

PUBLIC ALLIANCE INSURANCE COVERAGE FUND
Financial Statements
December 31, 2020 and 2019
With Independent Auditor's Reports

Public Alliance Insurance Coverage Fund
Table of Contents
December 31, 2020 and 2019

Management’s Discussion and Analysis	1-2
Independent Auditor’s Report	3-4
Financial Statements	
Balance Sheets	5
Statements of Revenue, Expenses and Changes in Fund Surplus	6
Statements of Cash Flows	7
Notes to Financial Statements	8-15
Supplementary Information	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16-17
Ten Year Claims Development Information	18
Schedule of Changes in Claim Liabilities by Line of Coverage	19
Combining Schedule of Net Income and Changes in Fund Surplus for Fund Years 1997 through 2020	20
Combined Cumulative Results Analysis for Fund Years 1997 through 2020	21
1997 Fund Year – Cumulative Operating Results Analysis	22
1998 Fund Year – Cumulative Operating Results Analysis	23
1999 Fund Year – Cumulative Operating Results Analysis	24
2000 Fund Year – Cumulative Operating Results Analysis	25
2001 Fund Year – Cumulative Operating Results Analysis	26
2002 Fund Year – Cumulative Operating Results Analysis	27
2003 Fund Year – Cumulative Operating Results Analysis	28
2004 Fund Year – Cumulative Operating Results Analysis	29
2005 Fund Year – Cumulative Operating Results Analysis	30
2006 Fund Year – Cumulative Operating Results Analysis	31
2007 Fund Year – Cumulative Operating Results Analysis	32
2008 Fund Year – Cumulative Operating Results Analysis	33
2009 Fund Year – Cumulative Operating Results Analysis	34
2010 Fund Year – Cumulative Operating Results Analysis	35
2011 Fund Year – Cumulative Operating Results Analysis	36
2012 Fund Year – Cumulative Operating Results Analysis	37
2013 Fund Year – Cumulative Operating Results Analysis	38
2014 Fund Year – Cumulative Operating Results Analysis	39
2015 Fund Year – Cumulative Operating Results Analysis	40
2016 Fund Year – Cumulative Operating Results Analysis	41
2017 Fund Year – Cumulative Operating Results Analysis	42
2018 Fund Year – Cumulative Operating Results Analysis	43
2019 Fund Year – Cumulative Operating Results Analysis	44
2020 Fund Year – Cumulative Operating Results Analysis	45
2019 Fund Year – Cumulative Expense Analysis	46
2020 Fund Year – Cumulative Expense Analysis	47
Comments and Recommendations	48

**Public Alliance Insurance Coverage Fund
Management's Discussion and Analysis
December 31, 2020 and 2019**

This section of the Public Alliance Insurance Coverage Fund's (the "Fund") annual financial report presents a discussion and analysis of the financial performance of the Fund for the years ended December 31, 2020 and 2019. Please read it in conjunction with the financial statements which follow this section. The following table summarizes the financial position and the results of operations of the Fund for 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Assets		
Cash, investments and accrued interest	\$ 20,419,122	\$ 19,375,181
Assessments receivable	21,281	34,870
Prepaid expenses	1,725	3,142
	<u>\$ 20,442,128</u>	<u>\$ 19,413,193</u>
Liabilities and Fund Surplus		
Reserves for unpaid claims	\$ 3,615,701	\$ 4,388,169
Other liabilities	1,722,549	1,346,761
Fund surplus	15,103,878	13,678,263
	<u>\$ 20,442,128</u>	<u>\$ 19,413,193</u>
Revenue and Expenses		
Revenue		
Investment and other income	\$ 6,255,261	\$ 6,120,065
	<u>630,583</u>	<u>687,769</u>
	<u>6,885,844</u>	<u>6,807,834</u>
Claims expense	1,403,619	1,757,078
Insurance premiums	2,731,095	2,472,020
Administrative expense	1,325,515	1,294,774
	<u>5,460,229</u>	<u>5,523,872</u>
Net income	1,425,615	1,283,962
Fund surplus		
Beginning year	<u>13,678,263</u>	<u>12,394,301</u>
End of year	<u>\$ 15,103,878</u>	<u>\$ 13,678,263</u>

Overview of the Financial Statements

The Fund's financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental and insurance companies, where applicable. The primary purpose of the Fund is to provide NJ counties, municipalities and other component units of local governments insurance coverage through group purchasing while sharing the risk of such insurance coverage. The Fund offers a full line of insurance coverage. It operates under the provisions of the New Jersey statutes (N.J.S.A. 40A:10-36 et seq.).

Public Alliance Insurance Coverage Fund Management's Discussion and Analysis December 31, 2020 and 2019

The three basic financial statements presented within the financial statements are as follows:

- Balance Sheet – This statement presents information reflecting the Fund's assets, liabilities and fund surplus. Fund surplus represents the amount of total assets less total liabilities.
- Statement of Revenue, Expenses and Changes in Fund Surplus - This statement reflects the operating revenues and expenses, as well as non-operating revenues during the operating year. Major sources of operating revenue are regular member contributions while major sources of operating expenses being claims paid, changes in case reserves, changes in the incurred but not reported claims, and insurance and reinsurance premiums. The change in fund surplus is similar to the net profit or loss for any other insurance company.
- Statement of Cash Flows - This statement presents changes in cash and cash equivalents resulting from operating activities, investing activities, and financing activities.

Financial Highlights

- The Fund's assessment revenue for 2020 amounted to \$6,255,261, which represents a 2% increase over 2019.
- Claims' case reserves represent a life to date estimate as to the expected liability for the reported claims and incurred but not reported claims ("IBNR"). Computing the claims liability does not result in achieving an exact amount. Claims' case reserves must be estimated due to the complex factors that determine the liability. Some of these factors are changes in legal doctrine, inflation, historical settlements, claim frequency, damage awards and other statistical techniques.
- All fund surplus available may be returned to the membership per the Department of Banking and Insurance ("DOBI") regulations. The executive committee did not declare a return of surplus during the years ended December 31, 2020 and 2019.

Contacting the Fund's Management

This financial report is designed to provide the Public Alliance Insurance Coverage Fund members and the Department of Banking and Insurance of the State of New Jersey with a general overview of the Fund's finances and to demonstrate the Fund's accountability for the public funds it receives. If you have any questions about this report or need additional financial information, please contact the Fund Administrator of the Public Alliance Insurance Coverage Fund at the office of the Fund located at 51 Everett Drive, Suite 40-B, West Windsor, NJ 08550, or by phone at (609) 275-1155.

INDEPENDENT AUDITOR'S REPORT

To the Fund Commissioners,
Public Alliance Insurance Coverage Fund:

Report on the Financial Statements

We have audited the accompanying financial statements of Public Alliance Insurance Coverage Fund (the "Fund"), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of revenue, expenses and changes in fund surplus and cash flows for the years then ended, and the related notes to 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements as prescribed by the State of New Jersey, Department of Community Affairs and Banking and Insurance. Those standards require that we plan and perform the audits 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 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 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 Public Alliance Insurance Coverage Fund 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 management's discussion and analysis on pages 1-2 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. We have applied certain limited procedures to the required supplemental 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.

Other Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2021 on our consideration of Public Alliance Insurance Coverage Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Public Alliance Insurance Coverage Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Public Alliance Insurance Coverage Fund's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC". The signature is written in a cursive, flowing style.

May 10, 2021

Public Alliance Insurance Coverage Fund
Balance Sheets
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 5,328,966	\$ 4,901,538
Investments	15,022,847	14,409,877
Accrued interest	67,309	63,766
Assessments receivable	21,281	34,870
Prepaid expenses	<u>1,725</u>	<u>3,142</u>
	<u>\$ 20,442,128</u>	<u>\$ 19,413,193</u>
Liabilities and Fund Surplus		
Liabilities		
Claims		
Case reserves	\$ 2,455,732	\$ 3,217,874
IBNR reserves	<u>1,159,969</u>	<u>1,170,295</u>
	<u>3,615,701</u>	<u>4,388,169</u>
Other		
Administrative expenses payable	697,355	592,868
Insurance premiums payable	1,010,923	739,622
Return of surplus payable	<u>14,271</u>	<u>14,271</u>
	<u>1,722,549</u>	<u>1,346,761</u>
Total liabilities	5,338,250	5,734,930
Fund surplus	<u>15,103,878</u>	<u>13,678,263</u>
	<u>\$ 20,442,128</u>	<u>\$ 19,413,193</u>

The Notes to Financial Statements are an integral part of these statements.

Public Alliance Insurance Coverage Fund
Statements of Revenue, Expenses and Changes in Fund Surplus
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenue		
Underwriting income - regular contributions	\$ 6,255,261	\$ 6,120,065
Expenses		
Claims		
Paid	2,176,087	2,204,059
Decrease in case reserves	(762,142)	(214,465)
Decrease in IBNR reserves	<u>(10,326)</u>	<u>(232,516)</u>
Claims - net	<u>1,403,619</u>	<u>1,757,078</u>
Insurance and reinsurance premiums	2,731,095	2,472,020
Administrative expenses	<u>1,325,515</u>	<u>1,294,774</u>
	<u>4,056,610</u>	<u>3,766,794</u>
Total expenses	<u>5,460,229</u>	<u>5,523,872</u>
Operating income	<u>795,032</u>	<u>596,193</u>
Investment income, net	309,940	366,324
Change in fair value of investments	<u>320,643</u>	<u>321,445</u>
Investment return, net	<u>630,583</u>	<u>687,769</u>
Net income	1,425,615	1,283,962
Fund surplus		
Beginning of year	<u>13,678,263</u>	<u>12,394,301</u>
End of year	<u>\$ 15,103,878</u>	<u>\$ 13,678,263</u>

The Notes to Financial Statements are an integral part of these statements.

Public Alliance Insurance Coverage Fund
Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating activities		
Underwriting income - regular contributions received	\$ 6,268,852	\$ 6,101,976
Claims paid	(2,176,087)	(2,204,059)
Excess insurance premiums paid	(2,459,794)	(2,409,027)
Administrative expenses paid	<u>(1,219,613)</u>	<u>(1,193,762)</u>
Net cash provided by operating activities	<u>413,358</u>	<u>295,128</u>
Investing activities		
Sale/maturity of investment securities	3,532,131	3,737,243
Purchase of investment securities	(3,812,615)	(3,959,153)
Investment income	<u>294,554</u>	<u>363,393</u>
Net cash provided by investing activities	<u>14,070</u>	<u>141,483</u>
Financing activity		
Fund surplus returned to members, net	<u>-</u>	<u>(267,817)</u>
Net cash used in financing activity	<u>-</u>	<u>(267,817)</u>
Net change in cash and cash equivalents	427,428	168,794
Cash and cash equivalents		
Beginning of year	<u>4,901,538</u>	<u>4,732,744</u>
End of year	<u>\$ 5,328,966</u>	<u>\$ 4,901,538</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 795,032	\$ 596,193
Adjustments to reconcile operating income to net cash provided by operating activities		
Changes in assets and liabilities		
Assessments receivable	13,589	(18,089)
Prepaid expenses	1,417	(1,492)
Case and IBNR reserves	(772,468)	(446,983)
Administrative expenses payable	104,487	102,504
Insurance premiums payable	<u>271,301</u>	<u>62,995</u>
Net cash provided by operating activities	<u>\$ 413,358</u>	<u>\$ 295,128</u>

The Notes to Financial Statements are an integral part of these statements.

