

PUBLIC ALLIANCE INSURANCE COVERAGE FUND
Financial Statements
December 31, 2017 and 2016
With Independent Auditors' Report

Public Alliance Insurance Coverage Fund
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December 31, 2017 and 2016

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**Public Alliance Insurance Coverage Fund
Management's Discussion and Analysis
December 31, 2017 and 2016**

This section of 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, 2017 and 2016. 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 2017 and 2016:

	2017	2016
Assets		
Cash, Investments and Accrued Interest	\$ 17,916,025	\$ 17,305,421
Assessments receivable	24,384	--
Other Assets	3,142	1,650
	<u>\$ 17,943,551</u>	<u>\$ 17,307,071</u>
Liabilities and Fund Surplus		
Reserves for Unpaid Claims	\$ 4,244,943	\$ 4,749,921
Other Liabilities	1,137,693	987,612
Fund Surplus	12,560,915	11,569,538
	<u>\$ 17,943,551</u>	<u>\$ 17,307,071</u>
Revenue and Expenses		
Revenue	\$ 6,156,836	\$ 6,009,186
Investment and Other Income	125,755	148,438
	<u>6,282,591</u>	<u>6,157,624</u>
Claims Expense	1,007,328	502,745
Insurance Premiums	2,509,197	2,520,532
Administrative Expense	1,264,535	1,139,877
	<u>4,781,060</u>	<u>4,163,154</u>
Net Income	1,501,531	1,994,470
Fund Surplus Returned to Members	<u>(510,154)</u>	<u>--</u>
Increase in Fund Surplus	<u>\$ 991,377</u>	<u>\$ 1,994,470</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 a joint self-insurance fund. 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.). 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.

Public Alliance Insurance Coverage Fund Management's Discussion and Analysis December 31, 2017 and 2016

- 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 2017 amounted to \$6,156,836, which represents a 2% increase over 2016.
- 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.
- The IBNR claims are a result of calculations supplied by the Fund's Actuary. IBNR takes into consideration three factors; unknown claims (those claims that have not flowed into the system yet); the trending of known claims and closed claims that have the potential to re-open.
- All Fund Surplus available may be returned to the membership per the Department of Banking and Insurance (DOBI) regulations. The executive committee approved a return of surplus of \$510,154 on December 13, 2016. The Department of Banking and Insurance has 30 days to disapprove the ROS calculation or the ROS is deemed approved pursuant to the regulations. This ROS was paid to the appropriate members in full during 2017.

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 AUDITORS' REPORT

Fund Commissioners
Public Alliance Insurance Coverage Fund

We have audited the accompanying financial statements of the Public Alliance Insurance Coverage Fund (“the Fund”) which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of revenues, expenses, and changes in fund surplus and cash flows for the years then ended, and the related notes to the 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.

Auditors’ 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. 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 auditors’ 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, 2017 and 2016, 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 supplementary 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information on pages 13 - 39 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.

Withum Smith + Brown, PC

May 8, 2018

Public Alliance Insurance Coverage Fund
Balance Sheets
December 31, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	\$ 4,206,676	\$ 3,676,884
Investments	13,655,323	13,582,168
Accrued interest income	54,026	46,369
Assessments receivable	24,384	-
Prepaid expenses	3,142	1,650
	<u>17,943,551</u>	<u>17,307,071</u>
	<u>\$ 17,943,551</u>	<u>\$ 17,307,071</u>
Liabilities and Fund Surplus		
Liabilities		
Claims		
Case reserves	\$ 2,900,606	\$ 2,606,118
IBNR reserves	1,344,337	2,143,803
	<u>4,244,943</u>	<u>4,749,921</u>
Other		
Administrative expenses payable	449,370	389,558
Insurance premiums payable	688,323	598,054
	<u>1,137,693</u>	<u>987,612</u>
Total liabilities	5,382,636	5,737,533
Fund surplus	<u>12,560,915</u>	<u>11,569,538</u>
	<u>\$ 17,943,551</u>	<u>\$ 17,307,071</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, 2017 and 2016

	2017	2016
Revenue		
Underwriting income - regular contributions	\$ 6,156,836	\$ 6,009,186
Expenses		
Claims		
Paid	1,512,306	2,025,375
Decrease in case reserves	294,488	(784,398)
Decrease in IBNR reserves	(799,466)	(738,232)
Claims - net	<u>1,007,328</u>	<u>502,745</u>
Insurance and reinsurance premiums	2,509,197	2,520,532
Administrative expenses	1,264,535	1,139,877
	<u>3,773,732</u>	<u>3,660,409</u>
Total expenses	<u>4,781,060</u>	<u>4,163,154</u>
Operating income	<u>1,375,776</u>	<u>1,846,032</u>
Investment income, net	241,452	178,846
Change in fair value of investments	(115,697)	(30,408)
Investment income, net	<u>125,755</u>	<u>148,438</u>
Net income	1,501,531	1,994,470
Fund surplus, beginning of year	11,569,538	9,575,068
Less: fund surplus returned to members	<u>(510,154)</u>	<u>-</u>
Fund surplus, end of year	<u>\$ 12,560,915</u>	<u>\$ 11,569,538</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, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Underwriting income - regular contributions received	\$ 6,132,452	\$ 6,009,186
Claims paid	(1,512,306)	(1,956,486)
Excess insurance premiums paid	(2,418,928)	(2,345,440)
Administrative expenses paid	(1,206,215)	(1,162,964)
Net cash provided by operations	<u>995,003</u>	<u>544,296</u>
Cash flows from investing activities		
Sale/maturity of investment securities	3,148,686	3,270,738
Purchase of investment securities	(3,335,321)	(3,461,230)
Investment income	231,578	155,967
Net cash provided (used) by investing activities	<u>44,943</u>	<u>(34,525)</u>
Cash flows from financing activities		
Fund surplus returned to members, net	(510,154)	-
Net cash used by financing activities	<u>(510,154)</u>	<u>-</u>
Change in cash and cash equivalents	529,792	509,771
Cash and cash equivalents		
Beginning of year	3,676,884	3,167,113
End of year	<u>\$ 4,206,676</u>	<u>\$ 3,676,884</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 1,375,776	\$ 1,846,032
Adjustments to reconcile operating income to net cash provided by operating activities		
(Increase) decrease in assessments receivable	(24,384)	68,889
(Increase) decrease in prepaid expenses	(1,492)	1,266
Decrease in case and IBNR reserves	(504,978)	(1,522,631)
Increase (decrease) in administrative expenses payable	59,812	(24,352)
Increase in insurance premiums payable	90,269	175,092
Net cash provided by operations	<u>\$ 995,003</u>	<u>\$ 544,296</u>

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

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2017 and 2016

1. Operations

The 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 including auto physical damage, general and auto liability, workers' compensation, environmental and management liability. The Fund also participates in the Municipal Excess Liability Fund which provides excess insurance coverage.

Self Insured Retentions (SIRs):

Fund Year(s)	Workers'		Automobile	
	Compensation	General Liability	Liability	Property **
2017	\$ 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	-

Loss Fund Aggregates:

Fund Year(s)	Workers'		Automobile	
	Compensation	General Liability	Liability	Property **
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.

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2017 and 2016

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. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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. 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.

Revenue Recognition

Budgetary assessment contributions from participants and investment income are recorded on the accrual basis. The assessments of the participating members are determined by the actuary and certified by vote of the Fund Commissioners.

Assessments Receivable

Assessments receivable is 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 the years ending December 31, 2017 and 2016 was 2% plus prime as determined by New Jersey Asset & 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.

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 (beginning in 2002) coverage based on estimates of the ultimate cost of claims (including adjustment expenses) 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.

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2017 and 2016

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

The Fund has adopted the provisions of FASB ASC 820, the accounting pronouncement relating to fair value measurements, with respect to its financial assets and liabilities only. FASB ASC 820 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined under FASB ASC 820 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 under FASB ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes 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.

3. Cash and Cash Equivalents

At December 31, 2017 and 2016, the carrying amount of the Fund's deposits is \$4,206,676 and \$3,676,884, respectively and the bank balances were \$4,215,515 and \$3,692,104, respectively. The bank balances have been deposited in a public depository, which is fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and in excess of \$250,000 is fully collateralized by the bank or institution through the Government Unit Deposit Protection Act (GUDPA).

The Fund considers all highly liquid investments with maturities of less than three months from date of investment to be cash equivalents.

4. Investments

At December 31, 2017 and 2016, 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 1.0% to 3.5% as of December 31, 2017 and from .625% to 3.5% as of December 31, 2016. The maturity dates range from 9/30/2018 to 9/30/2022 as of December 31, 2017 and 9/30/2017 to 8/31/2021 as of December 31, 2016. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2017 and 2016

not be able to recover the value of its investments that are in the possession of an outside party. At December 31, 2017 and 2016, all of the Fund's investments are under the custody of New Jersey Asset and Rebate Management Program (NJ/ARM), who is the Fund's investment advisor. Investments are stated at fair value. The difference between fair value and amortized cost is recorded as unrealized gain (loss) at December 31 each year.

