

SECURIS INSURANCE POOL, INC.
Minutes of the Meeting of the Board of Directors
November 12, 2025

A meeting of the board of directors of Securis Insurance Pool, Inc., was held on November 12, 2025.

Members present: Norman "Brad" Bradley: Northwest Fire District
Lee Barnes: Central Arizona Fire and Medical Authority
Ed Mezulis: Sedona Fire District
Danny Johnson: Verde Valley Fire District

Members via remote access: Josh Tope: Pinewood Fire District

Staff present: John Ashton: RPA
Roshell Lee: RPA
Catie Bassett: RPA
Julie Paine: RPA
Garrett Mahoney: RPA
Anca Tomoiaga: RPA
David Dodenhoff: RPA (telephonic)
Jade Quinn: RPA
Janet Ramsey: RPA
Rebecca Schneider: RPA
Jennifer MacLennan: Gust Rosenfeld, PLC

A. Opening of the Meeting

1. Call to order

Brad Bradley called the meeting to order at 10:05 a.m.

B. General Business

1. Approval of agenda

Jennifer MacLennan, board counsel, recommended adjusting the agenda by moving agenda items C2 and E1 to follow item B4.

A motion was made to approve the November 12, 2025 agenda with counsel's recommended changes.

Brad Bradley, moved
Danny Johnson, seconded
Motion passed unanimously

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2. A motion was made to approve the minutes of the June 25, 2025 annual meeting of the membership.

Brad Bradley, moved
Danny Johnson, seconded
Motion passed unanimously

3. A motion was made to approve the minutes of the June 25, 2025 annual meeting of the board.

Brad Bradley, moved
Ed Mezulis, seconded
Motion passed unanimously

4. Discussion of open board seat(s), applicants, and appointment process

Regarding the board seat vacated by Patrick Moore, Brad Bradley invited individuals who had not spoken in person at the June board meeting to share information about themselves. The following candidates presented their qualifications and reasons for seeking the position:

- Tom Brandhuber—Golder Ranch Fire District
- Ted Martin—Mohave Valley Fire District

Following the presentations, Chief Bradley noted that the board now had two open seats—those previously held by Patrick Moore and Mary Dalton. Next, Chief Bradley recommended that the board enter executive session to discuss the appointment of two new board members.

C. Executive Session

1. A motion was made to enter into executive session at 10:12 a.m. pursuant to A.R.S. § 38-431.03(A)(1) and (2).

Brad Bradley, moved
Danny Johnson, seconded
Motion passed unanimously

D. Open Session

1. A motion was made to re-end open session at 10:40 a.m.

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Brad Bradley, moved
Ed Mezulis, seconded
Motion passed unanimously

E. New Business

1. Discussion and approval of two member representatives to the Securis board to fill open vacancies

Brad Bradley led a discussion regarding the open vacancies on the Securis board and recommended appointing Chief Tom Brandhuber of the Golder Ranch Fire District and Brian Moore, board chairman for the Daisy Mountain Fire District. After reviewing Chief Bradley's recommendations, the board agreed to move forward with appointing both individuals.

A motion was made to approve the appointment of Chief Tom Brandhuber to the Securis board to fill an open seat.

Brad Bradley, moved
Lee Barnes, seconded
Motion passed unanimously

A motion was made to approve the appointment of Brian Moore to the Securis board to fill an open seat.

Brad Bradley, moved
Ed Mezulis, seconded
Motion passed unanimously

F. Executive Session

1. A motion was made to enter into executive session at 10:45 a.m. pursuant to A.R.S. § 38-431.03(A)(3) and (4).

Brad Bradley, moved
Ed Mezulis, seconded
Motion passed unanimously

G. Open Session

1. A motion was made to re-enter open session at 11:35 a.m.

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Brad Bradley, moved
Danny Johnson, seconded
Motion passed unanimously

2. A motion was made to approve the executive session minutes from the January 30, 2025 meeting of the board.

Brad Bradley, moved
Ed Mezulis, seconded
Motion passed unanimously

3. A motion was made to direct the attorney regarding matters discussed in executive session.

Brad Bradley, moved
Danny Johnson, seconded
Motion passed unanimously

E. New Business, Continued

2. Discussion and approval of 2025 audited financial statements

Matt Waller of Pope Waller provided a high-level discussion of Pope Waller's risk-based approach to the audit process for the period ending June 30, 2025. He then presented the pool's year-end financial statement audit and accompanying communication letters.

Highlights for the period from July 1, 2024 through June 30, 2025 were as follows:

- Total assets increased by \$8,480,275, to \$35,758,221.
- Total liabilities increased by \$5,399,738, to \$24,985,996.
- Total net position increased by \$3,080,539, to \$10,772,225.
- Total net revenues increased by \$1,823,550, to \$14,670,213.
- Total expenses decreased by \$2,349,682, to \$11,674,548.

Mr. Waller announced that the pool had received an audit opinion free from qualifications and that the financial statements presented fairly, in all material respects, the financial position of the pool from July 1, 2024 through June 30, 2025.

