

PUBLIC ALLIANCE INSURANCE COVERAGE FUND
Financial Statements
December 31, 2019 and 2018
With Independent Auditor's Reports

Public Alliance Insurance Coverage Fund
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December 31, 2019 and 2018

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**Public Alliance Insurance Coverage Fund
Management's Discussion and Analysis
December 31, 2019 and 2018**

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, 2019 and 2018. 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 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Assets		
Cash, investments and accrued interest	\$ 19,375,181	\$ 18,660,101
Assessments receivable	34,870	16,781
Other assets	<u>3,142</u>	<u>1,650</u>
	<u>\$ 19,413,193</u>	<u>\$ 18,678,532</u>
Liabilities and Fund Surplus		
Reserves for unpaid claims	\$ 4,388,169	\$ 4,835,152
Other liabilities	1,346,761	1,449,079
Fund surplus	<u>13,678,263</u>	<u>12,394,301</u>
	<u>\$ 19,413,193</u>	<u>\$ 18,678,532</u>
Revenue and Expenses		
Revenue	\$ 6,120,065	\$ 5,958,798
Investment and other income	<u>687,769</u>	<u>286,654</u>
	<u>6,807,834</u>	<u>6,245,452</u>
Claims expense	1,757,078	2,610,048
Insurance premiums	2,472,020	2,310,231
Administrative expense	<u>1,294,774</u>	<u>1,206,594</u>
	<u>5,523,872</u>	<u>6,126,873</u>
Net income	1,283,962	118,579
Fund surplus returned to members	<u>-</u>	<u>(285,193)</u>
Increase (decrease) in fund surplus	<u>\$ 1,283,962</u>	<u>\$ (166,614)</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.). 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.

Public Alliance Insurance Coverage Fund Management's Discussion and Analysis December 31, 2019 and 2018

- 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 2019 amounted to \$6,120,065, which represents a 2.7% increase over 2018.
- 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 year ended December 31, 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, 2019 and 2018, 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, 2019 and 2018, 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 Supplemental 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 7, 2020 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".

May 7, 2020

Public Alliance Insurance Coverage Fund
Balance Sheets
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 4,901,538	\$ 4,732,744
Investments	14,409,877	13,866,827
Accrued interest	63,766	60,530
Assessments receivable	34,870	16,781
Prepaid expenses	<u>3,142</u>	<u>1,650</u>
	<u>\$ 19,413,193</u>	<u>\$ 18,678,532</u>
Liabilities and Fund Surplus		
Liabilities		
Claims		
Case reserves	\$ 3,217,874	\$ 3,432,341
IBNR reserves	<u>1,170,295</u>	<u>1,402,811</u>
	<u>4,388,169</u>	<u>4,835,152</u>
Other		
Administrative expenses payable	592,868	490,364
Insurance premiums payable	739,622	676,627
Return of surplus payable	<u>14,271</u>	<u>282,088</u>
	<u>1,346,761</u>	<u>1,449,079</u>
Total liabilities	5,734,930	6,284,231
Fund surplus	<u>13,678,263</u>	<u>12,394,301</u>
	<u>\$ 19,413,193</u>	<u>\$ 18,678,532</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenue		
Underwriting income - regular contributions	\$ 6,120,065	\$ 5,958,798
Expenses		
Claims		
Paid	2,204,059	2,019,839
Increase (decrease) in case reserves	(214,465)	531,735
Increase (decrease) in IBNR reserves	<u>(232,516)</u>	<u>58,474</u>
Claims - net	<u>1,757,078</u>	<u>2,610,048</u>
Insurance and reinsurance premiums	2,472,020	2,310,231
Administrative expenses	<u>1,294,774</u>	<u>1,206,594</u>
	<u>3,766,794</u>	<u>3,516,825</u>
Total expenses	<u>5,523,872</u>	<u>6,126,873</u>
Operating income (loss)	<u>596,193</u>	<u>(168,075)</u>
Investment income, net	366,324	302,767
Change in fair value of investments	<u>321,445</u>	<u>(16,113)</u>
Investment return, net	<u>687,769</u>	<u>286,654</u>
Net income	1,283,962	118,579
Fund surplus, beginning of year	12,394,301	12,560,915
Less: Fund surplus returned to members	<u>-</u>	<u>(285,193)</u>
Fund surplus, end of year	<u>\$ 13,678,263</u>	<u>\$ 12,394,301</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating activities		
Underwriting income - regular contributions received	\$ 6,101,976	\$ 5,963,296
Claims paid	(2,204,059)	(2,019,839)
Excess insurance premiums paid	(2,409,027)	(2,321,927)
Administrative expenses paid	<u>(1,193,762)</u>	<u>(1,164,108)</u>
Net cash provided by operating activities	<u>295,128</u>	<u>457,422</u>
Investing activities		
Sale/maturity of investment securities	3,737,243	3,220,775
Purchase of investment securities	(3,959,153)	(3,457,814)
Investment income	<u>363,393</u>	<u>305,685</u>
Net cash provided by investing activities	<u>141,483</u>	<u>68,646</u>
Financing activities		
Fund surplus returned to members, net	<u>(267,817)</u>	<u>-</u>
Net change in cash and cash equivalents	168,794	526,068
Cash and cash equivalents		
Beginning of year	<u>4,732,744</u>	<u>4,206,676</u>
End of year	<u>\$ 4,901,538</u>	<u>\$ 4,732,744</u>
Reconciliation of changes in fund surplus to net cash provided by operating activities		
Changes in fund surplus due to operations	\$ 596,193	\$ (168,075)
Adjustments to reconcile changes in fund surplus due to operations to net cash provided by operating activities		
Changes in assets and liabilities		
Assessments receivable	(18,089)	4,498
Prepaid expenses	(1,492)	1,492
Case and IBNR reserves	(446,983)	590,209
Administrative expenses payable	102,504	40,994
Insurance premiums payable	<u>62,995</u>	<u>(11,696)</u>
Net cash provided by operating activities	<u>\$ 295,128</u>	<u>\$ 457,422</u>
Supplemental disclosure of cash flow information		
Non-cash financing activities		
Return of surplus declared but not paid until subsequent year	<u>\$ -</u>	<u>\$ 285,193</u>