At December 31, 2017 and 2016, investments consisted of the following:

	2017	2016
Face value	\$ 13,765,000	\$ 13,570,000
Unamortized discount, net	36,278	49,576
Unrealized loss, net	<u>(145,955)</u>	<u>(37,408)</u>
Fair value	<u>\$ 13,655,323</u>	<u>\$ 13,582,168</u>

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

	2017	2016
Interest income	\$ 231,578	\$ 155,967
Amortization of discount, net	8,747	18,111
Realized gain	<u>1,127</u>	<u>4,617</u>
Investment income	<u>\$ 241,452</u>	<u>\$ 178,695</u>

5. Fair Value Accounting

Recurring Fair Value Measurements

Pursuant to the requirements of FASB SC 820, 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, 2017 and 2016, respectively, along with the basis for the determination of fair value:

	2017	Basis for Valuation		
		Total	Quoted Prices in Active Markets	Observable Measurement Criteria
Investments – US Treasury Notes	<u>\$ 13,655,323</u>	<u>\$13,655,323</u>	-	-

	2016	Basis for Valuation		
		Total	Quoted Prices in Active Markets	Observable Measurement Criteria
Investments – US Treasury Notes	<u>\$ 13,582,168</u>	<u>\$13,582,168</u>	-	-

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.

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2017 and 2016

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 as of December 31, 2017 and 2016. 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.

Loss reserves, at December 31, 2017 and 2016, which have been estimated by the Fund's Actuary and Claims Servicing Organization, are as follows:

	2017	2016
Case reserves	\$ 2,900,606	\$ 2,606,118
Reserves for losses incurred but not reported	<u>1,344,337</u>	<u>2,143,803</u>
	<u>\$ 4,244,943</u>	<u>\$ 4,749,921</u>

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

	2017	2016
Unpaid claim liabilities, beginning of year	\$ 4,749,921	\$ 6,272,551
Incurred claims		
Provision for insured events of the current period	2,232,575	1,984,749
Decrease in provision for insured events of prior years	<u>(1,225,247)</u>	<u>(1,482,004)</u>
Total increase incurred claims	<u>1,007,328</u>	<u>502,745</u>
Payments		
Payments - net on claims for insured events of the current period	542,474	553,019
Payments - net on claims for insured events of prior years	<u>969,832</u>	<u>1,472,356</u>
Total payments	<u>1,512,306</u>	<u>2,025,375</u>
Unpaid claim liabilities, end of year	<u>\$ 4,244,943</u>	<u>\$ 4,749,921</u>

7. Return of Surplus

The executive committee approved a return of surplus (ROS) of \$510,154 on December 13, 2016 which was paid to the appropriate members during the year ended December 31, 2017.

8. Concentration of Credit Risk

The Fund has three members whose assessments in total approximated 55% and 54% of total assessments for fund years ended December 31, 2017 and 2016, respectively.

9. Subsequent Events

The Fund has evaluated subsequent events occurring after the balance sheet date through the date of May 8, 2018, which is the date the financial statements were available to be issued. Based on this evaluation, the Fund has determined that no subsequent events have occurred which require disclosure in the financial statements.

Supplemental Information

**Public Alliance Insurance Coverage Fund
Ten Year Claims Development Information
December 31, 2017**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Underwriting Income - Regular Contributions	\$ 8,678,284	\$ 8,338,950	\$ 9,159,174	\$ 9,038,701	\$ 6,745,110	\$ 6,961,636	\$ 7,263,036	\$ 5,804,471	\$ 6,009,186	\$ 6,156,836
Investment Income	154,140	140,365	284,998	147,826	50,622	56,056	60,858	30,458	4,948	11,488
Other Income (expense)	3,370	785	809	682	1	115	(1)	5	-	(4)
	<u>\$ 8,835,794</u>	<u>\$ 8,480,100</u>	<u>\$ 9,444,981</u>	<u>\$ 9,187,209</u>	<u>\$ 6,795,733</u>	<u>\$ 7,017,807</u>	<u>\$ 7,323,893</u>	<u>\$ 5,834,934</u>	<u>\$ 6,014,134</u>	<u>\$ 6,168,320</u>
Insurance and Reinsurance Premiums	\$ 3,014,368	\$ 3,039,740	\$ 3,187,940	\$ 3,286,944	\$ 2,215,003	\$ 2,240,882	\$ 2,495,840	\$ 2,444,377	\$ 2,570,850	\$ 2,579,719
Administrative Expenses	1,785,205	1,891,027	1,969,874	1,926,320	1,310,445	1,330,176	1,351,404	1,199,545	1,256,763	1,308,729
	<u>\$ 4,799,573</u>	<u>\$ 4,930,767</u>	<u>\$ 5,157,814</u>	<u>\$ 5,213,264</u>	<u>\$ 3,525,448</u>	<u>\$ 3,571,058</u>	<u>\$ 3,847,245</u>	<u>\$ 3,643,922</u>	<u>\$ 3,827,613</u>	<u>\$ 3,888,448</u>
Estimated Incurred Claims, End of Policy Year	<u>\$ 3,379,471</u>	<u>\$ 4,217,953</u>	<u>\$ 3,570,000</u>	<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>
Cumulative Paid Claims as of:										
End of Policy Year	1,308,703	1,532,781	1,198,022	1,038,186	444,243	579,184	913,995	405,811	553,019	542,475
One Year Later	2,232,045	2,229,980	1,829,498	1,621,730	868,614	1,009,617	1,590,652	657,018	756,413	
Two Years Later	3,171,115	2,372,264	2,250,494	1,989,365	1,041,398	1,142,275	1,880,150	781,660		
Three Years Later	3,730,483	2,674,172	2,571,271	2,602,415	1,090,614	1,480,188	2,180,435			
Four Years Later	4,155,788	2,801,272	2,950,886	2,944,709	1,434,835	1,651,495				
Five Years Later	4,181,772	3,010,988	3,074,569	3,054,877	1,445,000					
Six Years Later	4,186,768	3,144,716	3,142,102	3,121,462						
Seven Years Later	4,186,839	3,173,770	3,165,196							
Eight Years Later	4,186,839	3,186,465								
Nine Years Later	4,237,979									
Cumulative Incurred Claims as of:										
End of Policy Year	3,379,471	4,217,953	3,570,000	3,890,000	2,338,000	2,542,001	3,456,000	2,194,058	1,984,749	2,232,575
One Year Later	4,548,119	4,215,549	3,326,900	3,542,404	2,222,257	2,440,001	3,587,257	1,455,389	1,393,346	
Two Years Later	5,203,259	3,885,550	3,331,948	3,791,405	2,249,297	2,154,670	2,958,112	1,150,349		
Three Years Later	4,961,258	3,555,792	3,499,901	3,859,332	1,434,174	2,100,999	2,865,876			
Four Years Later	4,475,331	3,386,793	3,438,900	3,534,709	1,543,444	2,193,307				
Five Years Later	4,371,332	3,220,792	3,357,862	3,414,710	1,501,060					
Six Years Later	4,283,194	3,207,793	3,288,862	3,184,067						
Seven Years Later	4,283,255	3,192,973	3,260,384							
Eight Years Later	4,303,255	3,191,624								
Nine Years Later	4,300,081									
Increase (Decrease) in Cumulative Incurred Claims from End of Policy Year	<u>\$ 920,610</u>	<u>\$ (1,026,329)</u>	<u>\$ (309,616)</u>	<u>\$ (705,933)</u>	<u>\$ (836,940)</u>	<u>\$ (348,694)</u>	<u>\$ (590,124)</u>	<u>\$ (1,043,709)</u>	<u>\$ (591,403)</u>	<u>\$ -</u>

See Independent Auditors' Report.

Public Alliance Insurance Coverage Fund
Schedule of Changes in Claim Liabilities by Line of Coverage
Years Ended December 31, 2017 and 2016

	2017				
	TOTAL	WORKERS' COMPENSATION	GENERAL LIABILITY	AUTO LIABILITY	PROPERTY & INLAND MARINE
Unpaid Claim Liabilities, Beginning of Year	\$ 4,749,921	\$ 2,688,117	\$ 1,736,839	\$ 317,389	\$ 7,576
Incurring Claims:					
Provision for Insured Events of Current Year	2,232,575	1,362,134	561,363	159,933	149,146
(Decrease) Increase in Provision for Insured Events of Prior Years	(1,225,247)	(575,187)	(540,729)	(113,381)	4,050
Increase in Incurred Claims	1,007,328	786,947	20,634	46,552	153,196
Claim Payments, net:					
Payments on Claims for Insured Events of Current Year	542,474	395,725	25,956	12,615	108,178
Payments - net on Claims for Insured Events of Prior Years	969,832	618,075	327,310	17,194	7,253
Total Payments	1,512,306	1,013,800	353,266	29,809	115,431
Unpaid Liability, End of Year	<u>\$ 4,244,943</u>	<u>\$ 2,461,264</u>	<u>\$ 1,404,207</u>	<u>\$ 334,132</u>	<u>\$ 45,341</u>
	2016				
	TOTAL	WORKERS' COMPENSATION	GENERAL LIABILITY	AUTO LIABILITY	PROPERTY & INLAND MARINE
Unpaid Claim Liabilities, Beginning of Year	\$ 6,272,551	\$ 2,923,902	\$ 2,500,965	\$ 847,177	\$ 507
Incurring Claims:					
Provision for Insured Events of Current Year	1,984,749	900,000	641,000	197,000	246,749
(Decrease) Increase in Provision for Insured Events of Prior Years	(1,482,004)	65,373	(1,113,053)	(448,841)	14,517
Increase (Decrease) in Incurred Claims	502,745	965,373	(472,053)	(251,841)	261,266
Claim Payments:					
Payments on Claims for Insured Events of Current Year	553,019	234,325	51,077	28,442	239,175
Payments - net on Claims for Insured Events of Prior Years	1,472,356	966,833	240,996	249,505	15,022
Total Payments	2,025,375	1,201,158	292,073	277,947	254,197
Unpaid Liability, End of Year	<u>\$ 4,749,921</u>	<u>\$ 2,688,117</u>	<u>\$ 1,736,839</u>	<u>\$ 317,389</u>	<u>\$ 7,576</u>