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2020 and 2019

1. OPERATIONS

Public Alliance Insurance Coverage Fund (the "Fund") is a joint insurance fund formed under the provisions of New Jersey statutes (N.J.S.A. 40A:10-36 et seq.). The Fund commenced operations on January 1, 1997 and membership is comprised of NJ counties, municipalities, and other component units of local governments. The Fund's general objectives are to provide members with a long-term alternative to the insurance market as a means of stabilizing insurance expenditures and developing comprehensive loss control programs for members.

The bylaws of the Fund, as supplemented by the Risk Management Plan, set forth the various procedures which are to be followed in the organization, administration, and operation of the Fund.

Fund members are subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund liabilities. The Fund considers investment income when determining deficiencies.

The administrator is responsible for the overall administration of the Fund. Fees paid to the administrator cover all administrative costs; accordingly, the Fund does not maintain any fixed assets nor incur any employee payroll expense.

The Fund offers its members coverage for property, general and auto liability, workers' compensation, environmental, cyber and management liability. The Fund is also a member of the Municipal Excess Liability Fund which provides excess insurance coverage for property, general and auto liability as well as workers' compensation.

Self Insured Retentions (SIRs):

<u>Fund Year(s)</u>	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Automobile Liability</u>	<u>Property **</u>
2017 - 2020	\$ 300,000	\$ 300,000	\$ 300,000	\$ 100,000
2013 - 2016	300,000	300,000	300,000	50,000
2010 - 2012	250,000	250,000	250,000	50,000
2005 - 2009	200,000	200,000	200,000	50,000
2004	150,000	150,000	150,000	50,000
2003	250,000	100,000	100,000	100,000
2002	250,000	100,000	100,000	100,000
2001	-	50,000	50,000	-
2000	-	50,000	50,000	-
1999	-	50,000	50,000	-
1998	-	50,000	50,000	-
1997	-	50,000	50,000	-

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2020 and 2019

Loss Fund Aggregates:

<u>Fund Year(s)</u>	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Automobile Liability</u>	<u>Property **</u>
2003	\$ -	\$ 574,543	Incl.	Incl.
2002	-	798,164	Incl.	Incl.
2001	350,059	318,274	\$ 218,016	\$ -
2000	345,851	344,158	242,928	-
1999	337,844	419,235	301,402	-
1998	212,512	400,412	292,463	-
1997	171,275	396,087	274,774	-

**Property includes Auto Physical Damage.

Effective 2004, the Fund no longer purchases aggregate protection.

For fund years 1998-2001, the workers' compensation budgeted loss funds were the Fund's aggregates; the Fund had no per occurrence SIR.

For fund year 1997, the Fund paid the first \$1,000 of each workers' compensation loss until the loss fund aggregate was exhausted.

The payments for claims for other lines of coverage are provided by reinsurance and/or excess contracts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fund are prepared in conformity with generally accepted accounting principles in the United States of America as applied to governmental units and insurance companies, where applicable. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies is set forth below.

Basis of Accounting

The Fund utilizes the accrual basis of accounting whereby revenue is recorded as earned and expenses reflected as incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. In addition, certain actuarial assumptions have been made in the preparation of these financial statements. Actual results could differ from those estimates. Significant estimates included in these financial statements are fair market value of investments, case reserves and incurred but not yet reported ("IBNR") reserves.

Cash and Cash Equivalents

The Fund considers all highly liquid investments with maturities of less than three months at the time of purchase to be cash.

Public Alliance Insurance Coverage Fund

Notes to Financial Statements

December 31, 2020 and 2019

Investments

The investments in government backed fixed maturities are carried at fair value. Fair value has been supplied by the custodian.

Revenue Recognition

The Financial Accounting Standards Board ("FASB") issued new guidance that created Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), in the Accounting Standards Codification ("ASC"). ASC 606 supersedes the prior revenue recognition requirements (codified as ASC 605, *Revenue Recognition*). ASC 606 established a core principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. In doing so, companies need to use more judgment and make more estimates than under prior guidance. Judgments include identifying performance obligations in the contract, estimating the amount of consideration to include in the transaction price, and allocating the transaction price to each performance obligation. The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs-Contracts with Customers* ("ASC 340-40"), which requires the deferral of incremental costs (primarily commissions) of obtaining a contract with a customer. All references to the "new guidance" include ASC 606 and/or ASC 340-40.

The Fund adopted the requirements of the new guidance as of January 1, 2019, utilizing the modified retrospective method of transition. No adjustment to fund surplus as of January 1, 2019 was necessary. The Fund applied the new guidance using the practical expedient provided in ASC 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019. Adoption of the new guidance resulted in minimal changes to the Fund's accounting policies for revenue recognition, trade receivables, unbilled receivables, deferred costs and deferred revenues.

The Fund recognizes revenue as it fulfills its obligations under its agreements, the Fund performs the following steps (i) identify contracts with customers; (ii) identify performance obligations; (iii) determine the transaction price; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Fund satisfies each performance obligation.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in Topic 606. The Fund's sole performance obligation is annual coverage provided to its members. Member assessments are recorded on the accrual basis. The member assessments of the participating municipalities are determined by the Fund Administrator and then certified by vote of the Fund's executive committee. There are no advance sums collected for the revenue streams except any prepayments recorded as a liability. Revenue is recognized in the year the coverage is in effect and is recognized ratably over the period the service is provided.

Assessments Receivable

Assessments receivable are comprised of member installments due to the Fund for the current year which remain unpaid at the end of the fiscal year. Per the Fund's by-laws, past due assessments shall bear interest at a rate determined annually by the Executive Committee. The interest rate assessed for each of the years ending December 31, 2020 and 2019 was 2% plus prime as determined by New Jersey Asset and Rebate Management Program and U.S. Bank, N.A., or its successors. Assessments receivable are written off when they are deemed to be uncollectible. Interest on delinquent assessments may be waived at the discretion of the Executive Committee.

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2020 and 2019

Claims Liabilities

The Fund establishes claims liabilities for the Fund's Self Insured Retention ("SIR") for workers' compensation, comprehensive general liability, automobile liability, and property coverage based on estimates of the ultimate cost of claims (including allocated loss adjustment expenses ("ALAE") that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors.

A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and on other factors that are considered to be appropriate modifiers of past experience. The Fund does not discount claim liabilities. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. Subrogation and other recoverable claim amounts are recognized upon the receipt of cash.

Reinsurance and Excess Insurance

The Fund purchases reinsurance contracts and excess insurance contracts in accordance with the Risk Management Plan. Although reinsurance does not discharge the primary liability of the Fund as direct insurer of the risk of loss, the Fund does not report the claim payments or liabilities under reinsurance contracts unless it is probable that those liabilities will not be covered by reinsurers. A contingent liability may exist with respect to reinsurance which would become an actual liability in the event any of the insurance companies might be unable to meet their obligations to the Fund.

Income Taxes

The Fund is a tax-exempt organization and is not subject to either federal or state taxes.

Fair Value of Financial Instruments

According to professional standards, the Fund measures its fair value under accounting principles generally accepted in the United States of America and provides disclosures about fair value measurements. Fair value is defined 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. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs using a fair value hierarchy based on three levels of inputs, of which, the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2020 and 2019

3. CASH AND CASH EQUIVALENTS

At December 31, 2020 and 2019, the carrying amounts of the Fund's deposits were \$5,328,966 and \$4,901,538, respectively, and the bank balances were \$5,328,966 and \$4,909,901, respectively. The bank balances are deposited in public depositories which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation and in excess of \$250,000 are fully collateralized by the bank or institution through the Government Unit Deposit Protection Act ("GUDPA").

4. INVESTMENTS

At December 31, 2020 and 2019, the Fund invested only in notes backed by the Federal Government and are triple A rated ("AAA") by Moody's with various interest rates ranging from 1.25% to 3.0% as of December 31, 2020 and 1.25% to 2.875% as of December 31, 2019. The maturity dates range from August 31, 2021 to November 30, 2025 as of December 31, 2020, and from July 31, 2020 to November 30, 2024 as of December 31, 2019. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments that are in the possession of an outside party. At December 31, 2020 and 2019, all of the Fund's investments are under the custody of New Jersey Asset and Rebate Management Program.

Investments are stated at fair value. The difference between fair value and amortized cost is recorded as unrealized gain at December 31 each year. The amounts are as follows:

	<u>2020</u>	<u>2019</u>
Face value	\$ 14,335,000	\$ 14,290,000
Unamortized premium (discount), net	207,828	(39,499)
Unrealized gain, net	<u>480,019</u>	<u>159,376</u>
Fair value	<u>\$ 15,022,847</u>	<u>\$ 14,409,877</u>

Investment return consisted of the following for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Interest income	\$ 294,554	\$ 363,393
Amortization of (premium) discount, net	(2,249)	59,404
Realized gain (loss) using amortized cost	<u>17,635</u>	<u>(56,473)</u>
Investment income, net	<u>\$ 309,940</u>	<u>\$ 366,324</u>

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2020 and 2019

5. FAIR VALUE ACCOUNTING

Recurring Fair Value Measurements

The Fund has provided fair value disclosure information for relevant assets and liabilities in these financial statements. The following tables summarize assets which have been accounted for at fair value on a recurring basis as of December 31, along with the basis for the determination of fair value:

2020			
Basis for Valuation			
Total	Prices in Active Markets	Observable Measurement Criteria	Unobservable Measurement Criteria
Investments in US Treasury Notes	\$ 15,022,847	\$ 15,022,847	\$ -
		\$ -	\$ -

2019			
Basis for Valuation			
Total	Prices in Active Markets	Observable Measurement Criteria	Unobservable Measurement Criteria
Investments in US Treasury Notes	\$ 14,409,877	\$ 14,409,877	\$ -
		\$ -	\$ -

For applicable assets and liabilities subject to this pronouncement, the Fund will value such assets and liabilities using quoted market prices in active markets for identical assets and liabilities to the extent possible. To the extent that such market prices are not available, the Fund will next attempt to value such assets and liabilities using observable measurement criteria, including quoted market prices of similar assets and liabilities in active and inactive markets and other corroborated factors. In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Fund will develop measurement criteria based on the best information available.

U.S. Government backed fixed notes are valued at the closing price reported on the active market on which individual securities are traded along with comparable bond ratings under Moody's and S&P.

The valuation methods for these investments are consistent for the years ended December 31, 2020 and 2019.

6. LOSS RESERVES

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate net cost of all losses and loss adjustment expenses incurred but not yet paid. This estimate is based on the estimated ultimate cost of settling the claims considering the historical experience of the Fund, various other industry statistics, including the effects of inflation and other societal or economic factors, and the Fund's self-insured retention level. Management believes that the liability for unpaid losses is adequate to cover the ultimate cost of reported and unreported claims incurred but not yet paid. However, the ultimate cost may be more or less than the estimated liability. The Fund has created a loss reserve for any reported and potential unreported losses which have taken place but in which the Fund has not received notices or reports of losses.