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

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
Years Ended December 31, 2019 and 2018

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

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 - 2019	\$ 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
Years Ended December 31, 2019 and 2018

Loss Fund Aggregates:

<u>Fund Year(s)</u>	<u>Workers'</u> <u>Compensation</u>	<u>General Liability</u>	<u>Automobile</u> <u>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

Years Ended December 31, 2019 and 2018

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 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 each of the years ending December 31, 2019 and 2018 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

Years Ended December 31, 2019 and 2018

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 generally accepted accounting principles 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
Years Ended December 31, 2019 and 2018

3. CASH AND CASH EQUIVALENTS

At December 31, 2019 and 2018, the carrying amounts of the Fund's deposits were \$4,901,538 and \$4,732,744, respectively, and the bank balances were \$4,909,901 and \$4,748,758, 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, 2019 and 2018, 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 2.875% as of December 31, 2019 and 1.0% to 3.5% as of December 31, 2018. The maturity dates range from July 31, 2020 to November 30, 2024 as of December 31, 2019, and September 30, 2019 to February 28, 2023 as of December 31, 2018. 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, 2019 and 2018, 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 (loss) at December 31 each year. The amounts are as follows:

	<u>2019</u>	<u>2018</u>
Face value	\$ 14,290,000	\$ 14,105,000
Unamortized discount, net	(39,499)	(76,104)
Unrealized gain (loss), net	<u>159,376</u>	<u>(162,069)</u>
Fair value	<u>\$ 14,409,877</u>	<u>\$ 13,866,827</u>

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

	<u>2019</u>	<u>2018</u>
Interest income	\$ 363,391	\$ 305,685
Amortization of discount, net	59,406	9,458
Realized loss using amortized cost	<u>(56,473)</u>	<u>(12,376)</u>
Investment return	<u>\$ 366,324</u>	<u>\$ 302,767</u>

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
Years Ended December 31, 2019 and 2018

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, 2019 and 2018, along with the basis for the determination of fair value:

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

	2018			
	Basis for Valuation			
	Total	Quoted Prices in Active Markets	Observable Measurement Criteria	Unobservable Measurement Criteria
Investments - US Treasury Notes	\$ 13,866,827	\$ 13,866,827	\$ -	\$ -

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, 2019 and 2018.

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
Years Ended December 31, 2019 and 2018

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

	<u>2019</u>	<u>2018</u>
Case reserves	\$ 3,217,874	\$ 3,432,341
Reserves for losses incurred but not reported	<u>1,170,295</u>	<u>1,402,811</u>
	<u>\$ 4,388,169</u>	<u>\$ 4,835,152</u>

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

	<u>2019</u>	<u>2018</u>
Unpaid claim liabilities, beginning of year	\$ <u>4,835,152</u>	\$ <u>4,244,943</u>
Incurred claims		
Provision for insured events of the current period	2,310,548	2,473,789
Increase (decrease) in provision for insured events of prior years	<u>(553,472)</u>	<u>136,259</u>
Total increase in incurred claims	<u>1,757,076</u>	<u>2,610,048</u>
Payments		
Payments - net on claims for insured events of the current period	628,832	677,088
Payments - net on claims for insured events of prior years	<u>1,575,227</u>	<u>1,342,751</u>
Total payments	<u>2,204,059</u>	<u>2,019,839</u>
Unpaid claim liabilities, end of year	<u>\$ 4,388,169</u>	<u>\$ 4,835,152</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 a return of surplus ("ROS") of \$285,193 on November 27, 2018, of which \$3,105 was applied against assessments receivable of specific members during the year ended December 31, 2018 and the remaining \$282,088 was recorded as a liability on the balance sheet as of December 31, 2018. As of December 31, 2019, \$14,271 remains unpaid. There was no return of surplus approved during the year ended December 31, 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, 2019 and 2018.