Public Alliance Insurance Coverage Fund
Combining Schedule of Net Income and Changes in Fund Surplus
For Fund Years 1997 through 2017
Year Ended December 31, 2017

Fund Year	Fund Surplus (Deficit) 1/1/2017	Net Income (Loss)	Less Surplus Returned to Members	Fund Surplus (Deficit) 12/31/2017
1997	\$ 30,018.37	\$ (3,729.37)	\$ (26,289.00)	\$ -
1998	29,372.58	(4,515.58)	(24,857.00)	-
1999	55,459.40	(9,750.40)	(45,709.00)	-
2000	30,304.47	(6,920.47)	(23,384.00)	-
2001	126,256.04	(3,765.68)	(15,381.00)	107,109.36
2002	986,750.96	(2,273.15)	(30,770.00)	953,707.81
2003	486,845.32	(9,826.76)	(26,035.00)	450,983.56
2004	1,216,456.11	(26,606.95)	(65,015.00)	1,124,834.16
2005	1,217,056.02	10,250.11	(31,508.00)	1,195,798.13
2006	707,571.62	67,714.62	(61,623.00)	713,663.24
2007	706,434.45	85,978.40	(82,675.00)	709,737.85
2008	(267,034.20)	3,172.93	-	(263,861.27)
2009	353,777.06	3,932.65	-	357,709.71
2010	991,492.28	(7,802.79)	(76,908.00)	906,781.49
2011	554,626.05	235,251.07	-	789,877.12
2012	1,714,351.28	54,874.30	-	1,769,225.58
2013	1,322,034.93	(68,594.16)	-	1,253,440.77
2014	507,974.76	102,798.10	-	610,772.86
2015	639,287.64	401,375.21	-	1,040,662.85
2016	160,502.73	632,671.95	-	793,174.68
2017	-	47,296.95	-	47,296.95
	<u>\$ 11,569,537.87</u>	<u>\$ 1,501,530.98</u>	<u>\$ (510,154.00)</u>	<u>\$ 12,560,914.85</u>

**Public Alliance Insurance Coverage Fund
 Combined Cumulative Results Analysis
 For the Fund Years 1997 Through 2017
 December 31, 2017**

Revenue	
Underwriting income - regular contributions	<u>\$ 144,144,503</u>
Expenses	
Claims	
Paid	38,088,571
Case reserves	2,900,606
IBNR reserves	<u>1,344,337</u>
Claims - net	42,333,514
Insurance and reinsurance premiums	57,651,621
Administrative expenses	<u>30,764,700</u>
	<u>88,416,321</u>
Total expenses	<u>130,749,835</u>
Operating income	<u>13,394,668</u>
Investment income	4,232,949
Other income	<u>27,733</u>
Total non-operating income	<u>4,260,682</u>
Net income	17,655,350
Less: surplus returned to members	<u>(5,094,435)</u>
Fund surplus	<u><u>\$ 12,560,915</u></u>

Public Alliance Insurance Coverage Fund
1997 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	<u>WORKERS' COMPENSATION</u>	<u>GENERAL LIABILITY</u>	<u>AUTO LIABILITY & PHYSICAL DAMAGE</u>	<u>OTHER COVERAGES</u>	<u>ADMINISTRATIVE</u>	<u>TOTALS</u>
Underwriting Income:						
Regular Contributions	\$ 1,521,777.37	\$ 889,276.38	\$ 835,590.59	\$ 589,019.28	\$ 1,357,754.38	\$ 5,193,418.00
Expenses:						
Claims:						
Paid	165,941.94	275,565.05	51,189.76	-	-	492,696.75
Case Reserves	-	-	-	-	-	-
IBNR Reserves	-	-	-	-	-	-
Claims - Net	165,941.94	275,565.05	51,189.76	-	-	492,696.75
Other:						
Insurance and Reinsurance Premiums	1,350,502.05	492,426.64	561,579.32	588,994.16	-	2,993,502.17
Administrative	-	-	-	-	1,194,884.75	1,194,884.75
Total Other Expenses	1,350,502.05	492,426.64	561,579.32	588,994.16	1,194,884.75	4,188,386.92
Total Expenses	1,516,443.99	767,991.69	612,769.08	588,994.16	1,194,884.75	4,681,083.67
Operating Income	5,333.38	121,284.69	222,821.51	25.12	162,869.63	512,334.33
Other:						
Miscellaneous Income (Expense)	0.25	0.38	(0.40)	(0.48)	2,332.46	2,332.21
Transfers	(261.00)	(1,233.00)	(1,786.00)	(1.00)	(448.00)	(3,729.00)
Investment Income	9,865.37	112,011.93	84,343.89	0.36	83,790.91	290,012.46
Total Non-Operating Income (Loss)	9,604.62	110,779.31	82,557.49	(1.12)	85,675.37	288,615.67
Net Income	14,938.00	232,064.00	305,379.00	24.00	248,545.00	800,950.00
Less: Surplus Returned to Members	(14,938.00)	(232,064.00)	(305,379.00)	(24.00)	(248,545.00)	(800,950.00)
Fund Surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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 Auditors' Report.

Public Alliance Insurance Coverage Fund
1998 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	<u>WORKERS'</u> <u>COMPENSATION</u>	<u>GENERAL</u> <u>LIABILITY</u>	<u>AUTO LIABILITY</u> <u>& PHYSICAL</u> <u>DAMAGE</u>	<u>OTHER</u> <u>COVERAGES</u>	<u>ADMINISTRATIVE</u>	<u>TOTALS</u>
Underwriting Income:						
Regular Contributions	\$ 1,569,268.00	\$ 919,399.00	\$ 850,448.00	\$ 603,328.00	\$ 1,410,699.00	\$ 5,353,142.00
Expenses:						
Claims:						
Paid	212,512.00	44,807.46	47,769.49	-	-	305,088.95
Case Reserves	-	-	-	-	-	-
IBNR Reserves	-	-	-	-	-	-
Claims - Net	212,512.00	44,807.46	47,769.49	-	-	305,088.95
Other:						
Insurance and Reinsurance Premiums	1,356,756.00	522,978.34	553,994.67	603,092.64	-	3,036,821.65
Administrative	-	-	-	-	1,137,664.26	1,137,664.26
Total Other Expenses	1,356,756.00	522,978.34	553,994.67	603,092.64	1,137,664.26	4,174,485.91
Total Expenses	1,569,268.00	567,785.80	601,764.16	603,092.64	1,137,664.26	4,479,574.86
Operating Income	-	351,613.20	248,683.84	235.36	273,034.74	873,567.14
Other:						
Miscellaneous Income (Expense)	0.31	0.48	(0.32)	0.23	209.72	210.42
Transfers	(18.00)	(1,367.00)	(2,242.00)	(6.00)	(883.00)	(4,516.00)
Investment Income	744.69	100,248.32	74,473.48	3.41	86,103.54	261,573.44
Total Non-Operating Income (Loss)	727.00	98,881.80	72,231.16	(2.36)	85,430.26	257,267.86
Net Income	727.00	450,495.00	320,915.00	233.00	358,465.00	1,130,835.00
Less: Surplus Returned to Members	(727.00)	(450,495.00)	(320,915.00)	(233.00)	(358,465.00)	(1,130,835.00)
Fund Surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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 Auditors' Report.