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2020 and 2019

Loss reserves at December 31, which have been estimated by the Fund's Actuary and Claims Servicing Organization, are as follows:

	<u>2020</u>	<u>2019</u>
Case reserves	\$ 2,455,732	\$ 3,217,874
Reserves for losses incurred but not reported	<u>1,159,969</u>	<u>1,170,295</u>
	<u>\$ 3,615,701</u>	<u>\$ 4,388,169</u>

The following represents changes in the aggregate reserves for the Fund:

	<u>2020</u>	<u>2019</u>
Unpaid claim liabilities, beginning of year	<u>\$ 4,388,169</u>	<u>\$ 4,835,150</u>
Incurred claims		
Provision for insured events of the current period	2,292,980	2,310,548
Decrease in provision for insured events of prior years	<u>(889,361)</u>	<u>(553,470)</u>
Total increase in incurred claims	<u>1,403,619</u>	<u>1,757,078</u>
Payments		
Payments - net on claims for insured events of the current period	958,150	628,832
Payments - net on claims for insured events of prior years	<u>1,217,937</u>	<u>1,575,227</u>
Total payments	<u>2,176,087</u>	<u>2,204,059</u>
Unpaid claim liabilities, end of year	<u>\$ 3,615,701</u>	<u>\$ 4,388,169</u>

The Fund also maintains contracts for excess insurance covering losses in excess of the limit retained by the Fund. A contingent liability may exist with respect to excess liability insurance, which would become an actual liability in the event any of the insurance companies might be unable to meet their obligations to the Fund.

7. RETURN OF SURPLUS

The executive committee approved returns of surplus in prior years of which \$14,271 remains unpaid as of December 31, 2020 and 2019. There were no returns of surplus approved during the years ended December 31, 2020 and 2019.

8. CONCENTRATION OF CREDIT RISK

The Fund has three members whose assessments in total approximated 55% of total assessments for each of the fund years ended December 31, 2020 and 2019.

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2020 and 2019

9. RISKS AND UNCERTAINTIES

Management is continuing to evaluate the introduction of the COVID-19 virus to the United States and its impact on the Fund's industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Fund's financial condition and results of operations, the specific impact is not readily determinable as of the date of these financial statements.

10. SUBSEQUENT EVENTS

The Fund has evaluated subsequent events occurring after the balance sheet date through May 10, 2021, which is the date the financial statements were available to be issued. Based on this evaluation, the Fund has determined there are no subsequent events that require disclosure in or adjustment to the financial statements.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

To the Fund Commissioners,
Public Alliance Insurance Coverage Fund:

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Public Alliance Insurance Coverage Fund, which comprise the balance sheet as of December 31, 2020, and the related statements of revenue, expenses and changes in fund surplus and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated May 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund'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 and correct, 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, or detected and 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 of this section and was not designed to 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of the Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Withum Smith + Brown, PC

May 10, 2021

SUPPLEMENTARY INFORMATION

**Public Alliance Insurance Coverage Fund
Ten Year Claims Development Information
December 31, 2020**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Underwriting income - regular contributions	\$ 9,038,701	\$ 6,745,110	\$ 6,961,636	\$ 7,263,036	\$ 5,804,471	\$ 6,009,186	\$ 6,156,836	\$ 5,958,800	\$ 6,120,065	\$ 6,255,261
Investment income	217,704	204,591	186,123	157,795	146,832	116,899	107,715	149,443	127,916	27,554
Other income (expense)	682	1	115	(1)	5	-	(4)	1	-	-
	<u>\$ 9,257,087</u>	<u>\$ 6,949,702</u>	<u>\$ 7,147,874</u>	<u>\$ 7,420,830</u>	<u>\$ 5,951,308</u>	<u>\$ 6,126,085</u>	<u>\$ 6,264,547</u>	<u>\$ 6,108,244</u>	<u>\$ 6,247,981</u>	<u>\$ 6,282,815</u>
Insurance and reinsurance premiums	\$ 3,286,945	\$ 2,215,003	\$ 2,315,882	\$ 2,495,840	\$ 2,444,378	\$ 2,496,923	\$ 2,489,403	\$ 2,372,163	\$ 2,574,330	\$ 2,656,095
Administrative expenses	1,926,320	1,310,445	1,330,176	1,351,404	1,163,702	1,256,763	1,282,516	1,263,872	1,293,814	1,351,247
	<u>\$ 5,213,265</u>	<u>\$ 3,525,448</u>	<u>\$ 3,646,058</u>	<u>\$ 3,847,244</u>	<u>\$ 3,608,080</u>	<u>\$ 3,753,686</u>	<u>\$ 3,771,919</u>	<u>\$ 3,636,035</u>	<u>\$ 3,868,144</u>	<u>\$ 4,007,342</u>
Estimated incurred claims, end of policy year	<u>\$ 3,890,000</u>	<u>\$ 2,338,000</u>	<u>\$ 2,542,001</u>	<u>\$ 3,456,000</u>	<u>\$ 2,194,058</u>	<u>\$ 1,984,749</u>	<u>\$ 2,232,575</u>	<u>\$ 2,473,789</u>	<u>\$ 2,310,548</u>	<u>\$ 2,292,980</u>
Cumulative paid claims as of										
End of policy year	1,038,186	444,243	579,184	913,995	405,811	553,019	542,475	677,088	628,832	958,150
One year later	1,621,730	868,614	1,009,617	1,590,652	657,018	756,413	1,067,498	999,812	1,261,542	
Two years later	1,989,365	1,041,398	1,142,275	1,880,150	781,660	937,138	1,796,822	1,105,154		
Three years later	2,602,415	1,090,614	1,480,188	2,180,435	866,143	1,224,579	2,109,579			
Four years later	2,944,709	1,434,835	1,651,495	2,344,323	883,667	1,282,471				
Five years later	3,054,877	1,445,000	1,820,458	2,344,336	883,667					
Six years later	3,121,462	1,475,636	2,028,559	2,344,985						
Seven years later	3,162,831	1,479,411	2,108,319							
Eight years later	3,165,630	1,500,639								
Nine years later	3,170,012									
Cumulative incurred claims as of										
End of policy year	3,890,000	2,338,000	2,542,001	3,456,000	2,194,058	1,984,749	2,232,575	2,473,789	2,310,548	2,292,980
One year later	3,542,404	2,222,257	2,440,001	3,587,257	1,455,389	1,393,346	2,601,012	1,697,884	2,017,317	
Two years later	3,791,405	2,249,297	2,154,670	2,958,112	1,150,349	1,500,758	2,618,030	1,587,763		
Three years later	3,859,332	1,434,174	2,110,999	2,865,876	986,784	1,501,057	2,236,821			
Four years later	3,534,709	1,543,444	2,193,307	2,615,852	920,941	1,459,996				
Five years later	3,414,710	1,501,060	2,260,170	2,615,853	918,441					
Six years later	3,184,067	1,500,640	2,506,397	2,607,329						
Seven years later	3,162,831	1,500,640	2,439,517							
Eight years later	3,182,681	1,500,639								
Nine years later	3,194,552									
Increase (decrease) in cumulative incurred claims from end of policy year	<u>\$ (695,448)</u>	<u>\$ (837,361)</u>	<u>\$ (102,484)</u>	<u>\$ (848,671)</u>	<u>\$ (1,275,617)</u>	<u>\$ (524,753)</u>	<u>\$ 4,246</u>	<u>\$ (886,026)</u>	<u>\$ (293,231)</u>	<u>\$ -</u>

See Independent Auditor's Report.

Public Alliance Insurance Coverage Fund
Schedule of Changes in Claim Liabilities by Line of Coverage
Years Ended December 31, 2020 and 2019

	2020				
	<u>Total</u>	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Auto Liability</u>	<u>Property and Inland Marine</u>
Unpaid claim liabilities, beginning of year	\$ 4,388,169	\$ 2,641,924	\$ 1,353,281	\$ 338,348	\$ 54,616
Incurred claims					
Provision for insured events of current year	2,292,980	1,367,283	432,637	106,845	386,215
Increase (decrease) in provision for insured events of prior years	<u>(889,361)</u>	<u>(431,720)</u>	<u>(423,682)</u>	<u>(112,305)</u>	<u>78,346</u>
Increase (decrease) in incurred claims	<u>1,403,619</u>	<u>935,563</u>	<u>8,955</u>	<u>(5,460)</u>	<u>464,561</u>
Claim payments, net					
Payments on claims for insured events of current year	958,150	693,977	8,016	8,502	247,655
Payments - net on claims for insured events of prior years	<u>1,217,937</u>	<u>688,228</u>	<u>196,159</u>	<u>202,967</u>	<u>130,583</u>
Total payments	<u>2,176,087</u>	<u>1,382,205</u>	<u>204,175</u>	<u>211,469</u>	<u>378,238</u>
Unpaid liability, end of year	<u>\$ 3,615,701</u>	<u>\$ 2,195,282</u>	<u>\$ 1,158,061</u>	<u>\$ 121,419</u>	<u>\$ 140,939</u>
	2019				
	<u>Total</u>	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Auto Liability</u>	<u>Property and Inland Marine</u>
Unpaid claim liabilities, beginning of year	\$ 4,835,150	\$ 2,923,192	\$ 1,406,616	\$ 497,120	\$ 8,222
Incurred claims					
Provision for insured events of current year	2,310,548	1,392,659	671,072	107,979	138,838
Increase (decrease) in provision for insured events of prior years	<u>(553,470)</u>	<u>(597,097)</u>	<u>(170,203)</u>	<u>196,149</u>	<u>17,681</u>
Increase in incurred claims	<u>1,757,078</u>	<u>795,562</u>	<u>500,869</u>	<u>304,128</u>	<u>156,519</u>
Claim payments					
Payments on claims for insured events of current year	628,832	487,569	51,809	4,252	85,202
Payments - net on claims for insured events of prior years	<u>1,575,227</u>	<u>589,261</u>	<u>502,395</u>	<u>458,648</u>	<u>24,923</u>
Total payments	<u>2,204,059</u>	<u>1,076,830</u>	<u>554,204</u>	<u>462,900</u>	<u>110,125</u>
Unpaid liability, end of year	<u>\$ 4,388,169</u>	<u>\$ 2,641,924</u>	<u>\$ 1,353,281</u>	<u>\$ 338,348</u>	<u>\$ 54,616</u>

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
Combining Schedule of Net Income and Changes in Fund Surplus for
Fund Years 1997 through 2020
Year Ended December 31, 2020**