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
Years Ended December 31, 2019 and 2018

9. SUBSEQUENT EVENTS

The Fund has evaluated subsequent events occurring after the balance sheet date through May 7, 2020, 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 other than the following:

Management is currently evaluating the potential impact of the COVID-19 virus to the Fund. While any impact is not readily determinable as of the date of these financial statements, management continues to monitor and will keep the Fund's members apprised of any potential impact as it is known.

INDEPENDENT AUDITOR'S 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

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, 2019, 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 7, 2020.

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) to determine the 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 over financial reporting 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 determination of financial statement amounts. 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 7 2020

SUPPLEMENTAL INFORMATION

**Public Alliance Insurance Coverage Fund
Ten Year Claims Development Information
December 31, 2019**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Underwriting income - regular contributions	\$ 9,159,174	\$ 9,038,701	\$ 6,745,110	\$ 6,961,636	\$ 7,263,036	\$ 5,804,471	\$ 6,009,186	\$ 6,156,836	\$ 5,958,798	\$ 6,120,065
Investment income	327,305	190,152	143,647	137,874	119,041	100,932	76,137	81,957	99,571	66,014
Other income (expense)	811	682	1	115	(1)	5	-	(4)	1	-
	<u>\$ 9,487,290</u>	<u>\$ 9,229,535</u>	<u>\$ 6,888,758</u>	<u>\$ 7,099,625</u>	<u>\$ 7,382,076</u>	<u>\$ 5,905,408</u>	<u>\$ 6,085,323</u>	<u>\$ 6,238,789</u>	<u>\$ 6,058,370</u>	<u>\$ 6,186,079</u>
Insurance and reinsurance premiums	\$ 3,187,940	\$ 3,286,945	\$ 2,215,003	\$ 2,240,882	\$ 2,495,840	\$ 2,444,378	\$ 2,496,923	\$ 2,489,403	\$ 2,372,163	\$ 2,574,330
Administrative expenses	1,959,874	1,926,320	1,310,445	1,330,176	1,351,404	1,163,702	1,256,763	1,282,516	1,263,872	1,319,550
	<u>\$ 5,147,814</u>	<u>\$ 5,213,265</u>	<u>\$ 3,525,448</u>	<u>\$ 3,571,058</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>\$ 3,893,880</u>
Estimated incurred claims, end of policy year	<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>	<u>\$ 2,473,789</u>	<u>\$ 2,310,548</u>
Cumulative paid claims as of										
End of policy year	1,198,022	1,038,186	444,243	579,184	913,995	405,811	553,019	542,475	677,088	628,832
One year later	1,829,498	1,621,730	868,614	1,009,617	1,590,652	657,018	756,413	1,067,498	999,812	
Two years later	2,250,494	1,989,365	1,041,398	1,142,275	1,880,150	781,660	937,138	1,796,822		
Three years later	2,571,271	2,602,415	1,090,614	1,480,188	2,180,435	866,143	1,224,579			
Four years later	2,950,886	2,944,709	1,434,835	1,651,495	2,344,323	883,667				
Five years later	3,074,569	3,054,877	1,445,000	1,820,458	2,344,336					
Six years later	3,142,102	3,121,462	1,475,636	2,028,559						
Seven years later	3,165,196	3,162,831	1,479,411							
Eight years later	3,174,165	3,165,630								
Nine years later	3,177,372									
Cumulative incurred claims as of										
End of policy year	3,570,000	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
One year later	3,326,900	3,542,404	2,222,257	2,440,001	3,587,257	1,455,389	1,393,346	2,601,012	1,697,884	
Two years later	3,331,948	3,791,405	2,249,297	2,154,670	2,958,112	1,150,349	1,500,758	2,618,030		
Three years later	3,499,901	3,859,332	1,434,174	2,110,999	2,865,876	986,784	1,501,057			
Four years later	3,438,900	3,534,709	1,543,444	2,193,307	2,615,852	920,941				
Five years later	3,357,862	3,414,710	1,501,060	2,260,170	2,615,853					
Six years later	3,288,862	3,184,067	1,500,640	2,506,397						
Seven years later	3,260,384	3,162,831	1,500,640							
Eight years later	3,232,348	3,182,681								
Nine years later	<u>3,237,229</u>									
Increase (decrease) in cumulative incurred claims from end of policy year	<u>\$ (332,771)</u>	<u>\$ (707,319)</u>	<u>\$ (837,360)</u>	<u>\$ (35,604)</u>	<u>\$ (840,147)</u>	<u>\$ (1,273,117)</u>	<u>\$ (483,692)</u>	<u>\$ 385,455</u>	<u>\$ (775,905)</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, 2019 and 2018