Public Alliance Insurance Coverage Fund
1999 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	WORKERS' COMPENSATION	GENERAL LIABILITY	AUTO LIABILITY & PHYSICAL DAMAGE	OTHER COVERAGES	ADMINISTRATIVE	TOTALS
Underwriting Income						
Regular Contributions	\$ 2,010,552.00	\$ 963,934.00	\$ 819,676.00	\$ 644,796.96	\$ 1,457,272.00	\$ 5,896,230.96
Expenses:						
Claims:						
Paid	337,844.00	364,245.88	49,390.11	-	-	751,479.99
Case Reserves	-	-	-	-	-	-
IBNR Reserves	-	-	-	-	-	-
Claims - Net	337,844.00	364,245.88	49,390.11	-	-	751,479.99
Other:						
Insurance and Reinsurance Premium:	1,672,708.00	544,699.04	518,274.00	639,796.60	-	3,375,477.64
Administrative	-	-	-	-	1,341,190.21	1,341,190.21
Total Other Expenses	1,672,708.00	544,699.04	518,274.00	639,796.60	1,341,190.21	4,716,667.85
Total Expenses	2,010,552.00	908,944.92	567,664.11	639,796.60	1,341,190.21	5,468,147.84
Operating Income	-	54,989.08	252,011.89	5,000.36	116,081.79	428,083.12
Other:						
Miscellaneous (Expense) Income	(0.03)	(0.12)	0.16	0.19	4,422.44	4,422.64
Transfers	(92.00)	3,237.00	(11,179.00)	(586.00)	(1,131.00)	(9,751.00)
Investment Income	414.03	87,436.04	69,263.95	1,624.45	49,003.77	207,742.24
Total Non-Operating Income	322.00	90,672.92	58,085.11	1,038.64	52,295.21	202,413.88
Net Income	322.00	145,662.00	310,097.00	6,039.00	168,377.00	630,497.00
Less: Surplus Returned to Members	(322.00)	(145,662.00)	(310,097.00)	(6,039.00)	(168,377.00)	(630,497.00)
Fund Surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Public Alliance Insurance Coverage Fund
2000 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	<u>WORKERS'</u> <u>COMPENSATION</u>	<u>GENERAL</u> <u>LIABILITY</u>	<u>AUTO LIABILITY</u> <u>& PHYSICAL</u> <u>DAMAGE</u>	<u>OTHER</u> <u>COVERAGES</u>	<u>ADMINISTRATIVE</u>	<u>TOTALS</u>
Underwriting Income:						
Regular Contributions	\$ 1,962,268.00	\$ 822,831.00	\$ 736,839.00	\$ 625,178.00	\$ 1,373,736.00	\$ 5,520,852.00
Expenses:						
Claims:						
Paid	345,851.00	251,860.04	132,912.30	-	-	730,623.34
Case Reserves	-	-	-	-	-	-
IBNR Reserves	-	-	-	-	-	-
Claims - Net	345,851.00	251,860.04	132,912.30	-	-	730,623.34
Other:						
Insurance and Reinsurance Premiums	1,616,417.00	478,673.00	493,911.00	625,178.00	-	3,214,179.00
Administrative	-	-	-	-	1,243,647.80	1,243,647.80
Total Other Expenses	1,616,417.00	478,673.00	493,911.00	625,178.00	1,243,647.80	4,457,826.80
Total Expenses	1,962,268.00	730,533.04	626,823.30	625,178.00	1,243,647.80	5,188,450.14
Operating Income	-	92,297.96	110,015.70	-	130,088.20	332,401.86
Other:						
Miscellaneous Income (Expense)	0.25	0.43	(0.19)	-	7,036.04	7,036.53
Transfers	(184.00)	(3,941.00)	(2,469.00)	-	(327.00)	(6,921.00)
Investment Income	746.75	67,858.61	42,911.49	-	45,203.76	156,720.61
Total Non-Operating Income	563.00	63,918.04	40,442.30	-	51,912.80	156,836.14
Net Income	563.00	156,216.00	150,458.00	-	182,001.00	489,238.00
Less: Surplus Returned to Members	(563.00)	(156,216.00)	(150,458.00)	-	(182,001.00)	(489,238.00)
Fund Surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

See Independent Auditors' Report.

Public Alliance Insurance Coverage Fund
2001 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	<u>WORKERS' COMPENSATION</u>	<u>GENERAL LIABILITY</u>	<u>AUTO LIABILITY & PHYSICAL DAMAGE</u>	<u>OTHER COVERAGES</u>	<u>ADMINISTRATIVE</u>	<u>TOTALS</u>
Underwriting Income						
Regular Contributions	\$ 2,127,011.00	\$ 840,125.00	\$ 707,069.00	\$ 819,787.00	\$ 1,483,094.00	\$ 5,977,086.00
Expenses:						
Claims:						
Paid	350,059.00	142,456.74	86,342.03	-	-	578,857.77
Case Reserves	-	-	-	-	-	-
IBNR Reserves	-	-	-	-	-	-
Claims - Net	<u>350,059.00</u>	<u>142,456.74</u>	<u>86,342.03</u>	<u>-</u>	<u>-</u>	<u>578,857.77</u>
Other:						
Insurance and Reinsurance Premium:	1,776,951.98	515,732.97	495,051.83	819,787.00	-	3,607,523.78
Administrative	-	-	-	-	1,367,209.84	1,367,209.84
Total Other Expenses:	<u>1,776,951.98</u>	<u>515,732.97</u>	<u>495,051.83</u>	<u>819,787.00</u>	<u>1,367,209.84</u>	<u>4,974,733.62</u>
Total Expenses	<u>2,127,010.98</u>	<u>658,189.71</u>	<u>581,393.86</u>	<u>819,787.00</u>	<u>1,367,209.84</u>	<u>5,553,591.39</u>
Operating Income	<u>0.02</u>	<u>181,935.29</u>	<u>125,675.14</u>	<u>-</u>	<u>115,884.16</u>	<u>423,494.61</u>
Other:						
Miscellaneous Income	-	-	-	-	1,705.00	1,705.00
Transfers	-	(4,619.00)	-	-	-	(4,619.00)
Investment Income	<u>75.79</u>	<u>72,321.82</u>	<u>40,476.40</u>	<u>-</u>	<u>22,037.74</u>	<u>134,911.75</u>
Total Non-Operating Income	<u>75.79</u>	<u>67,702.82</u>	<u>40,476.40</u>	<u>-</u>	<u>23,742.74</u>	<u>131,997.75</u>
Net Income	75.81	249,638.11	166,151.54	-	139,626.90	555,492.36
Less: Surplus Returned to Members	<u>-</u>	<u>(202,881.00)</u>	<u>(112,500.00)</u>	<u>-</u>	<u>(133,002.00)</u>	<u>(448,383.00)</u>
Fund Surplus	<u>\$ 75.81</u>	<u>\$ 46,757.11</u>	<u>\$ 53,651.54</u>	<u>\$ -</u>	<u>\$ 6,624.90</u>	<u>\$ 107,109.36</u>

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

Public Alliance Insurance Coverage Fund
2002 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	WORKERS' COMPENSATION	GENERAL LIABILITY	PROPERTY	AUTO LIABILITY	OTHER COVERAGES	ADMINISTRATIVE	TOTALS
Underwriting Income:							
Regular Contributions	\$ 3,674,892.00	\$ 746,031.04	\$ 802,828.00	\$ 553,378.94	\$ 584,842.00	\$ 1,713,171.00	\$ 8,075,142.98
Expenses:							
Claims:							
Paid	1,991,282.67	168,674.04	271,643.56	67,509.81	-	-	2,499,110.08
Case Reserves	14,182.19	-	-	-	-	-	14,182.19
IBNR Reserves	-	-	-	-	-	-	-
Claims - Net	2,005,464.86	168,674.04	271,643.56	67,509.81	-	-	2,513,292.27
Other:							
Insurance and Reinsurance Premiums	636,957.01	396,262.84	618,082.00	289,729.16	579,968.00	-	2,520,999.01
Administrative	-	-	-	-	-	1,619,687.14	1,619,687.14
Total Other Expenses	636,957.01	396,262.84	618,082.00	289,729.16	579,968.00	1,619,687.14	4,140,686.15
Total Expenses	2,642,421.87	564,936.88	889,725.56	357,238.97	579,968.00	1,619,687.14	6,653,978.42
Operating Income	1,032,470.13	181,094.16	(86,897.56)	196,139.97	4,874.00	93,483.86	1,421,164.56
Other:							
Miscellaneous Income	-	-	-	-	-	854.02	854.02
Transfers	-	(84,230.00)	100,600.00	(25,000.00)	-	(600.00)	(9,230.00)
Investment Income	345,535.12	39,815.57	(13,648.03)	32,063.51	1,561.52	16,362.54	421,690.23
Total Non-Operating Income (Loss)	345,535.12	(44,414.43)	86,951.97	7,063.51	1,561.52	16,616.56	413,314.25
Net Income	1,378,005.25	136,679.73	54.41	203,203.48	6,435.52	110,100.42	1,834,478.81
Less: Surplus Returned to Members	(525,000.00)	(105,770.00)	-	(175,000.00)	-	(75,001.00)	(880,771.00)
Fund Surplus	\$ 853,005.25	\$ 30,909.73	\$ 54.41	\$ 28,203.48	\$ 6,435.52	\$ 35,099.42	\$ 953,707.81

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

Public Alliance Insurance Coverage Fund
2003 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	<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	\$ 1,679,264.00	\$ 531,273.97	\$ 629,291.00	\$ 527,024.01	\$ 1,090,049.00	\$ 1,332,517.00	\$ 5,789,418.98
Expenses:							
Claims:							
Paid	1,159,389.41	323,290.62	207,886.10	43,366.28	-	-	1,733,932.41
Case Reserves	13,050.00	-	-	-	-	-	13,050.00
IBNR Reserves	-	-	-	-	-	-	-
Claims - Net	1,172,439.41	323,290.62	207,886.10	43,366.28	-	-	1,746,982.41
Other:							
Insurance and Reinsurance Premiums	172,889.01	266,966.30	553,934.50	260,768.21	1,009,862.00	-	2,264,420.02
Administrative	-	-	-	-	-	1,274,586.86	1,274,586.86
Total Other Expenses	172,889.01	266,966.30	553,934.50	260,768.21	1,009,862.00	1,274,586.86	3,539,006.88
Total Expenses	1,345,328.42	590,256.92	761,820.60	304,134.49	1,009,862.00	1,274,586.86	5,285,989.29
Operating Income (Loss)	333,935.58	(58,982.95)	(132,529.60)	222,889.52	80,187.00	57,930.14	503,429.69
Other:							
Miscellaneous Income	-	-	-	-	-	1,289.02	1,289.02
Transfers	-	125,975.00	155,830.00	(175,000.00)	(85,000.00)	(35,770.00)	(13,965.00)
Investment Income	151,381.91	28,536.30	(22,081.94)	41,602.42	21,599.84	15,224.32	236,262.85
Total Non-Operating Income (Loss)	151,381.91	154,511.30	133,748.06	(133,397.58)	(63,400.16)	(19,256.66)	223,586.87
Net Income	485,317.49	95,528.35	1,218.46	89,491.94	16,786.84	38,673.48	727,016.56
Less: Surplus Returned to Members	(150,000.00)	(38,535.00)	-	(62,500.00)	-	(24,998.00)	(276,033.00)
Fund Surplus	\$ 335,317.49	\$ 56,993.35	\$ 1,218.46	\$ 26,991.94	\$ 16,786.84	\$ 13,675.48	\$ 450,983.56

Notes: Other coverages includes police professional liability, public officials liability, crime and fidelity, group purchases and environmental impairment liability.
Property includes inland marine, boiler & machinery, and auto physical damage.