<u>Fund Year</u>	<u>Fund Surplus (Deficit) 1/1/2020</u>	<u>Net Income (Loss)</u>	<u>Less Surplus Returned to Members</u>	<u>Fund Surplus (Deficit) 12/31/2020</u>
1997	\$ -	\$ -	\$ -	\$ -
1998	-	-	-	-
1999	-	-	-	-
2000	-	-	-	-
2001	-	-	-	-
2002	919,486	29,586	-	949,072
2003	474,691	15,602	-	490,293
2004	1,182,431	37,858	-	1,220,289
2005	1,257,922	40,700	-	1,298,622
2006	750,263	24,010	-	774,273
2007	745,042	23,183	-	768,225
2008	100,836	3,232	-	104,068
2009	248,031	7,942	-	255,973
2010	600,244	18,922	-	619,166
2011	833,589	15,681	-	849,270
2012	1,862,670	60,945	-	1,923,615
2013	1,022,170	40,129	-	1,062,299
2014	918,979	47,278	-	966,257
2015	1,376,387	48,400	-	1,424,787
2016	830,580	81,823	-	912,403
2017	(151,160)	406,967	-	255,807
2018	724,451	159,995	-	884,446
2019	(18,349)	380,869	-	362,520
2020	-	(17,507)	-	(17,507)
	<u>\$ 13,678,263</u>	<u>\$ 1,425,615</u>	<u>\$ -</u>	<u>\$ 15,103,878</u>

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
 Combined Cumulative Results Analysis for
 Fund Years 1997 through 2020
 December 31, 2020**

Revenue	
Underwriting income - regular contributions	\$ 162,478,629
Expenses	
Claims	
Paid	44,488,557
Case reserves	2,455,731
IBNR reserves	1,159,969
Claims - net	<u>48,104,257</u>
Insurance and reinsurance premiums	65,164,966
Administrative expenses	<u>34,591,578</u>
	<u>99,756,544</u>
Total expenses	<u>147,860,801</u>
Operating income	<u>14,617,828</u>
Investment income	5,837,945
Other income	<u>27,734</u>
Total non-operating income	<u>5,865,679</u>
Net income	20,483,507
Less: Surplus returned to members	<u>(5,379,629)</u>
Fund surplus	<u>\$ 15,103,878</u>

See Independent Auditor's Report.

Public Alliance Insurance Coverage Fund
1997 Fund Year
Cumulative Operating Results Analysis
December 31, 2020

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Auto Liability</u> <u>and Physical</u> <u>Damage</u>	<u>Other</u> <u>Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income						
Regular contributions	\$ 1,521,777	\$ 889,276	\$ 835,591	\$ 589,019	\$ 1,357,754	\$ 5,193,417
Expenses						
Claims						
Paid	165,942	275,565	51,190	-	-	492,697
Case reserves	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-
Claims - net	<u>165,942</u>	<u>275,565</u>	<u>51,190</u>	<u>-</u>	<u>-</u>	<u>492,697</u>
Other						
Insurance and reinsurance premiums	1,350,502	492,427	561,579	588,994	-	2,993,502
Administrative	-	-	-	-	1,194,885	1,194,885
Total other expenses	<u>1,350,502</u>	<u>492,427</u>	<u>561,579</u>	<u>588,994</u>	<u>1,194,885</u>	<u>4,188,387</u>
Total expenses	<u>1,516,444</u>	<u>767,992</u>	<u>612,769</u>	<u>588,994</u>	<u>1,194,885</u>	<u>4,681,084</u>
Operating income	<u>5,333</u>	<u>121,284</u>	<u>222,822</u>	<u>25</u>	<u>162,869</u>	<u>512,333</u>
Other income (expense)						
Miscellaneous income	-	-	-	-	2,332	2,332
Transfers	(261)	(1,233)	(1,786)	(1)	(448)	(3,729)
Investment income	9,866	112,013	84,343	-	83,792	290,014
Total non-operating income (expense)	<u>9,605</u>	<u>110,780</u>	<u>82,557</u>	<u>(1)</u>	<u>85,676</u>	<u>288,617</u>
Net income	14,938	232,064	305,379	24	248,545	800,950
Less: Surplus returned to members	<u>(14,938)</u>	<u>(232,064)</u>	<u>(305,379)</u>	<u>(24)</u>	<u>(248,545)</u>	<u>(800,950)</u>
Fund surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Other coverages includes property and inland marine, boiler and machinery, police professional liability, public officials liability, school board legal liability, and crime and fidelity.

See Independent Auditor's Report.

Public Alliance Insurance Coverage Fund
1998 Fund Year
Cumulative Operating Results Analysis
December 31, 2020

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Auto Liability</u> <u>and Physical</u> <u>Damage</u>	<u>Other</u> <u>Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income						
Regular contributions	\$ 1,569,268	\$ 919,399	\$ 850,448	\$ 603,328	\$ 1,410,699	\$ 5,353,142
Expenses						
Claims						
Paid	212,512	44,807	47,769	-	-	305,088
Case reserves	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-
Claims - net	<u>212,512</u>	<u>44,807</u>	<u>47,769</u>	<u>-</u>	<u>-</u>	<u>305,088</u>
Other						
Insurance and reinsurance premiums	1,356,756	522,978	553,995	603,093	-	3,036,822
Administrative	-	-	-	-	1,137,664	1,137,664
Total other expenses	<u>1,356,756</u>	<u>522,978</u>	<u>553,995</u>	<u>603,093</u>	<u>1,137,664</u>	<u>4,174,486</u>
Total expenses	<u>1,569,268</u>	<u>567,785</u>	<u>601,764</u>	<u>603,093</u>	<u>1,137,664</u>	<u>4,479,574</u>
Operating income	<u>-</u>	<u>351,614</u>	<u>248,684</u>	<u>235</u>	<u>273,035</u>	<u>873,568</u>
Other income (expense)						
Miscellaneous income	-	-	-	-	210	210
Transfers	(18)	(1,367)	(2,242)	(6)	(883)	(4,516)
Investment income	<u>745</u>	<u>100,248</u>	<u>74,473</u>	<u>4</u>	<u>86,103</u>	<u>261,573</u>
Total non-operating income (expense)	<u>727</u>	<u>98,881</u>	<u>72,231</u>	<u>(2)</u>	<u>85,430</u>	<u>257,267</u>
Net income	727	450,495	320,915	233	358,465	1,130,835
Less: Surplus returned to members	<u>(727)</u>	<u>(450,495)</u>	<u>(320,915)</u>	<u>(233)</u>	<u>(358,465)</u>	<u>(1,130,835)</u>
Fund surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Other coverages includes property and inland marine, boiler and machinery, police professional liability, public officials liability, school board legal liability, and crime and fidelity.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
1999 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Auto Liability and Physical Damage</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income						
Regular contributions	\$ 2,010,552	\$ 963,934	\$ 819,676	\$ 644,797	\$ 1,457,272	\$ 5,896,231
Expenses						
Claims						
Paid	337,844	364,246	49,390	-	-	751,480
Case reserves	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-
Claims - net	<u>337,844</u>	<u>364,246</u>	<u>49,390</u>	<u>-</u>	<u>-</u>	<u>751,480</u>
Other						
Insurance and reinsurance premiums	1,672,708	544,699	518,274	639,797	-	3,375,478
Administrative	-	-	-	-	1,341,190	1,341,190
Total other expenses	<u>1,672,708</u>	<u>544,699</u>	<u>518,274</u>	<u>639,797</u>	<u>1,341,190</u>	<u>4,716,668</u>
Total expenses	<u>2,010,552</u>	<u>908,945</u>	<u>567,664</u>	<u>639,797</u>	<u>1,341,190</u>	<u>5,468,148</u>
Operating income	<u>-</u>	<u>54,989</u>	<u>252,012</u>	<u>5,000</u>	<u>116,082</u>	<u>428,083</u>
Other income (expense)						
Miscellaneous income	-	-	-	-	4,422	4,422
Transfers	(92)	3,237	(11,179)	(586)	(1,131)	(9,751)
Investment income	414	87,436	69,264	1,625	49,004	207,743
Total non-operating income	<u>322</u>	<u>90,673</u>	<u>58,085</u>	<u>1,039</u>	<u>52,295</u>	<u>202,414</u>
Net income	322	145,662	310,097	6,039	168,377	630,497
Less: Surplus returned to members	<u>(322)</u>	<u>(145,662)</u>	<u>(310,097)</u>	<u>(6,039)</u>	<u>(168,377)</u>	<u>(630,497)</u>
Fund surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Other coverages includes property and inland marine, police professional liability, public officials liability, school board legal liability, and crime and fidelity. Property includes boiler and machinery.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2000 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Auto Liability and Physical Damage</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income						
Regular contributions	\$ 1,962,268	\$ 822,831	\$ 736,839	\$ 625,178	\$ 1,373,736	\$ 5,520,852
Expenses						
Claims						
Paid	345,851	251,860	132,912	-	-	730,623
Case reserves	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-
Claims - net	<u>345,851</u>	<u>251,860</u>	<u>132,912</u>	<u>-</u>	<u>-</u>	<u>730,623</u>
Other						
Insurance and reinsurance premiums	1,616,417	478,673	493,911	625,178	-	3,214,179
Administrative	-	-	-	-	1,243,649	1,243,649
Total other expenses	<u>1,616,417</u>	<u>478,673</u>	<u>493,911</u>	<u>625,178</u>	<u>1,243,649</u>	<u>4,457,828</u>
Total expenses	<u>1,962,268</u>	<u>730,533</u>	<u>626,823</u>	<u>625,178</u>	<u>1,243,649</u>	<u>5,188,451</u>
Operating income	<u>-</u>	<u>92,298</u>	<u>110,016</u>	<u>-</u>	<u>130,087</u>	<u>332,401</u>
Other income (expense)						
Miscellaneous income	-	-	-	-	7,036	7,036
Transfers	(184)	(3,941)	(2,469)	-	(327)	(6,921)
Investment income	747	67,859	42,911	-	45,205	156,722
Total non-operating income	<u>563</u>	<u>63,918</u>	<u>40,442</u>	<u>-</u>	<u>51,914</u>	<u>156,837</u>
Net income	563	156,216	150,458	-	182,001	489,238
Less: Surplus returned to members	<u>(563)</u>	<u>(156,216)</u>	<u>(150,458)</u>	<u>-</u>	<u>(182,001)</u>	<u>(489,238)</u>
Fund surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Other coverages includes property and inland marine, police professional liability, public officials liability, and crime and fidelity. Property includes boiler and machinery.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2001 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Auto Liability and Physical Damage</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income						
Regular contributions	\$ 2,127,011	\$ 840,125	\$ 707,069	\$ 819,787	\$ 1,483,094	\$ 5,977,086
Expenses						
Claims						
Paid	350,059	142,457	86,342	-	-	578,858
Case reserves	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-
Claims - net	<u>350,059</u>	<u>142,457</u>	<u>86,342</u>	<u>-</u>	<u>-</u>	<u>578,858</u>
Other						
Insurance and reinsurance premiums	1,776,952	515,733	495,052	819,787	-	3,607,524
Administrative	-	-	-	-	1,367,210	1,367,210
Total other expenses	<u>1,776,952</u>	<u>515,733</u>	<u>495,052</u>	<u>819,787</u>	<u>1,367,210</u>	<u>4,974,734</u>
Total expenses	<u>2,127,011</u>	<u>658,190</u>	<u>581,394</u>	<u>819,787</u>	<u>1,367,210</u>	<u>5,553,592</u>
Operating income	<u>-</u>	<u>181,935</u>	<u>125,675</u>	<u>-</u>	<u>115,884</u>	<u>423,494</u>
Other income (expense)						
Miscellaneous income	-	-	-	-	1,705	1,705
Transfers	(35)	(33,744)	(35,496)	-	(3,535)	(72,810)
Investment income	<u>76</u>	<u>72,322</u>	<u>40,477</u>	<u>-</u>	<u>22,038</u>	<u>134,913</u>
Total non-operating income	<u>41</u>	<u>38,578</u>	<u>4,981</u>	<u>-</u>	<u>20,208</u>	<u>63,808</u>
Net income	41	220,513	130,656	-	136,092	487,302
Less: Surplus returned to members	<u>(41)</u>	<u>(220,513)</u>	<u>(130,656)</u>	<u>-</u>	<u>(136,092)</u>	<u>(487,302)</u>
Fund surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Other coverages includes property and inland marine, police professional liability, public officials liability, and crime and fidelity. Property includes boiler and machinery.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2002 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 3,674,892	\$ 746,031	\$ 802,828	\$ 553,379	\$ 584,842	\$ 1,713,171	\$ 8,075,143
Expenses							
Claims							
Paid	1,992,253	168,674	271,644	67,510	-	-	2,500,081
Case reserves	-	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>1,992,253</u>	<u>168,674</u>	<u>271,644</u>	<u>67,510</u>	<u>-</u>	<u>-</u>	<u>2,500,081</u>
Other							
Insurance and reinsurance premiums	636,957	396,263	618,082	289,729	579,968	-	2,520,999
Administrative	-	-	-	-	-	1,619,687	1,619,687
Total other expenses	<u>636,957</u>	<u>396,263</u>	<u>618,082</u>	<u>289,729</u>	<u>579,968</u>	<u>1,619,687</u>	<u>4,140,686</u>
Total expenses	<u>2,629,210</u>	<u>564,937</u>	<u>889,726</u>	<u>357,239</u>	<u>579,968</u>	<u>1,619,687</u>	<u>6,640,767</u>
Operating income (loss)	<u>1,045,682</u>	<u>181,094</u>	<u>(86,898)</u>	<u>196,140</u>	<u>4,874</u>	<u>93,484</u>	<u>1,434,376</u>
Other income (expense)							
Miscellaneous income	-	-	-	-	-	854	854
Transfers	-	(97,954)	100,574	(41,081)	(4,164)	(13,878)	(56,503)
Investment income (loss)	<u>421,748</u>	<u>40,755</u>	<u>(13,648)</u>	<u>32,063</u>	<u>1,562</u>	<u>16,362</u>	<u>498,842</u>
Total non-operating income (expense)	<u>421,748</u>	<u>(57,199)</u>	<u>86,926</u>	<u>(9,018)</u>	<u>(2,602)</u>	<u>3,338</u>	<u>443,193</u>
Net income	1,467,430	123,895	28	187,122	2,272	96,822	1,877,569
Less: Surplus returned to members	<u>(525,000)</u>	<u>(117,254)</u>	<u>(27)</u>	<u>(187,122)</u>	<u>(2,272)</u>	<u>(96,822)</u>	<u>(928,497)</u>
Fund surplus	<u>\$ 942,430</u>	<u>\$ 6,641</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 949,072</u>