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Management then offered to leave the room to allow board members to speak with the auditor without management present. The board acknowledged this opportunity and advised that staff could remain for the discussion.

A motion was made to approve the audited financial statements for the period ending June 30, 2025.

Brad Bradley, moved
Danny Johnson, seconded
Motion passed unanimously

3. Discussion and approval of additional assurance audit

Matt Waller informed the board that Securis had contracted with Pope Waller to prepare an additional assurance audit for the year ended June 30, 2025. The audit was based on a review of certain agreed-upon procedures and addressed the following:

- Pool disbursements (35 randomly selected)
- Securis credit card expenses
- Reimbursement activity for board members
- Payments made to Risk Program Administrators in conjunction with the administrator's contract
- Independent claims audit (addressed in a separate resolution)

Mr. Waller announced that the pool passed the additional assurance audit with no issues.

A motion was made to approve the additional assurance audit.

Brad Bradley, moved
Danny Johnson, seconded
Motion passed unanimously

B. General Business, Continued

5. Financial reports

Anca Tomoiaga presented a summary of Securis's August 31, 2025 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.

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Ms. Tomoiaga then discussed the preliminary (pending final audit review) financial statements as of August 31, 2025. Total assets were \$38,469,449. The reserve for reported losses and loss expense was \$7,993,190. Claims incurred but not reported (IBNR) increased to \$15,661,206. Total liabilities were \$26,965,451. Net position as of August 31, 2025 was \$11,503,998.

Ms. Tomoiaga next provided the board with a snapshot of the September 30, 2025 financials using the financial dashboard.

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

Due to the pool's financial and claims status as of September 30, 2025, the board asked management to provide an email update once the high-dollar losses were reflected on the pool's financials.

6. Claims report

Roshell Lee explained that the claims reports included in the board materials contained 2025/2026 claims data through October 31, 2025. Ms. Lee informed the board that the reports were provided for reference and that Ms. Bassett and Ms. Paine would touch on a few highlights from the reports.

Catie Bassett and Julie Paine then presented key highlights. As part of their presentation, they discussed the "coming and going" law. Following the discussion, the board asked management to send Securis members additional information about this law after the meeting.

7. Management report

The following items were discussed in the management report:

- Government relations update
- Mid-year membership update
- Annual conflict of interest statements
- Assistance to Firefighters grant
- AGRiP conference
- AFDA conference
- 2024/2025 Annual Report
- Future meeting schedule

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E. New Business, Continued

4. Discussion of claims audit report

Roshell Lee presented findings from the internal claims audit. She noted that Susan Stickler, an independent auditor, completed a review of 30 claims from the July 1, 2024–June 30, 2025 period. The Securis Best Practice Adjuster Performance Audit Sheet was used as the primary tool during the audit. This form was developed and is used by Securis internally for adjuster performance review. The form includes measures for:

- Timely claims set-up
- Injury/Illness investigations
- Claim denials
- File documentation
- Compliance
- Reserving practices
- Excess reporting
- Litigation, IMEs, settlements
- Quality
- System accuracy

Ms. Lee explained that for claims reviewed for the 2025 audit, Ms. Strickler found that best practice requirements were met at a 95.5% level. This represents 775 points out of a possible 779 total, indicating that Securis has the necessary management tools and measurements in place to monitor and adhere to established best practices, achieve regulatory compliance, and provide quality claims administration.

5. Discussion of investment policy and procedure

Roshell Lee presented the current pool investment policies and procedures to the board. She explained that the policies and procedures must be reviewed and approved annually and are intended to ensure the preservation of capital, current income as necessary to meet the pool's needs, and long-term growth of capital and income.

A motion was made to approve the investment policy and procedures.

Brad Bradley, moved
Ed Mezulis, seconded
Motion passed unanimously

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6. Discussion and approval of actuarial analysis of indicated unpaid losses as of June 30, 2025

Garrett Mahoney noted that at its June 25, 2025 meeting, the board approved the engagement of Russ Sutter of Willis Towers Watson to perform an IBNR (incurred but not reported) analysis in the summer of 2025. Mr. Mahoney explained that Mr. Sutter was unable to attend the board meeting but had provided staff with the following key takeaways from his analysis:

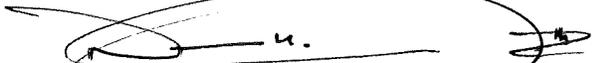
- a. The program's overall performance is good—and better than expected over the past year in particular.
- b. COVID-related claims no longer present a material concern.
- c. Presumptive cancer claims are beginning to rise, though they remain below the levels projected four years ago.
- d. Although experience to date has been favorable, the Securis program's high net retentions (\$2 million or \$3 million, depending on claim type) mean that one or two large claims could materially affect the program's financial position.

A motion was made to approve the IBNR actuarial analysis.

Brad Bradley, moved
Danny Johnson, seconded
Motion passed unanimously

F. Adjournment

Brad Bradley adjourned the meeting at 1:28 p.m.



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