	2019				
	Total	Workers' Compensation	General Liability	Auto Liability	Property and Inland Marine
Unpaid claim liabilities, beginning of year	\$ 4,835,152	\$ 2,923,194	\$ 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, net					
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>1,575,229</u>	<u>589,263</u>	<u>502,395</u>	<u>458,648</u>	<u>24,923</u>
Total payments	<u>2,204,061</u>	<u>1,076,832</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>
	2018				
	Total	Workers' Compensation	General Liability	Auto Liability	Property and Inland Marine
Unpaid claim liabilities, beginning of year	\$ 4,244,943	\$ 2,461,263	\$ 1,404,207	\$ 334,132	\$ 45,341
Incurred claims					
Provision for insured events of current year	2,473,789	1,767,675	323,065	94,475	288,574
Increase (decrease) in provision for insured events of prior years	<u>136,259</u>	<u>14,499</u>	<u>7,823</u>	<u>181,879</u>	<u>(67,942)</u>
Increase in incurred claims	<u>2,610,048</u>	<u>1,782,174</u>	<u>330,888</u>	<u>276,354</u>	<u>220,632</u>
Claim payments					
Payments on claims for insured events of current year	677,088	367,200	59,512	11,161	239,215
Payments - net on claims for insured events of prior years	<u>1,342,751</u>	<u>953,043</u>	<u>268,967</u>	<u>102,205</u>	<u>18,536</u>
Total payments	<u>2,019,839</u>	<u>1,320,243</u>	<u>328,479</u>	<u>113,366</u>	<u>257,751</u>
Unpaid liability, end of year	<u>\$ 4,835,152</u>	<u>\$ 2,923,194</u>	<u>\$ 1,406,616</u>	<u>\$ 497,120</u>	<u>\$ 8,222</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 2019
Year Ended December 31, 2019**

<u>Fund Year</u>	<u>Fund Surplus (Deficit) 1/1/2019</u>	<u>Net Income (Loss)</u>	<u>Less Surplus Returned to Members</u>	<u>Fund Surplus (Deficit) 12/31/2019</u>
1997	\$ -	\$ -	\$ -	\$ -
1998	-	-	-	-
1999	-	-	-	-
2000	-	-	-	-
2001	-	-	-	-
2002	886,514	32,972	-	919,486
2003	457,929	16,762	-	474,691
2004	1,141,761	40,670	-	1,182,431
2005	1,214,197	43,725	-	1,257,922
2006	724,470	25,793	-	750,263
2007	720,136	24,906	-	745,042
2008	97,165	3,671	-	100,836
2009	239,087	8,944	-	248,031
2010	577,580	22,664	-	600,244
2011	823,767	9,822	-	833,589
2012	1,797,160	65,510	-	1,862,670
2013	1,211,975	(189,805)	-	1,022,170
2014	877,344	41,635	-	918,979
2015	1,261,044	115,343	-	1,376,387
2016	782,784	47,796	-	830,580
2017	(178,438)	27,278	-	(151,160)
2018	(240,174)	964,625	-	724,451
2019	-	(18,349)	-	(18,349)
	<u>\$ 12,394,301</u>	<u>\$ 1,283,962</u>	<u>\$ -</u>	<u>\$ 13,678,263</u>

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
 Combined Cumulative Results Analysis for
 Fund Years 1997 through 2019
 December 31, 2019**

Revenue	
Underwriting income - regular contributions	\$ 156,223,368
Expenses	
Claims	
Paid	42,312,471
Case reserves	3,217,875
IBNR reserves	<u>1,170,295</u>
Claims - net	<u>46,700,641</u>
Insurance and reinsurance premiums	62,433,871
Administrative expenses	<u>33,266,067</u>
	<u>95,699,938</u>
Total expenses	<u>142,400,579</u>
Operating income	<u>13,822,789</u>
Investment income	5,207,366
Other income	<u>27,737</u>
Total non-operating income	<u>5,235,103</u>
Net income	19,057,892
Less: Surplus returned to members	<u>(5,379,629)</u>
Fund surplus	<u>\$ 13,678,263</u>

See Independent Auditor's Report.

Public Alliance Insurance Coverage Fund
1997 Fund Year
Cumulative Operating Results Analysis
December 31, 2019

	<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, 2019**

	<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	\$ 1,569,268	\$ 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, 2019

	<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	\$ 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 (expense)	<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, 2019**

	<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	<u>747</u>	<u>67,859</u>	<u>42,911</u>	<u>-</u>	<u>45,205</u>	<u>156,722</u>
Total non-operating income (expense)	<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, 2019

	<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	\$ 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	76	72,322	40,477	-	22,038	134,913
Total non-operating income (expense)	<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, 2019**

	<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)	100,573	(41,081)	(4,164)	(13,878)	(56,504)
Investment income (loss)	<u>392,370</u>	<u>40,548</u>	<u>(13,648)</u>	<u>32,063</u>	<u>1,562</u>	<u>16,362</u>	<u>469,257</u>
Total non-operating income (expense)	<u>392,370</u>	<u>(57,406)</u>	<u>86,925</u>	<u>(9,018)</u>	<u>(2,602)</u>	<u>3,338</u>	<u>413,607</u>
Net income	1,438,052	123,688	27	187,122	2,272	96,822	1,847,983
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	\$ 913,052	\$ 6,434	\$ -	\$ -	\$ -	\$ -	\$ 919,486