Note: Other coverages includes police professional liability, public officials liability, and crime and fidelity. Property includes inland marine, boiler and machinery, and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2003 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 1,679,264	\$ 531,274	\$ 629,291	\$ 527,024	\$ 1,090,049	\$ 1,332,517	\$ 5,789,419
Expenses							
Claims							
Paid	1,160,004	323,291	207,886	43,366	-	-	1,734,547
Case reserves	12,435	-	-	-	-	-	12,435
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>1,172,439</u>	<u>323,291</u>	<u>207,886</u>	<u>43,366</u>	<u>-</u>	<u>-</u>	<u>1,746,982</u>
Other							
Insurance and reinsurance premiums	172,889	266,966	553,935	260,768	1,009,862	-	2,264,420
Administrative	-	-	-	-	-	1,274,587	1,274,587
Total other expenses	<u>172,889</u>	<u>266,966</u>	<u>553,935</u>	<u>260,768</u>	<u>1,009,862</u>	<u>1,274,587</u>	<u>3,539,007</u>
Total expenses	<u>1,345,328</u>	<u>590,257</u>	<u>761,821</u>	<u>304,134</u>	<u>1,009,862</u>	<u>1,274,587</u>	<u>5,285,989</u>
Operating income (loss)	<u>333,936</u>	<u>(58,983)</u>	<u>(132,530)</u>	<u>222,890</u>	<u>80,187</u>	<u>57,930</u>	<u>503,430</u>
Other income (expense)							
Miscellaneous income	-	-	-	-	-	1,289	1,289
Transfers	-	125,975	155,830	(175,000)	(85,000)	(35,770)	(13,965)
Investment income (loss)	<u>180,889</u>	<u>33,366</u>	<u>(21,980)</u>	<u>43,890</u>	<u>23,023</u>	<u>16,384</u>	<u>275,572</u>
Total non-operating income (expense)	<u>180,889</u>	<u>159,341</u>	<u>133,850</u>	<u>(131,110)</u>	<u>(61,977)</u>	<u>(18,097)</u>	<u>262,896</u>
Net income	514,825	100,358	1,320	91,780	18,210	39,833	766,326
Less: Surplus returned to members	<u>(150,000)</u>	<u>(38,535)</u>	<u>-</u>	<u>(62,500)</u>	<u>-</u>	<u>(24,998)</u>	<u>(276,033)</u>
Fund surplus	<u>\$ 364,825</u>	<u>\$ 61,823</u>	<u>\$ 1,320</u>	<u>\$ 29,280</u>	<u>\$ 18,210</u>	<u>\$ 14,835</u>	<u>\$ 490,293</u>

Note: Other coverages includes environmental impairment liability, police professional liability and public officials liability. Property includes inland marine, boiler and machinery, and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2004 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 2,171,205	\$ 1,157,217	\$ 685,703	\$ 491,310	\$ 526,452	\$ 1,595,839	\$ 6,627,726
Expenses							
Claims							
Paid	1,215,127	612,260	264,817	47,939	-	-	2,140,143
Case reserves	-	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>1,215,127</u>	<u>612,260</u>	<u>264,817</u>	<u>47,939</u>	<u>-</u>	<u>-</u>	<u>2,140,143</u>
Other							
Insurance and reinsurance premiums	388,751	514,284	442,954	332,162	475,106	-	2,153,257
Administrative	-	-	-	-	-	1,460,692	1,460,692
Total other expenses	<u>388,751</u>	<u>514,284</u>	<u>442,954</u>	<u>332,162</u>	<u>475,106</u>	<u>1,460,692</u>	<u>3,613,949</u>
Total expenses	<u>1,603,878</u>	<u>1,126,544</u>	<u>707,771</u>	<u>380,101</u>	<u>475,106</u>	<u>1,460,692</u>	<u>5,754,092</u>
Operating income (loss)	<u>567,327</u>	<u>30,673</u>	<u>(22,068)</u>	<u>111,209</u>	<u>51,346</u>	<u>135,147</u>	<u>873,634</u>
Other income (expense)							
Miscellaneous income	-	-	-	-	-	1,508	1,508
Transfers	(137,600)	74,265	28,350	-	-	-	(34,985)
Investment income	<u>275,533</u>	<u>109,576</u>	<u>350</u>	<u>51,304</u>	<u>25,292</u>	<u>53,092</u>	<u>515,147</u>
Total non-operating income	<u>137,933</u>	<u>183,841</u>	<u>28,700</u>	<u>51,304</u>	<u>25,292</u>	<u>54,600</u>	<u>481,670</u>
Net income	705,260	214,514	6,632	162,513	76,638	189,747	1,355,304
Less: Surplus returned to members	<u>(25,000)</u>	<u>(65,015)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,000)</u>	<u>(135,015)</u>
Fund surplus	<u>\$ 680,260</u>	<u>\$ 149,499</u>	<u>\$ 6,632</u>	<u>\$ 162,513</u>	<u>\$ 76,638</u>	<u>\$ 144,747</u>	<u>\$ 1,220,289</u>

Note: Other coverages includes employment practices liability, public officials liability and environmental impairment liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2005 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 2,368,816	\$ 1,152,437	\$ 704,183	\$ 512,726	\$ 545,552	\$ 1,715,264	\$ 6,998,978
Expenses							
Claims							
Paid	1,149,626	578,144	190,766	386,422	-	-	2,304,958
Case reserves	13,105	-	-	-	-	-	13,105
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>1,162,731</u>	<u>578,144</u>	<u>190,766</u>	<u>386,422</u>	<u>-</u>	<u>-</u>	<u>2,318,063</u>
Other							
Insurance and reinsurance premiums	406,132	555,552	442,487	370,368	545,552	-	2,320,091
Administrative	-	-	-	-	-	1,560,130	1,560,130
Total other expenses	<u>406,132</u>	<u>555,552</u>	<u>442,487</u>	<u>370,368</u>	<u>545,552</u>	<u>1,560,130</u>	<u>3,880,221</u>
Total expenses	<u>1,568,863</u>	<u>1,133,696</u>	<u>633,253</u>	<u>756,790</u>	<u>545,552</u>	<u>1,560,130</u>	<u>6,198,284</u>
Operating income (loss)	<u>799,953</u>	<u>18,741</u>	<u>70,930</u>	<u>(244,064)</u>	<u>-</u>	<u>155,134</u>	<u>800,694</u>
Other income (expense)							
Miscellaneous income	-	-	-	-	-	577	577
Transfers	(31,590)	(108,187)	(65,000)	256,285	-	(50,000)	1,508
Investment income	375,440	89,447	18,427	29,579	5,798	58,660	577,351
Total non-operating income (expense)	<u>343,850</u>	<u>(18,740)</u>	<u>(46,573)</u>	<u>285,864</u>	<u>5,798</u>	<u>9,237</u>	<u>579,436</u>
Net income	1,143,803	1	24,357	41,800	5,798	164,371	1,380,130
Less: Surplus returned to members	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>(31,508)</u>	<u>-</u>	<u>(25,000)</u>	<u>(81,508)</u>
Fund surplus	<u>\$ 1,118,803</u>	<u>\$ 1</u>	<u>\$ 24,357</u>	<u>\$ 10,292</u>	<u>\$ 5,798</u>	<u>\$ 139,371</u>	<u>\$ 1,298,622</u>