Public Alliance Insurance Coverage Fund
2004 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	<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	\$ 2,171,205.00	\$ 1,157,217.00	\$ 685,703.00	\$ 491,310.00	\$ 526,452.00	\$ 1,595,839.00	\$ 6,627,726.00
Expenses:							
Claims:							
Paid	1,215,127.02	612,259.74	264,817.09	47,938.69	-	-	2,140,142.54
Case Reserves	-	-	-	-	-	-	-
IBNR Reserves	-	-	-	-	-	-	-
Claims - Net	1,215,127.02	612,259.74	264,817.09	47,938.69	-	-	2,140,142.54
Other:							
Insurance and Reinsurance Premiums	388,751.44	514,283.92	442,954.47	332,161.57	475,105.43	-	2,153,256.83
Administrative	-	-	-	-	-	1,460,691.92	1,460,691.92
Total Other Expenses	388,751.44	514,283.92	442,954.47	332,161.57	475,105.43	1,460,691.92	3,613,948.75
Total Expenses	1,603,878.46	1,126,543.66	707,771.56	380,100.26	475,105.43	1,460,691.92	5,754,091.29
Operating Income (Loss)	567,326.54	30,673.34	(22,068.56)	111,209.74	51,346.57	135,147.08	873,634.71
Other:							
Miscellaneous Income	-	-	-	-	-	1,508.23	1,508.23
Transfers	(137,600.00)	74,265.00	28,350.00	-	-	-	(34,985.00)
Investment Income (Expense)	222,317.00	97,881.18	(165.05)	38,590.01	19,297.27	41,770.81	419,691.22
Total Non-Operating Income	84,717.00	172,146.18	28,184.95	38,590.01	19,297.27	43,279.04	386,214.45
Net Income	652,043.54	202,819.52	6,116.39	149,799.75	70,643.84	178,426.12	1,259,849.16
Less: Surplus Returned to Members	(25,000.00)	(65,015.00)	-	-	-	(45,000.00)	(135,015.00)
Fund Surplus	\$ 627,043.54	\$ 137,804.52	\$ 6,116.39	\$ 149,799.75	\$ 70,643.84	\$ 133,426.12	\$ 1,124,834.16

Notes: Other coverages includes police professional liability, public officials liability, group purchases and environmental impairment liability.
Property includes inland marine, boiler & machinery, crime and fidelity and auto physical damage.

Public Alliance Insurance Coverage Fund
2005 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	WORKERS' COMPENSATION	GENERAL LIABILITY	PROPERTY	AUTO LIABILITY	OTHER COVERAGES	ADMINISTRATIVE	TOTALS
Underwriting Income:							
Regular Contributions	\$ 2,368,816.00	\$ 1,152,436.79	\$ 704,183.00	\$ 512,726.19	\$ 545,552.00	\$ 1,715,264.00	\$ 6,998,977.98
Expenses:							
Claims:							
Paid	1,149,111.25	578,143.60	190,765.86	386,422.29	-	-	2,304,443.00
Case Reserves	13,620.00	-	-	-	-	-	13,620.00
IBNR Reserves	-	-	-	-	-	-	-
Claims - Net	1,162,731.25	578,143.60	190,765.86	386,422.29	-	-	2,318,063.00
Other:							
Insurance and Reinsurance Premiums	406,132.42	555,551.87	442,487.00	370,367.91	545,551.50	-	2,320,090.70
Administrative	-	-	-	-	-	1,560,130.14	1,560,130.14
Total Other Expenses	406,132.42	555,551.87	442,487.00	370,367.91	545,551.50	1,560,130.14	3,880,220.84
Total Expenses	1,568,863.67	1,133,695.47	633,252.86	756,790.20	545,551.50	1,560,130.14	6,198,283.84
Operating Income (Loss)	799,952.33	18,741.32	70,930.14	(244,064.01)	0.50	155,133.86	800,694.14
Other:							
Miscellaneous Income	-	-	-	-	-	576.82	576.82
Transfers	(31,590.00)	(108,187.00)	(65,000.00)	256,285.00	-	(50,000.00)	1,508.00
Investment Income	286,703.06	89,446.71	16,514.87	28,776.82	5,345.55	47,740.16	474,527.17
Total Non-Operating Income (Loss)	255,113.06	(18,740.29)	(48,485.13)	285,061.82	5,345.55	(1,683.02)	476,611.99
Net Income	1,055,065.39	1.03	22,445.01	40,997.81	5,346.05	153,450.84	1,277,306.13
Less: Surplus Returned to Members	(25,000.00)	-	-	(31,508.00)	-	(25,000.00)	(81,508.00)
Fund Surplus	\$ 1,030,065.39	\$ 1.03	\$ 22,445.01	\$ 9,489.81	\$ 5,346.05	\$ 128,450.84	\$ 1,195,798.13

Notes: Other coverages includes police professional liability, public officials liability, group purchases and environmental impairment liability.
Property includes inland marine, boiler & machinery, crime and fidelity and auto physical damage.

Public Alliance Insurance Coverage Fund
2006 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	WORKERS' COMPENSATION	GENERAL LIABILITY	PROPERTY	AUTO LIABILITY	OTHER COVERAGES	ADMINISTRATIVE	TOTALS
Underwriting Income:							
Regular Contributions	\$ 2,273,703.00	\$ 1,116,255.39	\$ 683,182.00	\$ 507,493.59	\$ 703,117.00	\$ 1,700,507.00	\$ 6,984,257.98
Expenses:							
Claims:							
Paid	1,252,577.27	965,206.98	330,719.03	86,026.24	-	-	2,634,529.52
Case Reserves	-	-	-	-	-	-	-
IBNR Reserves	-	-	-	-	-	-	-
Claims - Net	1,252,577.27	965,206.98	330,719.03	86,026.24	-	-	2,634,529.52
Other:							
Insurance and Reinsurance Premiums	411,270.39	549,356.62	427,419.92	361,707.97	679,953.50	-	2,429,708.40
Administrative	-	-	-	-	-	1,577,276.87	1,577,276.87
Total Other Expenses	411,270.39	549,356.62	427,419.92	361,707.97	679,953.50	1,577,276.87	4,006,985.27
Total Expenses	1,663,847.66	1,514,563.60	758,138.95	447,734.21	679,953.50	1,577,276.87	6,641,514.79
Operating Income (Loss)	609,855.34	(398,308.21)	(74,956.95)	59,759.38	23,163.50	123,230.13	342,743.19
Other:							
Miscellaneous Income (Expense)	-	0.43	(0.46)	0.40	(0.74)	975.75	975.38
Transfers	(111,810.00)	328,392.00	78,744.00	(79,986.00)	(32,169.00)	(121,548.00)	61,623.00
Investment Income (Expense)	233,986.90	67,940.78	(3,786.59)	21,747.22	12,011.24	38,044.12	369,943.67
Total Non-Operating Income (Loss)	122,176.90	396,333.21	74,956.95	(58,238.38)	(20,158.50)	(82,528.13)	432,542.05
Net Income (Loss)	732,032.24	(1,975.00)	-	1,521.00	3,005.00	40,702.00	775,285.24
Less: Surplus Returned to Members	(18,369.00)	1,975.00	-	(1,521.00)	(3,005.00)	(40,702.00)	(61,622.00)
Fund Surplus	\$ 713,663.24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 713,663.24

Notes: Other coverages includes police professional liability, public officials liability, crime and fidelity, group purchases and environmental impairment liability.
Property includes inland marine, boiler & machinery, crime and fidelity and auto physical damage.

