Mezulis: Sedona Fire District  
Patrick Moore: Bullhead City Fire District  
Danny Johnson: Verde Valley Fire District  
Josh Tope: Pinewood Fire District

**Staff present:**

John Ashton: RPA  
Roshell Lee: RPA  
Garrett Mahoney: RPA  
Amy Robinson: RPA  
Catie Bassett: RPA  
Kristy Kersey: RPA  
Lily Leonard: RPA  
Kyla Ferry: RPA  
Anthony Castro: RPA  
David Dodenhoff: RPA  
Jenna Arico: 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 10:02 a.m.

2. Welcome visitors

Patrick Kohnen: Claremont Capital Management  
Renee Pastor: Industrial Commission of Arizona  
Lisa Elliot: Verde Valley Fire District

**B. General Business**

1. A motion was made to approve the agenda for September 18, 2024.

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Mary Dalton, moved  
Josh Tope, seconded  
Motion passed unanimously

2. A motion was made to approve the minutes of the June 26, 2024 annual meeting of the membership.

Josh Tope, moved  
Ed Mezulis, seconded  
Motion passed unanimously

3. A motion was made to approve the minutes of the June 26, 2024 annual meeting of the board.

Mary Dalton, moved  
Josh Tope, seconded  
Motion passed unanimously

4. Financial reports

Garrett Mahoney presented a summary of Securis's June 30, 2024 and July 31, 2024 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, 2024. Total assets were \$26,865,313. The reserve for reported losses and loss expense was \$7,005,899. Claims incurred but not reported (IBNR) increased to \$10,811,640. Total liabilities were \$19,132,321. Net position as of June 30, 2024 was \$7,732,992.

Next, Mr. Mahoney discussed the preliminary (pending final audit review) financial statements as of July 31, 2024. Total assets were \$30,358,811. The reserve for reported losses and loss expense was \$6,927,257. Claims incurred but not reported (IBNR) increased to \$10,954,339. Total liabilities were \$21,688,697. Net position as of July 21, 2024 was \$8,670,114. Mr. Mahoney explained that these numbers will be changing with the completion of the 2023/2024 payroll audit.

Patrick Kohnen of Claremont Capital Management concluded the financial report by presenting an investment market update to the board.

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5. Claims report

Roshell Lee explained that the claims reports included in the board materials contained 2024/2025 claims data through August 31, 2024. Ms. Lee next informed the board that the reports were provided for reference and that Catie Bassett would touch on a few highlights from the reports.

6. Management report

The following items were discussed in the management report:

- government relations update;
- annual conflict of interest statements;
- Board of Directors Manual;
- Assistance to Firefighters grants;
- loss control update;
- 2023/2024 Annual Report; and
- future board meeting schedule.

**C. New Business**

1. Discussion and approval of authority matrix

Garrett Mahoney explained that authority levels of individuals working on behalf of Securis (for check-writing, for example) need to be reviewed annually by the board of directors. He reviewed the proposed red-lined changes for the board to consider.

A motion was made to approve the authority matrix

Danny Johnson, moved  
Josh Tope, seconded  
Motion passed unanimously

2. Discussion and approval of additional 2024/2025 contracts

Roshell Lee notified the board that Todd Lundmark, lead claims counsel, was preparing to scale back his services. Staff was proposing, therefore, that the pool expand its legal counsel resources by contracting with Ritsema Law. Ms. Lee then presented the firm's hourly rates of:

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- \$185 for attorneys; and
- \$90 for paralegals.

Finally, it was recommended that the pool enter a short-term contract with Ritsema Law for the period from 9/18/2024 through 6/30/2025 to align with the pool's existing contract expiration dates.

A motion was made to approve a contract with Ritsema Law for claims legal services.

Mary Dalton, moved  
Lee Barnes, seconded  
Motion passed unanimously

3. Discussion and approval of actuarial analysis of indicated unpaid losses as of June 30, 2024

John Ashton presented the July 17, 2024 report and provided the following highlights from Russ Sutter's/Willis Towers Watson's analysis:

- a. The overall news is good. Compared to the study based on June 2023 data, the total expected cost of claims for all coverage through June 2023 is now \$1.3 million lower. This is mainly due to lower-than-expected costs for COVID and presumptive cancer claims.
- b. The board may wish to consider changing how it books its loss reserves, moving from a present value basis to an undiscounted basis. This will lead to a more conservative balance sheet and greater consistency with insurance industry practices. (Such a change does not have to be made in one step; it can be handled over time by lowering the assumed interest rate.)
- c. For all claims occurring from July 2020 to June 2024, only 32% of estimated costs have been paid. The outstanding estimated 68% is subject to considerable uncertainty.

Finally, Mr. Ashton informed the board of staff's view that the pool should not change how it books its loss reserves—moving from a present value basis to an undiscounted basis—at this time. His reasoning was the pool is still relatively young and has already experienced an assessment when COVID and presumptive cancer legislation hit at the same time. Booking reserves more



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conservatively could backfire; instead he suggested the board just recognize a healthy surplus. The board agreed with management's recommendation.

A motion was made to approve the actuarial analysis of indicated losses at June 30, 2024.

Ed Mezulis, moved  
Danny Johnson, seconded  
Motion passed unanimously

4. Discussion and approval of exploration of a Securis-sponsored firefighter medical exam program

John Ashton reminded the board that In February 2021, management presented the idea of a Securis-sponsored medical evaluation program. At that time the pool was in its infancy, and the board did not approve the program. Now, five years later, management believes it is an appropriate time to reconsider the possibility of a pool-sponsored medical evaluation program.

The board discussed various options and directed staff to explore program possibilities with the loss safety committee once established.

A motion was made to approve exploration of a Securis-sponsored firefighter medical exam program through the to-be-established loss safety committee.

Brad Bradley, moved  
Ed Mezulis, seconded  
Motion passed unanimously

**D. Adjournment**

Brad Bradley adjourned the meeting at 11:07 a.m.



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