Note: Other coverages includes employment practices liability, public officials liability and environmental impairment liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2006 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 2,273,703	\$ 1,116,255	\$ 683,182	\$ 507,494	\$ 703,117	\$ 1,700,507	\$ 6,984,258
Expenses							
Claims							
Paid	1,252,577	965,207	330,719	86,026	-	-	2,634,529
Case reserves	-	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>1,252,577</u>	<u>965,207</u>	<u>330,719</u>	<u>86,026</u>	<u>-</u>	<u>-</u>	<u>2,634,529</u>
Other							
Insurance and reinsurance premiums	411,270	549,357	427,420	361,708	679,954	-	2,429,709
Administrative	-	-	-	-	-	1,577,277	1,577,277
Total other expenses	<u>411,270</u>	<u>549,357</u>	<u>427,420</u>	<u>361,708</u>	<u>679,954</u>	<u>1,577,277</u>	<u>4,006,986</u>
Total expenses	<u>1,663,847</u>	<u>1,514,564</u>	<u>758,139</u>	<u>447,734</u>	<u>679,954</u>	<u>1,577,277</u>	<u>6,641,515</u>
Operating income (loss)	<u>609,856</u>	<u>(398,309)</u>	<u>(74,957)</u>	<u>59,760</u>	<u>23,163</u>	<u>123,230</u>	<u>342,743</u>
Other income (expense)							
Miscellaneous income	-	-	-	-	-	976	976
Transfers	(111,810)	328,392	78,744	(79,986)	(32,169)	(121,548)	61,623
Investment income (loss)	294,596	67,942	(3,787)	21,747	12,011	38,044	430,553
Total non-operating income (expense)	<u>182,786</u>	<u>396,334</u>	<u>74,957</u>	<u>(58,239)</u>	<u>(20,158)</u>	<u>(82,528)</u>	<u>493,152</u>
Net income (loss)	792,642	(1,975)	-	1,521	3,005	40,702	835,895
Less: Surplus returned to members	<u>(18,369)</u>	<u>1,975</u>	<u>-</u>	<u>(1,521)</u>	<u>(3,005)</u>	<u>(40,702)</u>	<u>(61,622)</u>
Fund surplus	<u>\$ 774,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 774,273</u>

Note: Other coverages includes employment practices liability, public officials liability and environmental impairment liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2007 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 2,472,432	\$ 1,247,687	\$ 774,885	\$ 523,107	\$ 741,247	\$ 1,813,508	\$ 7,572,866
Expenses							
Claims							
Paid	1,192,244	1,205,765	225,024	226,053	-	-	2,849,086
Case reserves	-	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>1,192,244</u>	<u>1,205,765</u>	<u>225,024</u>	<u>226,053</u>	<u>-</u>	<u>-</u>	<u>2,849,086</u>
Other							
Insurance and reinsurance premiums	523,296	570,056	457,361	380,038	729,226	-	2,659,977
Administrative	-	-	-	-	-	1,658,242	1,658,242
Total other expenses	<u>523,296</u>	<u>570,056</u>	<u>457,361</u>	<u>380,038</u>	<u>729,226</u>	<u>1,658,242</u>	<u>4,318,219</u>
Total expenses	<u>1,715,540</u>	<u>1,775,821</u>	<u>682,385</u>	<u>606,091</u>	<u>729,226</u>	<u>1,658,242</u>	<u>7,167,305</u>
Operating income (loss)	<u>756,892</u>	<u>(528,134)</u>	<u>92,500</u>	<u>(82,984)</u>	<u>12,021</u>	<u>155,266</u>	<u>405,561</u>
Other income (expense)							
Miscellaneous income	-	-	-	-	-	1,063	1,063
Transfers	(203,385)	452,503	(110,502)	73,718	(19,440)	(125,219)	67,675
Investment income	248,705	53,476	21,251	9,266	9,071	34,831	376,600
Total non-operating income (expense)	<u>45,320</u>	<u>505,979</u>	<u>(89,251)</u>	<u>82,984</u>	<u>(10,369)</u>	<u>(89,325)</u>	<u>445,338</u>
Net income (loss)	802,212	(22,155)	3,249	-	1,652	65,941	850,899
Less: Surplus returned to members	<u>(34,241)</u>	<u>22,409</u>	<u>(3,249)</u>	<u>-</u>	<u>(1,652)</u>	<u>(65,941)</u>	<u>(82,674)</u>
Fund surplus	\$ <u>767,971</u>	\$ <u>254</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>768,225</u>

Note: Other coverages includes employment practices liability, public officials liability and environmental impairment liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2008 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 2,934,543	\$ 1,214,015	\$ 917,660	\$ 796,610	\$ 860,129	\$ 1,955,327	\$ 8,678,284
Expenses							
Claims							
Paid	2,254,724	1,191,923	478,259	313,073	-	-	4,237,979
Case reserves	-	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>2,254,724</u>	<u>1,191,923</u>	<u>478,259</u>	<u>313,073</u>	<u>-</u>	<u>-</u>	<u>4,237,979</u>
Other							
Insurance and reinsurance premiums	653,395	624,862	491,311	419,703	825,097	-	3,014,368
Administrative	-	-	-	-	-	1,785,205	1,785,205
Total other expenses	<u>653,395</u>	<u>624,862</u>	<u>491,311</u>	<u>419,703</u>	<u>825,097</u>	<u>1,785,205</u>	<u>4,799,573</u>
Total expenses	<u>2,908,119</u>	<u>1,816,785</u>	<u>969,570</u>	<u>732,776</u>	<u>825,097</u>	<u>1,785,205</u>	<u>9,037,552</u>
Operating income (loss)	<u>26,424</u>	<u>(602,770)</u>	<u>(51,910)</u>	<u>63,834</u>	<u>35,032</u>	<u>170,122</u>	<u>(359,268)</u>
Other income (expense)							
Miscellaneous income	-	-	-	-	-	3,370	3,370
Transfers	(6)	584,529	51,594	(96,962)	(40,982)	(191,878)	306,295
Investment income	<u>77,650</u>	<u>18,241</u>	<u>316</u>	<u>33,128</u>	<u>6,236</u>	<u>25,473</u>	<u>161,044</u>
Total non-operating income (expense)	<u>77,644</u>	<u>602,770</u>	<u>51,910</u>	<u>(63,834)</u>	<u>(34,746)</u>	<u>(163,035)</u>	<u>470,709</u>
Net income	104,068	-	-	-	286	7,087	111,441
Less: Surplus returned to members	-	-	-	-	(286)	(7,087)	(7,373)
Fund surplus	<u>\$ 104,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,068</u>

Note: Other coverages includes employment practices liability, public officials liability and environmental impairment liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2009 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 2,533,487	\$ 1,471,480	\$ 729,372	\$ 718,715	\$ 936,772	\$ 1,949,124	\$ 8,338,950
Expenses							
Claims							
Paid	1,859,203	928,775	290,549	245,244	-	-	3,323,771
Case reserves	-	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>1,859,203</u>	<u>928,775</u>	<u>290,549</u>	<u>245,244</u>	<u>-</u>	<u>-</u>	<u>3,323,771</u>
Other							
Insurance and reinsurance premiums	614,862	702,207	365,892	468,138	888,641	-	3,039,740
Administrative	-	-	-	-	-	1,881,027	1,881,027
Total other expenses	<u>614,862</u>	<u>702,207</u>	<u>365,892</u>	<u>468,138</u>	<u>888,641</u>	<u>1,881,027</u>	<u>4,920,767</u>
Total expenses	<u>2,474,065</u>	<u>1,630,982</u>	<u>656,441</u>	<u>713,382</u>	<u>888,641</u>	<u>1,881,027</u>	<u>8,244,538</u>
Operating income (loss)	<u>59,422</u>	<u>(159,502)</u>	<u>72,931</u>	<u>5,333</u>	<u>48,131</u>	<u>68,097</u>	<u>94,412</u>
Other income (expense)							
Miscellaneous income	-	-	-	-	-	785	785
Transfers	-	113,404	(80,262)	(7,191)	(10,937)	-	15,014
Investment income	<u>67,018</u>	<u>48,675</u>	<u>10,931</u>	<u>5,285</u>	<u>15,772</u>	<u>13,098</u>	<u>160,779</u>
Total non-operating income (expense)	<u>67,018</u>	<u>162,079</u>	<u>(69,331)</u>	<u>(1,906)</u>	<u>4,835</u>	<u>13,883</u>	<u>176,578</u>
Net income	126,440	2,577	3,600	3,427	52,966	81,980	270,990
Less: Surplus returned to members	-	-	(3,600)	(3,427)	(7,990)	-	(15,017)
Fund surplus	<u>\$ 126,440</u>	<u>\$ 2,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,976</u>	<u>\$ 81,980</u>	<u>\$ 255,973</u>

Note: Other coverages includes employment practices liability, public officials liability and environmental impairment liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2010 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 2,744,418	\$ 1,600,376	\$ 863,139	\$ 724,500	\$ 1,154,252	\$ 2,072,489	\$ 9,159,174
Expenses							
Claims							
Paid	1,983,547	823,790	338,900	33,961	-	-	3,180,198
Case reserves	59,324	-	-	-	-	-	59,324
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>2,042,871</u>	<u>823,790</u>	<u>338,900</u>	<u>33,961</u>	<u>-</u>	<u>-</u>	<u>3,239,522</u>
Other							
Insurance and reinsurance premiums	547,831	725,154	354,884	483,436	1,076,635	-	3,187,940
Administrative	-	-	-	-	-	1,959,874	1,959,874
Total other expenses	<u>547,831</u>	<u>725,154</u>	<u>354,884</u>	<u>483,436</u>	<u>1,076,635</u>	<u>1,959,874</u>	<u>5,147,814</u>
Total expenses	<u>2,590,702</u>	<u>1,548,944</u>	<u>693,784</u>	<u>517,397</u>	<u>1,076,635</u>	<u>1,959,874</u>	<u>8,387,336</u>
Operating income	<u>153,716</u>	<u>51,432</u>	<u>169,355</u>	<u>207,103</u>	<u>77,617</u>	<u>112,615</u>	<u>771,838</u>
Other income (expense)							
Miscellaneous income	-	-	-	-	-	811	811
Transfers	-	(34,767)	(122,989)	(91,180)	-	-	(248,936)
Investment income	<u>135,366</u>	<u>89,704</u>	<u>30,183</u>	<u>32,087</u>	<u>35,754</u>	<u>25,427</u>	<u>348,521</u>
Total non-operating income (expense)	<u>135,366</u>	<u>54,937</u>	<u>(92,806)</u>	<u>(59,093)</u>	<u>35,754</u>	<u>26,238</u>	<u>100,396</u>
Net income	289,082	106,369	76,549	148,010	113,371	138,853	872,234
Less: Surplus returned to members	-	(41,907)	(63,151)	(148,010)	-	-	(253,068)
Fund surplus	<u>\$ 289,082</u>	<u>\$ 64,462</u>	<u>\$ 13,398</u>	<u>\$ -</u>	<u>\$ 113,371</u>	<u>\$ 138,853</u>	<u>\$ 619,166</u>