Public Alliance Insurance Coverage Fund
2007 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	<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	\$ 2,472,432.00	\$ 1,247,687.40	\$ 774,885.00	\$ 523,106.60	\$ 741,247.05	\$ 1,813,508.00	\$ 7,572,866.05
Expenses:							
Claims:							
Paid	1,192,244.07	1,205,764.92	225,024.33	226,053.03	-	-	2,849,086.35
Case Reserves	-	-	-	-	-	-	-
IBNR Reserves	-	-	-	-	-	-	-
Claims - Net	1,192,244.07	1,205,764.92	225,024.33	226,053.03	-	-	2,849,086.35
Other:							
Insurance and Reinsurance Premium	523,296.31	570,056.32	457,360.54	380,037.57	729,226.14	-	2,659,976.88
Administrative	-	-	-	-	-	1,658,241.85	1,658,241.85
Total Other Expenses	523,296.31	570,056.32	457,360.54	380,037.57	729,226.14	1,658,241.85	4,318,218.73
Total Expenses	1,715,540.38	1,775,821.24	682,384.87	606,090.60	729,226.14	1,658,241.85	7,167,305.08
Operating Income (Loss)	756,891.62	(528,133.84)	92,500.13	(82,984.00)	12,020.91	155,266.15	405,560.97
Other:							
Miscellaneous (Expense) Income	-	-	(0.26)	(0.45)	(0.89)	1,063.16	1,061.56
Transfers	(203,385.00)	452,503.00	(110,502.00)	73,718.00	(19,440.00)	(125,219.00)	67,675.00
Investment Income	190,237.10	53,456.97	21,251.13	9,266.45	9,071.98	34,830.69	318,114.32
Total Non-Operating (Loss) Income	(13,147.90)	505,959.97	(89,251.13)	82,984.00	(10,368.91)	(89,325.15)	386,850.88
Net Income (Loss)	743,743.72	(22,173.87)	3,249.00	-	1,652.00	65,941.00	792,411.85
Less: Surplus Returned to Members	(34,241.00)	22,409.00	(3,249.00)	-	(1,652.00)	(65,941.00)	(82,674.00)
Fund Surplus	\$ 709,502.72	\$ 235.13	\$ -	\$ -	\$ -	\$ -	\$ 709,737.85

Notes: Other coverages includes police professional liability, public officials liability, crime and fidelity, group purchases and environmental impairment liability.
Property includes inland marine, boiler & machinery, crime and fidelity and auto physical damage.

See Independent Auditors' Report.

Public Alliance Insurance Coverage Fund
2008 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	WORKERS' COMPENSATION	GENERAL LIABILITY	PROPERTY	AUTO LIABILITY	OTHER COVERAGES	ADMINISTRATIVE	TOTALS
Underwriting Income:							
Regular Contributions	\$ 2,934,543.00	\$ 1,214,015.34	\$ 917,659.67	\$ 796,609.99	\$ 860,129.00	\$ 1,955,327.00	\$ 8,678,284.00
Expenses:							
Claims:							
Paid	2,254,724.54	1,191,923.22	478,258.59	313,072.83	-	-	4,237,979.18
Case Reserves	62,102.29	-	-	-	-	-	62,102.29
IBNR Reserves	-	-	-	-	-	-	-
Claims - Net	2,316,826.83	1,191,923.22	478,258.59	313,072.83	-	-	4,300,081.47
Other:							
Insurance and Reinsurance Premiums	653,395.44	624,862.27	491,310.88	419,703.18	825,096.63	-	3,014,368.40
Administrative	-	-	-	-	-	1,785,205.02	1,785,205.02
Total Other Expenses	653,395.44	624,862.27	491,310.88	419,703.18	825,096.63	1,785,205.02	4,799,573.42
Total Expenses	2,970,222.27	1,816,785.49	969,569.47	732,776.01	825,096.63	1,785,205.02	9,099,654.89
Operating (Loss) Income	(35,679.27)	(602,770.15)	(51,909.80)	63,833.98	35,032.37	170,121.98	(421,370.89)
Other:							
Miscellaneous Income	-	-	-	-	-	3,370.00	3,370.00
Investment Income	70,746.76	18,241.15	315.33	33,127.73	6,235.59	25,473.06	154,139.62
Total Non-Operating Income	70,746.76	18,241.15	315.33	33,127.73	6,235.59	28,843.06	157,509.62
Net Income (Loss)	35,067.49	(584,529.00)	(51,594.47)	96,961.71	41,267.96	198,965.04	(263,861.27)
Less: Surplus Returned to Members	-	-	-	-	-	-	-
Fund Surplus	\$ 35,067.49	\$ (584,529.00)	\$ (51,594.47)	\$ 96,961.71	\$ 41,267.96	\$ 198,965.04	\$ (263,861.27)

Notes: Other coverages includes police professional liability, public officials liability, crime and fidelity, group purchases and environmental impairment liability.
Property includes inland marine, boiler & machinery, crime and fidelity and auto physical damage.

Public Alliance Insurance Coverage Fund
2009 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	<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	\$ 2,533,487.00	\$ 1,471,480.20	\$ 729,372.00	\$ 718,714.80	\$ 936,772.00	\$ 1,949,124.00	\$ 8,338,950.00
Expenses:							
Claims:							
Paid	1,722,932.15	927,740.14	290,548.91	245,243.55	-	-	3,186,464.75
Case Reserves	1,719.32	3,440.00	-	-	-	-	5,159.32
IBNR Reserves	-	-	-	-	-	-	-
Claims - Net	1,724,651.47	931,180.14	290,548.91	245,243.55	-	-	3,191,624.07
Other:							
Insurance and Reinsurance Premium	614,861.84	702,206.79	365,891.86	468,137.87	888,641.43	-	3,039,739.79
Administrative	-	-	-	-	-	1,891,026.68	1,891,026.68
Total Other Expenses	614,861.84	702,206.79	365,891.86	468,137.87	888,641.43	1,891,026.68	4,930,766.47
Total Expenses	2,339,513.31	1,633,386.93	656,440.77	713,381.42	888,641.43	1,891,026.68	8,122,390.54
Operating Income (Loss)	193,973.69	(161,906.73)	72,931.23	5,333.38	48,130.57	58,097.32	216,559.46
Other:							
Miscellaneous Income	-	-	-	-	-	785.39	785.39
Investment Income	56,387.49	48,502.71	10,930.56	5,285.09	8,780.69	10,478.32	140,364.86
Total Non-Operating Income	56,387.49	48,502.71	10,930.56	5,285.09	8,780.69	11,263.71	141,150.25
Net Income (Loss)	250,361.18	(113,404.02)	83,861.79	10,618.47	56,911.26	69,361.03	357,709.71
Less: Surplus Returned to Members	-	-	-	-	-	-	-
Fund Surplus (Deficit)	\$ 250,361.18	\$ (113,404.02)	\$ 83,861.79	\$ 10,618.47	\$ 56,911.26	\$ 69,361.03	\$ 357,709.71

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

See Independent Auditors' Report.

Public Alliance Insurance Coverage Fund
2010 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	WORKERS' COMPENSATION	GENERAL LIABILITY	PROPERTY	AUTO LIABILITY	OTHER COVERAGES	ADMINISTRATIVE	TOTALS
Underwriting Income:							
Regular Contributions	\$ 2,744,418.00	\$ 1,600,375.80	\$ 863,139.00	\$ 724,500.20	\$ 1,154,252.00	\$ 2,072,489.00	\$ 9,159,174.00
Expenses:							
Claims:							
Paid	1,972,782.27	819,552.16	338,900.14	33,961.44	-	-	3,165,196.01
Case Reserves	48,748.64	46,439.75	-	-	-	-	95,188.39
IBNR Reserves	-	-	-	-	-	-	-
Claims - Net	2,021,530.91	865,991.91	338,900.14	33,961.44	-	-	3,260,384.40
Other:							
Insurance and Reinsurance Premiums	547,831.02	725,154.09	354,883.68	483,436.39	1,076,635.12	-	3,187,940.30
Administrative	-	-	-	-	-	1,969,874.49	1,969,874.49
Total Other Expenses	547,831.02	725,154.09	354,883.68	483,436.39	1,076,635.12	1,969,874.49	5,157,814.79
Total Expenses	2,569,361.93	1,591,146.00	693,783.82	517,397.83	1,076,635.12	1,969,874.49	8,418,199.19
Operating Income	175,056.07	9,229.80	169,355.18	207,102.37	77,616.88	102,614.51	740,974.81
Other:							
Miscellaneous Income	-	-	-	-	-	809.00	809.00
Transfers	-	(22,428.00)	-	(20,662.00)	-	-	(43,090.00)
Investment Income	104,348.07	83,695.41	25,766.50	32,087.93	19,880.92	19,218.85	284,997.68
Total Non-Operating Income	104,348.07	61,267.41	25,766.50	11,425.93	19,880.92	20,027.85	242,716.68
Net Income	279,404.14	70,497.21	195,121.68	218,528.30	97,497.80	122,642.36	983,691.49
Less: Surplus Returned to Members	-	(37,572.00)	-	(39,338.00)	-	-	(76,910.00)
Fund Surplus	\$ 279,404.14	\$ 32,925.21	\$ 195,121.68	\$ 179,190.30	\$ 97,497.80	\$ 122,642.36	\$ 906,781.49

Notes: Other coverages includes police professional liability, public officials liability, crime and fidelity, group purchases and environmental impairment liability.
Property includes inland marine, boiler & machinery, crime and fidelity and auto physical damage.