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, 2019**

	<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	1,159,809	323,291	207,886	43,366	-	-	1,734,352
Case reserves	12,630	-	-	-	-	-	12,630
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>169,177</u>	<u>31,449</u>	<u>(22,020)</u>	<u>42,982</u>	<u>22,458</u>	<u>15,924</u>	<u>259,970</u>
Total non-operating income (expense)	<u>169,177</u>	<u>157,424</u>	<u>133,810</u>	<u>(132,018)</u>	<u>(62,542)</u>	<u>(18,557)</u>	<u>247,294</u>
Net income	503,113	98,441	1,280	90,872	17,645	39,373	750,724
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>353,113</u>	\$ <u>59,906</u>	\$ <u>1,280</u>	\$ <u>28,372</u>	\$ <u>17,645</u>	\$ <u>14,375</u>	\$ <u>474,691</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, 2019**

	<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>254,427</u>	<u>104,937</u>	<u>146</u>	<u>46,262</u>	<u>22,915</u>	<u>48,602</u>	<u>477,289</u>
Total non-operating income (expense)	<u>116,827</u>	<u>179,202</u>	<u>28,496</u>	<u>46,262</u>	<u>22,915</u>	<u>50,110</u>	<u>443,812</u>
Net income	684,154	209,875	6,428	157,471	74,261	185,257	1,317,446
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>659,154</u>	\$ <u>144,860</u>	\$ <u>6,428</u>	\$ <u>157,471</u>	\$ <u>74,261</u>	\$ <u>140,257</u>	\$ <u>1,182,431</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, 2019**

	<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	1,149,431	578,144	190,766	386,422	-	-	2,304,763
Case reserves	13,300	-	-	-	-	-	13,300
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	<u>340,316</u>	<u>89,447</u>	<u>17,670</u>	<u>29,261</u>	<u>5,619</u>	<u>54,338</u>	<u>536,651</u>
Total non-operating income (expense)	<u>308,726</u>	<u>(18,740)</u>	<u>(47,330)</u>	<u>285,546</u>	<u>5,619</u>	<u>4,915</u>	<u>538,736</u>
Net income	1,108,679	1	23,600	41,482	5,619	160,049	1,339,430
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>\$ 1,083,679</u>	<u>\$ 1</u>	<u>\$ 23,600</u>	<u>\$ 9,974</u>	<u>\$ 5,619</u>	<u>\$ 135,049</u>	<u>\$ 1,257,922</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, 2019**

	<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)	<u>270,586</u>	<u>67,942</u>	<u>(3,787)</u>	<u>21,747</u>	<u>12,011</u>	<u>38,044</u>	<u>406,543</u>
Total non-operating income (expense)	<u>158,776</u>	<u>396,334</u>	<u>74,957</u>	<u>(58,239)</u>	<u>(20,158)</u>	<u>(82,528)</u>	<u>469,142</u>
Net income (loss)	768,632	(1,975)	-	1,521	3,005	40,702	811,885
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>\$ 750,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750,263</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, 2019**

	<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	<u>225,529</u>	<u>53,469</u>	<u>21,251</u>	<u>9,266</u>	<u>9,071</u>	<u>34,831</u>	<u>353,417</u>
Total non-operating income (expense)	<u>22,144</u>	<u>505,972</u>	<u>(89,251)</u>	<u>82,984</u>	<u>(10,369)</u>	<u>(89,325)</u>	<u>422,155</u>
Net income (loss)	779,036	(22,162)	3,249	-	1,652	65,941	827,716
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>744,795</u>	\$ <u>247</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>745,042</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, 2019**

	<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>74,418</u>	<u>18,241</u>	<u>316</u>	<u>33,128</u>	<u>6,236</u>	<u>25,473</u>	<u>157,812</u>
Total non-operating income (expense)	<u>74,412</u>	<u>602,770</u>	<u>51,910</u>	<u>(63,834)</u>	<u>(34,746)</u>	<u>(163,035)</u>	<u>467,477</u>
Net income	100,836	-	-	-	286	7,087	108,209
Less: Surplus returned to members	-	-	-	-	(286)	(7,087)	(7,373)
Fund surplus	<u>\$ 100,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,836</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, 2019**

	<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>63,095</u>	<u>48,593</u>	<u>10,931</u>	<u>5,285</u>	<u>12,625</u>	<u>12,308</u>	<u>152,837</u>
Total non-operating income (expense)	<u>63,095</u>	<u>161,997</u>	<u>(69,331)</u>	<u>(1,906)</u>	<u>1,688</u>	<u>13,093</u>	<u>168,636</u>
Net income	122,517	2,495	3,600	3,427	49,819	81,190	263,048
Less: Surplus returned to members	-	-	(3,600)	(3,427)	(7,990)	-	(15,017)
Fund surplus	<u>\$ 122,517</u>	<u>\$ 2,495</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,829</u>	<u>\$ 81,190</u>	<u>\$ 248,031</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, 2019**