Note: Other coverages includes employment practices liability, public officials liability and environmental impairment liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2011 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 2,659,562	\$ 1,779,088	\$ 685,771	\$ 741,096	\$ 1,145,011	\$ 2,028,173	\$ 9,038,701
Expenses							
Claims							
Paid	1,356,346	1,099,691	403,597	310,378	-	-	3,170,012
Case reserves	24,540	-	-	-	-	-	24,540
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>1,380,886</u>	<u>1,099,691</u>	<u>403,597</u>	<u>310,378</u>	<u>-</u>	<u>-</u>	<u>3,194,552</u>
Other							
Insurance and reinsurance premiums	546,753	754,077	373,167	498,384	1,114,564	-	3,286,945
Administrative	-	-	-	-	-	1,926,320	1,926,320
Total other expenses	<u>546,753</u>	<u>754,077</u>	<u>373,167</u>	<u>498,384</u>	<u>1,114,564</u>	<u>1,926,320</u>	<u>5,213,265</u>
Total expenses	<u>1,927,639</u>	<u>1,853,768</u>	<u>776,764</u>	<u>808,762</u>	<u>1,114,564</u>	<u>1,926,320</u>	<u>8,407,817</u>
Operating income (loss)	<u>731,923</u>	<u>(74,680)</u>	<u>(90,993)</u>	<u>(67,666)</u>	<u>30,447</u>	<u>101,853</u>	<u>630,884</u>
Other income							
Miscellaneous income	-	-	-	-	-	682	682
Investment income	<u>136,853</u>	<u>43,952</u>	<u>3,652</u>	<u>8,591</u>	<u>5,007</u>	<u>19,649</u>	<u>217,704</u>
Total non-operating income	<u>136,853</u>	<u>43,952</u>	<u>3,652</u>	<u>8,591</u>	<u>5,007</u>	<u>20,331</u>	<u>218,386</u>
Net income (loss)	<u>868,776</u>	<u>(30,728)</u>	<u>(87,341)</u>	<u>(59,075)</u>	<u>35,454</u>	<u>122,184</u>	<u>849,270</u>
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ 868,776</u>	<u>\$ (30,728)</u>	<u>\$ (87,341)</u>	<u>\$ (59,075)</u>	<u>\$ 35,454</u>	<u>\$ 122,184</u>	<u>\$ 849,270</u>

Note: Other coverages includes employment practices liability, public officials liability and environmental impairment liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2012 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 2,375,408	\$ 1,182,873	\$ 571,086	\$ 468,361	\$ 769,465	\$ 1,377,917	\$ 6,745,110
Expenses							
Claims							
Paid	822,194	192,877	219,297	266,271	-	-	1,500,639
Case reserves	-	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>822,194</u>	<u>192,877</u>	<u>219,297</u>	<u>266,271</u>	<u>-</u>	<u>-</u>	<u>1,500,639</u>
Other							
Insurance and reinsurance premiums	465,431	432,869	273,066	288,579	755,058	-	2,215,003
Administrative	-	-	-	-	-	1,310,445	1,310,445
Total other expenses	<u>465,431</u>	<u>432,869</u>	<u>273,066</u>	<u>288,579</u>	<u>755,058</u>	<u>1,310,445</u>	<u>3,525,448</u>
Total expenses	<u>1,287,625</u>	<u>625,746</u>	<u>492,363</u>	<u>554,850</u>	<u>755,058</u>	<u>1,310,445</u>	<u>5,026,087</u>
Operating income (loss)	<u>1,087,783</u>	<u>557,127</u>	<u>78,723</u>	<u>(86,489)</u>	<u>14,407</u>	<u>67,472</u>	<u>1,719,023</u>
Other income							
Miscellaneous income	-	-	-	-	-	1	1
Investment income	124,117	60,341	8,141	1,111	1,597	9,284	204,591
Total non-operating income	<u>124,117</u>	<u>60,341</u>	<u>8,141</u>	<u>1,111</u>	<u>1,597</u>	<u>9,285</u>	<u>204,592</u>
Net income (loss)	1,211,900	617,468	86,864	(85,378)	16,004	76,757	1,923,615
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ 1,211,900</u>	<u>\$ 617,468</u>	<u>\$ 86,864</u>	<u>\$ (85,378)</u>	<u>\$ 16,004</u>	<u>\$ 76,757</u>	<u>\$ 1,923,615</u>

Note: Other coverages includes employment practices liability, public officials liability and environmental impairment liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2013 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 2,328,720	\$ 1,321,321	\$ 629,932	\$ 461,998	\$ 828,437	\$ 1,391,228	\$ 6,961,636
Expenses							
Claims							
Paid	1,439,017	484,679	173,682	10,941	-	-	2,108,319
Case reserves	331,198	-	-	-	-	-	331,198
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>1,770,215</u>	<u>484,679</u>	<u>173,682</u>	<u>10,941</u>	<u>-</u>	<u>-</u>	<u>2,439,517</u>
Other							
Insurance and reinsurance premiums	390,499	443,591	319,232	285,894	876,666	-	2,315,882
Administrative	-	-	-	-	-	1,330,176	1,330,176
Total other expenses	<u>390,499</u>	<u>443,591</u>	<u>319,232</u>	<u>285,894</u>	<u>876,666</u>	<u>1,330,176</u>	<u>3,646,058</u>
Total expenses	<u>2,160,714</u>	<u>928,270</u>	<u>492,914</u>	<u>296,835</u>	<u>876,666</u>	<u>1,330,176</u>	<u>6,085,575</u>
Operating income (loss)	<u>168,006</u>	<u>393,051</u>	<u>137,018</u>	<u>165,163</u>	<u>(48,229)</u>	<u>61,052</u>	<u>876,061</u>
Other income							
Miscellaneous income	-	-	-	-	-	115	115
Investment income	<u>78,477</u>	<u>63,329</u>	<u>14,140</u>	<u>18,250</u>	<u>3,096</u>	<u>8,831</u>	<u>186,123</u>
Total non-operating income	<u>78,477</u>	<u>63,329</u>	<u>14,140</u>	<u>18,250</u>	<u>3,096</u>	<u>8,946</u>	<u>186,238</u>
Net income (loss)	246,483	456,380	151,158	183,413	(45,133)	69,998	1,062,299
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ 246,483</u>	<u>\$ 456,380</u>	<u>\$ 151,158</u>	<u>\$ 183,413</u>	<u>\$ (45,133)</u>	<u>\$ 69,998</u>	<u>\$ 1,062,299</u>

Note: Other coverages includes employment practices liability, public officials liability and environmental impairment liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2014 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 2,308,197	\$ 1,323,128	\$ 736,562	\$ 461,893	\$ 1,001,539	\$ 1,431,717	\$ 7,263,036
Expenses							
Claims							
Paid	1,869,334	219,539	219,869	36,243	-	-	2,344,985
Case reserves	262,344	-	-	-	-	-	262,344
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>2,131,678</u>	<u>219,539</u>	<u>219,869</u>	<u>36,243</u>	<u>-</u>	<u>-</u>	<u>2,607,329</u>
Other							
Insurance and reinsurance premiums	392,091	470,410	377,324	274,979	981,036	-	2,495,840
Administrative	-	-	-	-	-	1,351,404	1,351,404
Total other expenses	<u>392,091</u>	<u>470,410</u>	<u>377,324</u>	<u>274,979</u>	<u>981,036</u>	<u>1,351,404</u>	<u>3,847,244</u>
Total expenses	<u>2,523,769</u>	<u>689,949</u>	<u>597,193</u>	<u>311,222</u>	<u>981,036</u>	<u>1,351,404</u>	<u>6,454,573</u>
Operating income (loss)	<u>(215,572)</u>	<u>633,179</u>	<u>139,369</u>	<u>150,671</u>	<u>20,503</u>	<u>80,313</u>	<u>808,463</u>
Other income (expense)							
Miscellaneous expense	-	-	-	-	-	(1)	(1)
Investment income	26,109	81,641	16,659	18,509	2,484	12,393	157,795
Total non-operating income	<u>26,109</u>	<u>81,641</u>	<u>16,659</u>	<u>18,509</u>	<u>2,484</u>	<u>12,392</u>	<u>157,794</u>
Net income (loss)	<u>(189,463)</u>	<u>714,820</u>	<u>156,028</u>	<u>169,180</u>	<u>22,987</u>	<u>92,705</u>	<u>966,257</u>
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ (189,463)</u>	<u>\$ 714,820</u>	<u>\$ 156,028</u>	<u>\$ 169,180</u>	<u>\$ 22,987</u>	<u>\$ 92,705</u>	<u>\$ 966,257</u>

Note: Other coverages includes employment practices liability, public officials liability, environmental impairment liability and cyber liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2015 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 1,513,576	\$ 972,401	\$ 623,759	\$ 399,695	\$ 1,049,728	\$ 1,245,312	\$ 5,804,471
Expenses							
Claims							
Paid	517,347	121,577	133,389	111,354	-	-	883,667
Case reserves	34,774	-	-	-	-	-	34,774
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>552,121</u>	<u>121,577</u>	<u>133,389</u>	<u>111,354</u>	<u>-</u>	<u>-</u>	<u>918,441</u>
Other							
Insurance and reinsurance premiums	336,154	439,962	370,708	293,308	1,004,246	-	2,444,378
Administrative	-	-	-	-	-	1,163,702	1,163,702
Total other expenses	<u>336,154</u>	<u>439,962</u>	<u>370,708</u>	<u>293,308</u>	<u>1,004,246</u>	<u>1,163,702</u>	<u>3,608,080</u>
Total expenses	<u>888,275</u>	<u>561,539</u>	<u>504,097</u>	<u>404,662</u>	<u>1,004,246</u>	<u>1,163,702</u>	<u>4,526,521</u>
Operating income (loss)	<u>625,301</u>	<u>410,862</u>	<u>119,662</u>	<u>(4,967)</u>	<u>45,482</u>	<u>81,610</u>	<u>1,277,950</u>
Other income							
Miscellaneous income	-	-	-	-	-	5	5
Investment income	<u>70,049</u>	<u>46,395</u>	<u>12,571</u>	<u>2,367</u>	<u>7,604</u>	<u>7,846</u>	<u>146,832</u>
Total non-operating income	<u>70,049</u>	<u>46,395</u>	<u>12,571</u>	<u>2,367</u>	<u>7,604</u>	<u>7,851</u>	<u>146,837</u>
Net income (loss)	<u>695,350</u>	<u>457,257</u>	<u>132,233</u>	<u>(2,600)</u>	<u>53,086</u>	<u>89,461</u>	<u>1,424,787</u>
Less: Surplus returned to members	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund surplus (deficit)	<u>\$ 695,350</u>	<u>\$ 457,257</u>	<u>\$ 132,233</u>	<u>\$ (2,600)</u>	<u>\$ 53,086</u>	<u>\$ 89,461</u>	<u>\$ 1,424,787</u>

Note: Other coverages includes employment practices liability, public officials liability, environmental impairment liability and cyber liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2016 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 1,574,098	\$ 1,018,001	\$ 639,959	\$ 417,547	\$ 1,069,246	\$ 1,290,335	\$ 6,009,186
Expenses							
Claims							
Paid	515,598	401,210	226,410	139,253	-	-	1,282,471
Case reserves	72,405	105,120	-	-	-	-	177,525
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>588,003</u>	<u>506,330</u>	<u>226,410</u>	<u>139,253</u>	<u>-</u>	<u>-</u>	<u>1,459,996</u>
Other							
Insurance and reinsurance premiums	320,593	447,897	391,719	298,599	1,038,115	-	2,496,923
Administrative	-	-	-	-	-	1,256,763	1,256,763
Total other expenses	<u>320,593</u>	<u>447,897</u>	<u>391,719</u>	<u>298,599</u>	<u>1,038,115</u>	<u>1,256,763</u>	<u>3,753,686</u>
Total expenses	<u>908,596</u>	<u>954,227</u>	<u>618,129</u>	<u>437,852</u>	<u>1,038,115</u>	<u>1,256,763</u>	<u>5,213,682</u>
Operating income (loss)	665,502	63,774	21,830	(20,305)	31,131	33,572	795,504
Investment income	<u>66,376</u>	<u>31,187</u>	<u>2,768</u>	<u>4,176</u>	<u>2,011</u>	<u>10,381</u>	<u>116,899</u>
Net income (loss)	731,878	94,961	24,598	(16,129)	33,142	43,953	912,403
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ 731,878</u>	<u>\$ 94,961</u>	<u>\$ 24,598</u>	<u>\$ (16,129)</u>	<u>\$ 33,142</u>	<u>\$ 43,953</u>	<u>\$ 912,403</u>