Public Alliance Insurance Coverage Fund
2011 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	WORKERS' COMPENSATION	GENERAL LIABILITY	PROPERTY	AUTO LIABILITY	OTHER COVERAGES	ADMINISTRATIVE	TOTALS
Underwriting Income:							
Regular Contributions	\$ 2,659,562.00	\$ 1,779,088.00	\$ 685,771.00	\$ 741,096.00	\$ 1,145,011.00	\$ 2,028,173.00	\$ 9,038,701.00
Expenses:							
Claims:							
Paid	1,309,761.70	1,097,725.63	403,597.19	310,377.64	-	-	3,121,462.16
Case Reserves	52,913.00	3,773.17	-	-	-	-	56,686.17
IBNR Reserves	-	5,919.00	-	-	-	-	5,919.00
Claims - Net	1,362,674.70	1,107,417.80	403,597.19	310,377.64	-	-	3,184,067.33
Other:							
Insurance and Reinsurance Premiums	546,753.22	754,076.55	373,166.74	498,384.37	1,114,563.58	-	3,286,944.46
Administrative	-	-	-	-	-	1,926,320.11	1,926,320.11
Total Other Expenses	546,753.22	754,076.55	373,166.74	498,384.37	1,114,563.58	1,926,320.11	5,213,264.57
Total Expenses	1,909,427.92	1,861,494.35	776,763.93	808,762.01	1,114,563.58	1,926,320.11	8,397,331.90
Operating Income (Loss)	750,134.08	(82,406.35)	(90,992.93)	(67,666.01)	30,447.42	101,852.89	641,369.10
Other:							
Miscellaneous Income	-	-	-	-	-	682.00	682.00
Investment Income	77,879.10	43,951.51	3,651.50	8,590.99	2,699.26	11,053.66	147,826.02
Total Non-Operating Income	77,879.10	43,951.51	3,651.50	8,590.99	2,699.26	11,735.66	148,508.02
Net Income (Loss)	828,013.18	(38,454.84)	(87,341.43)	(59,075.02)	33,146.68	113,588.55	789,877.12
Less: Surplus Returned to Members	-	-	-	-	-	-	-
Fund Surplus (Deficit)	\$ 828,013.18	\$ (38,454.84)	\$ (87,341.43)	\$ (59,075.02)	\$ 33,146.68	\$ 113,588.55	\$ 789,877.12

Notes: Other coverages includes police professional liability, public officials liability, crime and fidelity, group purchases and environmental impairment liability.
Property includes inland marine, boiler & machinery, crime and fidelity and auto physical damage.

Public Alliance Insurance Coverage Fund
2012 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	<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	\$ 2,375,408.00	\$ 1,182,873.00	\$ 571,086.00	\$ 468,361.00	\$ 769,465.00	\$ 1,377,917.00	\$ 6,745,110.00
Expenses:							
Claims:							
Paid	766,555.27	192,876.72	219,296.65	266,271.12	-	-	1,444,999.76
Case Reserves	54,487.69	1,572.54	-	-	-	-	56,060.23
IBNR Reserves	-	-	-	-	-	-	-
Claims - Net	821,042.96	194,449.26	219,296.65	266,271.12	-	-	1,501,059.99
Other:							
Insurance and Reinsurance Premium	465,431.46	432,868.76	273,065.64	288,579.18	755,057.91	-	2,215,002.95
Administrative	-	-	-	-	-	1,310,444.85	1,310,444.85
Total Other Expenses	465,431.46	432,868.76	273,065.64	288,579.18	755,057.91	1,310,444.85	3,525,447.80
Total Expenses	1,286,474.42	627,318.02	492,362.29	554,850.30	755,057.91	1,310,444.85	5,026,507.79
Operating Income (Loss)	1,088,933.58	555,554.98	78,723.71	(86,489.30)	14,407.09	67,472.15	1,718,602.21
Other:							
Miscellaneous Income	-	-	-	-	-	1.00	1.00
Investment Income	31,270.51	14,150.73	1,640.24	1,111.04	398.69	2,051.16	50,622.37
Total Non-Operating Income	31,270.51	14,150.73	1,640.24	1,111.04	398.69	2,052.16	50,623.37
Net Income (Loss)	1,120,204.09	569,705.71	80,363.95	(85,378.26)	14,805.78	69,524.31	1,769,225.58
Less: Surplus Returned to Members	-	-	-	-	-	-	-
Fund Surplus (Deficit)	\$ 1,120,204.09	\$ 569,705.71	\$ 80,363.95	\$ (85,378.26)	\$ 14,805.78	\$ 69,524.31	\$ 1,769,225.58

Notes: Other coverages includes police professional liability, public officials liability, crime and fidelity, group purchases and environmental impairment liability.
Property includes inland marine, boiler & machinery, crime and fidelity and auto physical damage.

Public Alliance Insurance Coverage Fund
2013 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	WORKERS' COMPENSATION	GENERAL LIABILITY	PROPERTY	AUTO LIABILITY	OTHER COVERAGES	ADMINISTRATIVE	TOTALS
Underwriting Income:							
Regular Contributions	\$ 2,328,720.00	\$ 1,321,321.00	\$ 629,932.00	\$ 461,998.00	\$ 828,437.00	\$ 1,391,228.00	\$ 6,961,636.00
Expenses:							
Claims:							
Paid	1,212,141.59	251,530.58	176,881.81	10,941.45	-	-	1,651,495.43
Case Reserves	296,171.97	236,168.13	1,300.00	-	-	-	533,640.10
IBNR Reserves	5,749.00	2,423.00	-	-	-	-	8,172.00
Claims - Net	1,514,062.56	490,121.71	178,181.81	10,941.45	-	-	2,193,307.53
Other:							
Insurance and Reinsurance Premium	390,498.81	443,591.41	319,231.84	285,894.29	801,665.76	-	2,240,882.11
Administrative	-	-	-	-	-	1,330,175.95	1,330,175.95
Total Other Expenses	390,498.81	443,591.41	319,231.84	285,894.29	801,665.76	1,330,175.95	3,571,058.06
Total Expenses	1,904,561.37	933,713.12	497,413.65	296,835.74	801,665.76	1,330,175.95	5,764,365.59
Operating Income	424,158.63	387,607.88	132,518.35	165,162.26	26,771.24	61,052.05	1,197,270.41
Other:							
Miscellaneous Income	-	-	-	-	-	114.64	114.64
Investment Income	25,523.83	20,303.78	2,911.46	4,427.46	839.66	2,049.53	56,055.72
Total Non-Operating Income	25,523.83	20,303.78	2,911.46	4,427.46	839.66	2,164.17	56,170.36
Net Income	449,682.46	407,911.66	135,429.81	169,589.72	27,610.90	63,216.22	1,253,440.77
Less: Surplus Returned to Members	-	-	-	-	-	-	-
Fund Surplus	\$ 449,682.46	\$ 407,911.66	\$ 135,429.81	\$ 169,589.72	\$ 27,610.90	\$ 63,216.22	\$ 1,253,440.77

Notes: Other coverages include police professional liability, public officials liability, crime and fidelity, group purchases and environmental impairment liability.
Property includes inland marine, boiler & machinery, crime and fidelity and auto physical damage.

Public Alliance Insurance Coverage Fund
2014 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	WORKERS' COMPENSATION	GENERAL LIABILITY	PROPERTY	AUTO LIABILITY	OTHER COVERAGES	ADMINISTRATIVE	TOTALS
Underwriting Income:							
Regular Contributions	\$ 2,308,197.00	\$ 1,323,128.00	\$ 736,562.00	\$ 461,893.00	\$ 1,001,539.00	\$ 1,431,717.00	\$ 7,263,036.00
Expenses:							
Claims:							
Paid	1,742,056.01	182,266.99	219,869.15	36,243.00	-	-	2,180,435.15
Case Reserves	482,245.94	85,092.64	-	-	-	-	567,338.58
IBNR Reserves	95,462.00	22,640.00	-	-	-	-	118,102.00
Claims - Net	2,319,763.95	289,999.63	219,869.15	36,243.00	-	-	2,865,875.73
Other:							
Insurance and Reinsurance Premiums	392,091.32	470,410.44	377,323.95	274,979.37	981,035.09	-	2,495,840.17
Administrative	-	-	-	-	-	1,351,404.40	1,351,404.40
Total Other Expenses	392,091.32	470,410.44	377,323.95	274,979.37	981,035.09	1,351,404.40	3,847,244.57
Total Expenses	2,711,855.27	760,410.07	597,193.10	311,222.37	981,035.09	1,351,404.40	6,713,120.30
Operating (Loss) Income	(403,658.27)	562,717.93	139,368.90	150,670.63	20,503.91	80,312.60	549,915.70
Other:							
Miscellaneous Expense	-	-	-	-	-	(1.00)	(1.00)
Investment Income	18,947.54	26,874.14	4,806.33	5,658.41	738.76	3,832.98	60,858.16
Total Non-Operating Income	18,947.54	26,874.14	4,806.33	5,658.41	738.76	3,831.98	60,857.16
Net Income (Loss)	(384,710.73)	589,592.07	144,175.23	156,329.04	21,242.67	84,144.58	610,772.86
Less: Surplus Returned to Members	-	-	-	-	-	-	-
Fund (Deficit) Surplus	\$ (384,710.73)	\$ 589,592.07	\$ 144,175.23	\$ 156,329.04	\$ 21,242.67	\$ 84,144.58	\$ 610,772.86

Notes: Other coverages includes police professional liability, public officials liability, crime and fidelity, group purchases and environmental impairment liability.
Property includes inland marine, boiler & machinery, crime and fidelity and auto physical damage.