	<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	1,980,721	823,790	338,900	33,961	-	-	3,177,372
Case reserves	59,857	-	-	-	-	-	59,857
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>2,040,578</u>	<u>823,790</u>	<u>338,900</u>	<u>33,961</u>	<u>-</u>	<u>-</u>	<u>3,237,229</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>2,588,409</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>8,385,043</u>
Operating income	<u>156,009</u>	<u>51,432</u>	<u>169,355</u>	<u>207,103</u>	<u>77,617</u>	<u>112,615</u>	<u>774,131</u>
Other income (expense)							
Miscellaneous income	-	-	-	-	-	811	811
Transfers	-	(34,766)	(122,989)	(91,180)	-	-	(248,935)
Investment income	<u>124,429</u>	<u>87,697</u>	<u>29,765</u>	<u>32,087</u>	<u>29,462</u>	<u>23,865</u>	<u>327,305</u>
Total non-operating income (expense)	<u>124,429</u>	<u>52,931</u>	<u>(93,224)</u>	<u>(59,093)</u>	<u>29,462</u>	<u>24,676</u>	<u>79,181</u>
Net income	280,438	104,363	76,131	148,010	107,079	137,291	853,312
Less: Surplus returned to members	-	(41,907)	(63,151)	(148,010)	-	-	(253,068)
Fund surplus	<u>\$ 280,438</u>	<u>\$ 62,456</u>	<u>\$ 12,980</u>	<u>\$ -</u>	<u>\$ 107,079</u>	<u>\$ 137,291</u>	<u>\$ 600,244</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, 2019**

	<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	1,351,964	1,099,691	403,597	310,378	-	-	3,165,630
Case reserves	17,051	-	-	-	-	-	17,051
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>1,369,015</u>	<u>1,099,691</u>	<u>403,597</u>	<u>310,378</u>	<u>-</u>	<u>-</u>	<u>3,182,681</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>1,915,768</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>8,395,946</u>
Operating income (loss)	<u>743,794</u>	<u>(74,680)</u>	<u>(90,993)</u>	<u>(67,666)</u>	<u>30,447</u>	<u>101,853</u>	<u>642,755</u>
Other income							
Miscellaneous income	-	-	-	-	-	682	682
Investment income	<u>113,638</u>	<u>43,952</u>	<u>3,652</u>	<u>8,591</u>	<u>4,090</u>	<u>16,229</u>	<u>190,152</u>
Total non-operating income	<u>113,638</u>	<u>43,952</u>	<u>3,652</u>	<u>8,591</u>	<u>4,090</u>	<u>16,911</u>	<u>190,834</u>
Net income (loss)	857,432	(30,728)	(87,341)	(59,075)	34,537	118,764	833,589
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	\$ <u>857,432</u>	\$ <u>(30,728)</u>	\$ <u>(87,341)</u>	\$ <u>(59,075)</u>	\$ <u>34,537</u>	\$ <u>118,764</u>	\$ <u>833,589</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, 2019**

	<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	800,966	192,877	219,297	266,271	-	-	1,479,411
Case reserves	19,656	1,573	-	-	-	-	21,229
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>820,622</u>	<u>194,450</u>	<u>219,297</u>	<u>266,271</u>	<u>-</u>	<u>-</u>	<u>1,500,640</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>1,286,053</u>	<u>627,319</u>	<u>492,363</u>	<u>554,850</u>	<u>755,058</u>	<u>1,310,445</u>	<u>5,026,088</u>
Operating income (loss)	<u>1,089,355</u>	<u>555,554</u>	<u>78,723</u>	<u>(86,489)</u>	<u>14,407</u>	<u>67,472</u>	<u>1,719,022</u>
Other income							
Miscellaneous income	-	-	-	-	-	1	1
Investment income	<u>87,460</u>	<u>41,985</u>	<u>5,556</u>	<u>1,111</u>	<u>1,122</u>	<u>6,413</u>	<u>143,647</u>
Total non-operating income	<u>87,460</u>	<u>41,985</u>	<u>5,556</u>	<u>1,111</u>	<u>1,122</u>	<u>6,414</u>	<u>143,648</u>
Net income (loss)	1,176,815	597,539	84,279	(85,378)	15,529	73,886	1,862,670
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	\$ <u>1,176,815</u>	\$ <u>597,539</u>	\$ <u>84,279</u>	\$ <u>(85,378)</u>	\$ <u>15,529</u>	\$ <u>73,886</u>	\$ <u>1,862,670</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, 2019**