Note: Other coverages includes employment practices liability, public officials liability, environmental impairment liability and cyber liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2017 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 1,635,789	\$ 1,007,490	\$ 695,818	\$ 412,627	\$ 1,087,996	\$ 1,317,116	\$ 6,156,836
Expenses							
Claims							
Paid	1,196,297	179,151	130,794	603,337	-	-	2,109,579
Case reserves	93,822	21,025	-	-	-	-	114,847
IBNR reserves	-	8,399	-	3,996	-	-	12,395
Claims - net	<u>1,290,119</u>	<u>208,575</u>	<u>130,794</u>	<u>607,333</u>	<u>-</u>	<u>-</u>	<u>2,236,821</u>
Other							
Insurance and reinsurance premiums	316,621	433,265	405,313	288,843	1,045,361	-	2,489,403
Administrative	-	-	-	-	-	1,282,516	1,282,516
Total other expenses	<u>316,621</u>	<u>433,265</u>	<u>405,313</u>	<u>288,843</u>	<u>1,045,361</u>	<u>1,282,516</u>	<u>3,771,919</u>
Total expenses	<u>1,606,740</u>	<u>641,840</u>	<u>536,107</u>	<u>896,176</u>	<u>1,045,361</u>	<u>1,282,516</u>	<u>6,008,740</u>
Operating income (loss)	<u>29,049</u>	<u>365,650</u>	<u>159,711</u>	<u>(483,549)</u>	<u>42,635</u>	<u>34,600</u>	<u>148,096</u>
Other income (expense)							
Miscellaneous expense	-	-	-	-	-	(4)	(4)
Investment income	<u>34,510</u>	<u>37,206</u>	<u>13,086</u>	<u>6,251</u>	<u>7,954</u>	<u>8,708</u>	<u>107,715</u>
Total non-operating income	<u>34,510</u>	<u>37,206</u>	<u>13,086</u>	<u>6,251</u>	<u>7,954</u>	<u>8,704</u>	<u>107,711</u>
Net income (loss)	63,559	402,856	172,797	(477,298)	50,589	43,304	255,807
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ 63,559</u>	<u>\$ 402,856</u>	<u>\$ 172,797</u>	<u>\$ (477,298)</u>	<u>\$ 50,589</u>	<u>\$ 43,304</u>	<u>\$ 255,807</u>

Note: Other coverages includes employment practices liability, public officials liability, environmental impairment liability and cyber liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2018 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 1,550,087	\$ 955,217	\$ 678,726	\$ 415,707	\$ 1,057,247	\$ 1,301,816	\$ 5,958,800
Expenses							
Claims							
Paid	640,813	124,356	317,760	22,225	-	-	1,105,154
Case reserves	243,524	189,932	-	-	-	-	433,456
IBNR reserves	39,261	8,961	-	931	-	-	49,153
Claims - net	<u>923,598</u>	<u>323,249</u>	<u>317,760</u>	<u>23,156</u>	<u>-</u>	<u>-</u>	<u>1,587,763</u>
Other							
Insurance and reinsurance premiums	275,770	419,944	399,449	280,144	996,856	-	2,372,163
Administrative	-	-	-	-	-	1,263,872	1,263,872
Total other expenses	<u>275,770</u>	<u>419,944</u>	<u>399,449</u>	<u>280,144</u>	<u>996,856</u>	<u>1,263,872</u>	<u>3,636,035</u>
Total expenses	<u>1,199,368</u>	<u>743,193</u>	<u>717,209</u>	<u>303,300</u>	<u>996,856</u>	<u>1,263,872</u>	<u>5,223,798</u>
Operating income (loss)	<u>350,719</u>	<u>212,024</u>	<u>(38,483)</u>	<u>112,407</u>	<u>60,391</u>	<u>37,944</u>	<u>735,002</u>
Other income							
Miscellaneous income	-	-	-	-	-	1	1
Investment income	59,528	37,386	8,302	12,606	25,167	6,454	149,443
Total non-operating income	<u>59,528</u>	<u>37,386</u>	<u>8,302</u>	<u>12,606</u>	<u>25,167</u>	<u>6,455</u>	<u>149,444</u>
Net income (loss)	410,247	249,410	(30,181)	125,013	85,558	44,399	884,446
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ 410,247</u>	<u>\$ 249,410</u>	<u>\$ (30,181)</u>	<u>\$ 125,013</u>	<u>\$ 85,558</u>	<u>\$ 44,399</u>	<u>\$ 884,446</u>

Note: Other coverages includes employment practices liability, public officials liability, environmental impairment liability and cyber liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2019 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 1,613,361	\$ 949,277	\$ 708,185	\$ 427,990	\$ 1,090,550	\$ 1,330,702	\$ 6,120,065
Expenses							
Claims							
Paid	946,272	102,694	207,074	5,502	-	-	1,261,542
Case reserves	294,017	21,491	2,379	-	-	-	317,887
IBNR reserves	41,229	378,510	-	18,149	-	-	437,888
Claims - net	1,281,518	502,695	209,453	23,651	-	-	2,017,317
Other							
Insurance and reinsurance premiums	308,292	449,276	423,063	303,149	1,090,550	-	2,574,330
Administrative	-	-	-	-	-	1,293,814	1,293,814
Total other expenses	308,292	449,276	423,063	303,149	1,090,550	1,293,814	3,868,144
Total expenses	1,589,810	951,971	632,516	326,800	1,090,550	1,293,814	5,885,461
Operating income (loss)	23,551	(2,694)	75,669	101,190	-	36,888	234,604
Other income							
Miscellaneous income	-	-	-	-	-	-	-
Investment income	41,581	25,899	15,876	10,501	13,075	20,984	127,916
Total non-operating income	41,581	25,899	15,876	10,501	13,075	20,984	127,916
Net income	65,132	23,205	91,545	111,691	13,075	57,872	362,520
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus	\$ 65,132	\$ 23,205	\$ 91,545	\$ 111,691	\$ 13,075	\$ 57,872	\$ 362,520

Note: Other coverages includes employment practices liability, public officials liability, environmental impairment liability and cyber liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
2020 Fund Year
Cumulative Operating Results Analysis
December 31, 2020**

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 1,632,754	\$ 984,811	\$ 766,961	\$ 465,927	\$ 1,042,206	\$ 1,362,602	\$ 6,255,261
Expenses							
Claims							
Paid	693,977	8,016	247,655	8,502	-	-	958,150
Case reserves	569,181	1,100	103,016	1,000	-	-	674,297
IBNR reserves	104,125	423,521	35,544	97,343	-	-	660,533
Claims - net	<u>1,367,283</u>	<u>432,637</u>	<u>386,215</u>	<u>106,845</u>	<u>-</u>	<u>-</u>	<u>2,292,980</u>
Other							
Insurance and reinsurance premiums	328,780	482,984	475,637	326,488	1,042,206	-	2,656,095
Administrative	-	-	-	-	-	1,351,247	1,351,247
Total other expenses	<u>328,780</u>	<u>482,984</u>	<u>475,637</u>	<u>326,488</u>	<u>1,042,206</u>	<u>1,351,247</u>	<u>4,007,342</u>
Total expenses	<u>1,696,063</u>	<u>915,621</u>	<u>861,852</u>	<u>433,333</u>	<u>1,042,206</u>	<u>1,351,247</u>	<u>6,300,322</u>
Operating income (loss)	<u>(63,309)</u>	<u>69,190</u>	<u>(94,891)</u>	<u>32,594</u>	<u>-</u>	<u>11,355</u>	<u>(45,061)</u>
Other income							
Miscellaneous income	-	-	-	-	-	-	-
Investment income	7,208	4,345	3,359	2,036	4,602	6,004	27,554
Total non-operating income	<u>7,208</u>	<u>4,345</u>	<u>3,359</u>	<u>2,036</u>	<u>4,602</u>	<u>6,004</u>	<u>27,554</u>
Net income (loss)	<u>(56,101)</u>	<u>73,535</u>	<u>(91,532)</u>	<u>34,630</u>	<u>4,602</u>	<u>17,359</u>	<u>(17,507)</u>
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ (56,101)</u>	<u>\$ 73,535</u>	<u>\$ (91,532)</u>	<u>\$ 34,630</u>	<u>\$ 4,602</u>	<u>\$ 17,359</u>	<u>\$ (17,507)</u>

Note: Other coverages includes employment practices liability, public officials liability, environmental impairment liability and cyber liability. Property includes inland marine, boiler and machinery, crime and fidelity and auto physical damage.

See Independent Auditor's Report.

Public Alliance Insurance Coverage Fund
2019 Fund Year
Cumulative Expense Analysis
December 31, 2020

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
RMC fee	\$ 447,555	\$ -	\$ 447,555
Actuary	29,769	-	29,769
Administrator	306,003	-	306,003
Attorney	78,017	-	78,017
Auditor	25,246	-	25,246
Claims servicing	164,327	31,374	195,701
Loss control	100,361	-	100,361
Treasurer	6,000	-	6,000
EPL seminars	-	10,000	10,000
Non-contracted	12,952	-	12,952
Contingency fees	-	50,000	50,000
Website services	4,897	-	4,897
MEL Safety Institute	<u>27,313</u>	<u>-</u>	<u>27,313</u>
	<u>\$ 1,202,440</u>	<u>\$ 91,374</u>	<u>\$ 1,293,814</u>

See Independent Auditor's Report.

Public Alliance Insurance Coverage Fund
2020 Fund Year
Cumulative Expense Analysis
December 31, 2020

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
RMC fee	\$ 445,711	\$ 12,288	\$ 457,999
Actuary	20,884	16,891	37,775
Administrator	286,699	26,064	312,763
Attorney	66,315	13,264	79,579
Auditor	-	25,751	25,751
Claims servicing	153,972	47,600	201,572
Loss control	79,750	22,618	102,368
Treasurer	5,610	510	6,120
EPL seminars	-	10,000	10,000
Non-contracted	11,008	18,992	30,000
Contingency fees	-	50,000	50,000
Website services	4,533	1,967	6,500
MEL Safety Institute	<u>20,485</u>	<u>10,335</u>	<u>30,820</u>
	<u>\$ 1,094,967</u>	<u>\$ 256,280</u>	<u>\$ 1,351,247</u>

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
Comments and Recommendations
December 31, 2020**

None.

See Independent Auditor's Report.