Public Alliance Insurance Coverage Fund
2015 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	WORKERS' COMPENSATION	GENERAL LIABILITY	PROPERTY	AUTO LIABILITY	OTHER COVERAGES	ADMINISTRATIVE	TOTALS
Underwriting Income:							
Regular Contributions	\$ 1,513,576.00	\$ 972,401.00	\$ 623,759.00	\$ 399,695.00	\$ 1,049,728.00	\$ 1,245,312.00	\$ 5,804,471.00
Expenses:							
Claims:							
Paid	518,637.28	76,305.96	133,389.14	53,327.46	-	-	781,659.84
Case Reserves	45,093.38	136,447.87	-	64,375.20	-	-	245,916.45
IBNR Reserves	38,598.00	76,398.00	-	7,777.00	-	-	122,773.00
Claims - Net	602,328.66	289,151.83	133,389.14	125,479.66	-	-	1,150,349.29
Other:							
Insurance and Reinsurance Premiums	336,153.77	439,962.40	370,707.71	293,307.59	1,004,245.70	-	2,444,377.17
Administrative	-	-	-	-	-	1,199,544.68	1,199,544.68
Total Other Expenses	336,153.77	439,962.40	370,707.71	293,307.59	1,004,245.70	1,199,544.68	3,643,921.85
Total Expenses	938,482.43	729,114.23	504,096.85	418,787.25	1,004,245.70	1,199,544.68	4,794,271.14
Operating Income (Loss)	575,093.57	243,286.77	119,662.15	(19,092.25)	45,482.30	45,767.32	1,010,199.86
Other:							
Miscellaneous Income	-	-	-	-	-	5.00	5.00
Investment Income	13,722.06	9,881.23	2,369.07	1,584.38	884.25	2,017.00	30,457.99
Total Non-Operating Income	13,722.06	9,881.23	2,369.07	1,584.38	884.25	2,022.00	30,462.99
Net Income (Loss)	588,815.63	253,168.00	122,031.22	(17,507.87)	46,366.55	47,789.32	1,040,662.85
Less: Surplus Returned to Members	-	-	-	-	-	-	-
Fund Surplus (Deficit)	\$ 588,815.63	\$ 253,168.00	\$ 122,031.22	\$ (17,507.87)	\$ 46,366.55	\$ 47,789.32	\$ 1,040,662.85

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

Public Alliance Insurance Coverage Fund
2016 Fund Year
Cumulative Operating Results Analysis
December 31, 2017

	WORKERS' COMPENSATION	GENERAL LIABILITY	PROPERTY	AUTO LIABILITY	OTHER COVERAGES	ADMINISTRATIVE	TOTALS
Underwriting Income:							
Regular Contributions	\$ 1,574,098.00	\$ 1,018,001.00	\$ 639,959.00	\$ 417,547.00	\$ 1,069,246.00	\$ 1,290,335.00	\$ 6,009,186.00
Expenses:							
Claims:							
Paid	422,176.14	68,531.69	229,210.36	36,495.07	-	-	756,413.26
Case Reserves	200,958.51	46,044.23	3,072.83	43,095.75	-	-	293,171.32
IBNR Reserves	68,182.00	204,014.00	-	71,566.00	-	-	343,762.00
Claims - Net	691,316.65	318,589.92	232,283.19	151,156.82	-	-	1,393,346.58
Other:							
Insurance and Reinsurance Premiums	326,097.00	465,001.00	398,959.00	311,547.00	1,069,246.00	-	2,570,850.00
Administrative	-	-	-	-	-	1,256,763.14	1,256,763.14
Total Other Expenses	326,097.00	465,001.00	398,959.00	311,547.00	1,069,246.00	1,256,763.14	3,827,613.14
Total Expenses	1,017,413.65	783,590.92	631,242.19	462,703.82	1,069,246.00	1,256,763.14	5,220,959.72
Operating Income (Loss)	556,684.35	234,410.08	8,716.81	(45,156.82)	-	33,571.86	788,226.28
Investment Income (Expense)	2,365.14	1,375.04	240.36	378.94	(3,234.36)	3,823.28	4,948.40
Total Non-Operating Income (Loss)	2,365.14	1,375.04	240.36	378.94	(3,234.36)	3,823.28	4,948.40
Net Income (Loss)	559,049.49	235,785.12	8,957.17	(44,777.88)	(3,234.36)	37,395.14	793,174.68
Less: Surplus Returned to Members	-	-	-	-	-	-	-
Fund Surplus (Deficit)	\$ 559,049.49	\$ 235,785.12	\$ 8,957.17	\$ (44,777.88)	\$ (3,234.36)	\$ 37,395.14	\$ 793,174.68

Notes: Other coverages includes police professional liability, public officials liability, crime and fidelity, group purchases and environmental impairment liability.
Property includes inland marine, boiler & machinery, crime and fidelity and auto physical damage.

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

	WORKERS' COMPENSATION	GENERAL LIABILITY	PROPERTY	AUTO LIABILITY	OTHER COVERAGES	ADMINISTRATIVE	TOTALS
Underwriting Income:							
Regular Contributions	\$ 1,635,789.00	\$ 1,007,490.00	\$ 695,818.00	\$ 412,627.00	\$ 1,087,996.00	\$ 1,317,116.00	\$ 6,156,836.00
Expenses:							
Claims:							
Paid	395,725.24	25,956.42	108,177.74	12,615.38	-	-	542,474.78
Case Reserves	800,766.27	45,537.08	39,987.85	58,200.00	-	-	944,491.20
IBNR Reserves	165,642.00	489,869.00	980.00	89,118.00	-	-	745,609.00
Claims - Net	1,362,133.51	561,362.50	149,145.59	159,933.38	-	-	2,232,574.98
Other:							
Insurance and Reinsurance Premiums	327,788.00	446,489.70	418,818.00	298,627.30	1,087,996.00	-	2,579,719.00
Administrative	-	-	-	-	-	1,308,728.77	1,308,728.77
Total Other Expenses	327,788.00	446,489.70	418,818.00	298,627.30	1,087,996.00	1,308,728.77	3,888,447.77
Total Expenses	1,689,921.51	1,007,852.20	567,963.59	458,560.68	1,087,996.00	1,308,728.77	6,121,022.75
Operating (Loss) Income	(54,132.51)	(362.20)	127,854.41	(45,933.68)	-	8,387.23	35,813.25
Other:							
Miscellaneous Expense	-	-	-	-	-	(4.42)	(4.42)
Investment Income	3,053.53	1,879.45	1,298.15	769.72	2,029.97	2,457.30	11,488.12
Total Non-Operating Income	3,053.53	1,879.45	1,298.15	769.72	2,029.97	2,452.88	11,483.70
Net (Loss) Income	(51,078.98)	1,517.25	129,152.56	(45,163.96)	2,029.97	10,840.11	47,296.95
Less: Surplus Returned to Members	-	-	-	-	-	-	-
Fund (Deficit) Surplus	\$ (51,078.98)	\$ 1,517.25	\$ 129,152.56	\$ (45,163.96)	\$ 2,029.97	\$ 10,840.11	\$ 47,296.95

Notes: Other coverages includes police professional liability, public officials liability, crime and fidelity, group purchases and environmental impairment liability.
Property includes inland marine, boiler & machinery, crime and fidelity and auto physical damage.

Public Alliance Insurance Coverage Fund
2016 Fund Year
Cumulative Expense Analysis
December 31, 2017

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
RMC Fee	\$ 440,281.79	\$ -	\$ 440,281.79
Actuary	34,560.00	-	34,560.00
Administrator	300,459.00	-	300,459.00
Attorney	73,516.80	-	73,516.80
Auditor	23,790.00	-	23,790.00
Claims Servicing	156,744.00	33,858.00	190,602.00
Loss Control	94,572.41	-	94,572.41
Treasurer	6,000.00	-	6,000.00
EPL Seminars	1,080.00	-	1,080.00
Non-Contracted	13,863.98	-	13,863.98
Contingency Fees	-	50,000.00	50,000.00
Website Services	2,300.16	-	2,300.16
MEL Safety Institute	25,737.00	-	25,737.00
	<u>\$ 1,172,905.14</u>	<u>\$ 83,858.00</u>	<u>\$ 1,256,763.14</u>

Public Alliance Insurance Coverage Fund
2017 Fund Year
Cumulative Expense Analysis
December 31, 2017

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
RMC Fee	\$ 450,738.00	\$ -	\$ 450,738.00
Actuary	32,312.00	2,766.00	35,078.00
Administrator	282,188.50	25,653.50	307,842.00
Attorney	62,490.20	12,496.80	74,987.00
Auditor	-	24,266.00	24,266.00
Claims Servicing	143,682.00	46,920.00	190,602.00
Loss Control	75,161.35	21,302.42	96,463.77
Treasurer	5,500.00	500.00	6,000.00
EPL Seminars	2,730.00	7,270.00	10,000.00
Non-Contracted	12,124.27	17,875.73	30,000.00
Contingency Fees	-	50,000.00	50,000.00
Website Services	2,443.80	4,056.20	6,500.00
MEL Safety Institute	19,689.00	6,563.00	26,252.00
	<u>\$ 1,089,059.12</u>	<u>\$ 219,669.65</u>	<u>\$ 1,308,728.77</u>

**Public Alliance Insurance Coverage Fund
Comments and Recommendations
December 31, 2017**

Comments and Recommendations:

None