	<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	1,357,337	484,679	175,602	10,941	-	-	2,028,559
Case reserves	476,858	-	980	-	-	-	477,838
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>1,834,195</u>	<u>484,679</u>	<u>176,582</u>	<u>10,941</u>	<u>-</u>	<u>-</u>	<u>2,506,397</u>
Other							
Insurance and reinsurance premiums	390,499	443,591	319,232	285,894	801,666	-	2,240,882
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>801,666</u>	<u>1,330,176</u>	<u>3,571,058</u>
Total expenses	<u>2,224,694</u>	<u>928,270</u>	<u>495,814</u>	<u>296,835</u>	<u>801,666</u>	<u>1,330,176</u>	<u>6,077,455</u>
Operating income	<u>104,026</u>	<u>393,051</u>	<u>134,118</u>	<u>165,163</u>	<u>26,771</u>	<u>61,052</u>	<u>884,181</u>
Other income							
Miscellaneous income	-	-	-	-	-	115	115
Investment income	58,197	49,290	9,546	12,605	2,174	6,062	137,874
Total non-operating income	<u>58,197</u>	<u>49,290</u>	<u>9,546</u>	<u>12,605</u>	<u>2,174</u>	<u>6,177</u>	<u>137,989</u>
Net income	162,223	442,341	143,664	177,768	28,945	67,229	1,022,170
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus	<u>\$ 162,223</u>	<u>\$ 442,341</u>	<u>\$ 143,664</u>	<u>\$ 177,768</u>	<u>\$ 28,945</u>	<u>\$ 67,229</u>	<u>\$ 1,022,170</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, 2019**

	<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	1,868,685	219,539	219,869	36,243	-	-	2,344,336
Case reserves	271,517	-	-	-	-	-	271,517
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>2,140,202</u>	<u>219,539</u>	<u>219,869</u>	<u>36,243</u>	<u>-</u>	<u>-</u>	<u>2,615,853</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>2,532,293</u>	<u>689,949</u>	<u>597,193</u>	<u>311,222</u>	<u>981,036</u>	<u>1,351,404</u>	<u>6,463,097</u>
Operating income (loss)	<u>(224,096)</u>	<u>633,179</u>	<u>139,369</u>	<u>150,671</u>	<u>20,503</u>	<u>80,313</u>	<u>799,939</u>
Other income (expense)							
Miscellaneous expense	-	-	-	-	-	(1)	(1)
Investment income	23,827	59,465	11,819	13,262	1,771	8,897	119,041
Total non-operating income (expense)	<u>23,827</u>	<u>59,465</u>	<u>11,819</u>	<u>13,262</u>	<u>1,771</u>	<u>8,896</u>	<u>119,040</u>
Net income (loss)	(200,269)	692,644	151,188	163,933	22,274	89,209	918,979
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	\$ (200,269)	\$ 692,644	\$ 151,188	\$ 163,933	\$ 22,274	\$ 89,209	\$ 918,979

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, 2019**

	<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	2,500	-	-	-	-	-	2,500
Claims - net	554,621	121,577	133,389	111,354	-	-	920,941
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	336,154	439,962	370,708	293,308	1,004,246	1,163,702	3,608,080
Total expenses	890,775	561,539	504,097	404,662	1,004,246	1,163,702	4,529,021
Operating income (loss)	622,801	410,862	119,662	(4,967)	45,482	81,610	1,275,450
Other income							
Miscellaneous income	-	-	-	-	-	5	5
Investment income	47,440	32,234	8,477	2,367	5,960	4,454	100,932
Total non-operating income	47,440	32,234	8,477	2,367	5,960	4,459	100,937
Net income (loss)	670,241	443,096	128,139	(2,600)	51,442	86,069	1,376,387
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	\$ 670,241	\$ 443,096	\$ 128,139	\$ (2,600)	\$ 51,442	\$ 86,069	\$ 1,376,387

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, 2019**

	<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	503,923	354,993	226,410	139,253	-	-	1,224,579
Case reserves	114,963	103,079	-	-	-	-	218,042
IBNR reserves	9,404	49,032	-	-	-	-	58,436
Claims - net	<u>628,290</u>	<u>507,104</u>	<u>226,410</u>	<u>139,253</u>	<u>-</u>	<u>-</u>	<u>1,501,057</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>948,883</u>	<u>955,001</u>	<u>618,129</u>	<u>437,852</u>	<u>1,038,115</u>	<u>1,256,763</u>	<u>5,254,743</u>
Operating income (loss)	625,215	63,000	21,830	(20,305)	31,131	33,572	754,443
Investment income	<u>40,207</u>	<u>22,721</u>	<u>1,688</u>	<u>4,094</u>	<u>988</u>	<u>6,439</u>	<u>76,137</u>
Net income (loss)	665,422	85,721	23,518	(16,211)	32,119	40,011	830,580
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	\$ <u>665,422</u>	\$ <u>85,721</u>	\$ <u>23,518</u>	\$ <u>(16,211)</u>	\$ <u>32,119</u>	\$ <u>40,011</u>	\$ <u>830,580</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, 2019**

	<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	1,142,316	118,019	130,794	405,693	-	-	1,796,822
Case reserves	166,144	286,974	-	174,941	-	-	628,059
IBNR reserves	82,171	101,216	-	9,762	-	-	193,149
Claims - net	1,390,631	506,209	130,794	590,396	-	-	2,618,030
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	316,621	433,265	405,313	288,843	1,045,361	1,282,516	3,771,919
Total expenses	1,707,252	939,474	536,107	879,239	1,045,361	1,282,516	6,389,949
Operating income (loss)	(71,463)	68,016	159,711	(466,612)	42,635	34,600	(233,113)
Other income (expense)							
Miscellaneous expense	-	-	-	-	-	(4)	(4)
Investment income	28,887	25,187	9,086	6,251	6,782	5,764	81,957
Total non-operating income (expense)	28,887	25,187	9,086	6,251	6,782	5,760	81,953
Net income (loss)	(42,576)	93,203	168,797	(460,361)	49,417	40,360	(151,160)
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	\$ (42,576)	\$ 93,203	\$ 168,797	\$ (460,361)	\$ 49,417	\$ 40,360	\$ (151,160)

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, 2019**

	<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	\$ 1,301,814	\$ 5,958,798
Expenses							
Claims							
Paid	588,101	86,431	307,128	18,152	-	-	999,812
Case reserves	375,380	14,369	-	11,025	-	-	400,774
IBNR reserves	79,057	179,348	-	38,893	-	-	297,298
Claims - net	1,042,538	280,148	307,128	68,070	-	-	1,697,884
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	275,770	419,944	399,449	280,144	996,856	1,263,872	3,636,035
Total expenses	1,318,308	700,092	706,577	348,214	996,856	1,263,872	5,333,919
Operating income (loss)	231,779	255,125	(27,851)	67,493	60,391	37,942	624,879
Other income							
Miscellaneous income	-	-	-	-	-	1	1
Investment income	36,391	22,075	8,302	8,217	22,604	1,982	99,571
Total non-operating income	36,391	22,075	8,302	8,217	22,604	1,983	99,572
Net income (loss)	268,170	277,200	(19,549)	75,710	82,995	39,925	724,451
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	\$ 268,170	\$ 277,200	\$ (19,549)	\$ 75,710	\$ 82,995	\$ 39,925	\$ 724,451

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, 2019**

	<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	487,569	51,809	85,202	4,252	-	-	628,832
Case reserves	823,030	186,622	51,636	1,516	-	-	1,062,804
IBNR reserves	82,060	432,641	2,000	102,211	-	-	618,912
Claims - net	1,392,659	671,072	138,838	107,979	-	-	2,310,548
Other							
Insurance and reinsurance premiums	308,292	449,276	423,063	303,149	1,090,550	-	2,574,330
Administrative	-	-	-	-	-	1,319,550	1,319,550
Total other expenses	308,292	449,276	423,063	303,149	1,090,550	1,319,550	3,893,880
Total expenses	1,700,951	1,120,348	561,901	411,128	1,090,550	1,319,550	6,204,428
Operating income (loss)	(87,590)	(171,071)	146,284	16,862	-	11,152	(84,363)
Other income							
Miscellaneous income	-	-	-	-	-	-	-
Investment income	17,415	10,239	7,618	4,614	11,737	14,391	66,014
Total non-operating income	17,415	10,239	7,618	4,614	11,737	14,391	66,014
Net income (loss)	(70,175)	(160,832)	153,902	21,476	11,737	25,543	(18,349)
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	\$ (70,175)	\$ (160,832)	\$ 153,902	\$ 21,476	\$ 11,737	\$ 25,543	\$ (18,349)

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 Expense Analysis
December 31, 2019

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
RMC fee	\$ 423,393	\$ 12,823	\$ 436,216
Actuary	26,567	-	26,567
Administrator	297,940	-	297,940
Attorney	76,487	-	76,487
Auditor	24,751	-	24,751
Claims servicing	159,879	31,985	191,864
Loss control	98,393	-	98,393
Treasurer	6,000	-	6,000
EPL seminars	-	10,000	10,000
Non-contracted	13,807	-	13,807
Contingency fees	-	50,000	50,000
Website services	5,070	-	5,070
MEL Safety Institute	26,777	-	26,777
	<u>\$ 1,159,064</u>	<u>\$ 104,808</u>	<u>\$ 1,263,872</u>

See Independent Auditor's Report.

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

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
RMC fee	\$ 446,502	\$ 1,053	\$ 447,555
Actuary	26,245	10,609	36,854
Administrator	280,503	25,500	306,003
Attorney	65,016	13,001	78,017
Auditor	-	25,246	25,246
Claims servicing	150,737	44,964	195,701
Loss control	78,198	22,163	100,361
Treasurer	5,500	500	6,000
EPL seminars	-	10,000	10,000
Non-contracted	11,663	18,337	30,000
Contingency fees	-	50,000	50,000
Website services	4,357	2,143	6,500
MEL Safety Institute	20,485	6,828	27,313
	<u>\$ 1,089,206</u>	<u>\$ 230,344</u>	<u>\$ 1,319,550</u>

**Public Alliance Insurance Coverage Fund
Comments and Recommendations
December 31, 2019**

None.