

PUBLIC ALLIANCE INSURANCE COVERAGE FUND
Financial Statements
December 31, 2021 and 2020
With Independent Auditor's Reports

Public Alliance Insurance Coverage Fund
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December 31, 2021 and 2020

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Public Alliance Insurance Coverage Fund
Management's Discussion and Analysis
December 31, 2021 and 2020

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, 2021 and 2020. 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 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Assets		
Cash, investments and accrued interest	\$ 20,388,740	\$ 20,419,122
Assessments receivable	21,281	21,281
Prepaid expenses	<u>3,017</u>	<u>1,725</u>
	<u>\$ 20,413,038</u>	<u>\$ 20,442,128</u>
Liabilities and Fund Surplus		
Reserves for unpaid claims	\$ 4,905,867	\$ 3,615,701
Other liabilities	1,620,186	1,722,549
Fund surplus	<u>13,886,985</u>	<u>15,103,878</u>
	<u>\$ 20,413,038</u>	<u>\$ 20,442,128</u>
Revenue and Expenses		
Revenue		
Underwriting income - regular contributions	\$ 5,661,574	\$ 6,255,261
Investment and other income (loss)	<u>(184,896)</u>	<u>630,583</u>
	<u>5,476,678</u>	<u>6,885,844</u>
Expenses		
Claims expense	3,202,463	1,403,619
Insurance premiums	2,407,091	2,731,095
Administrative expense	<u>1,084,017</u>	<u>1,325,515</u>
	<u>6,693,571</u>	<u>5,460,229</u>
Net income (loss)	(1,216,893)	1,425,615
Fund surplus		
Beginning year	<u>15,103,878</u>	<u>13,678,263</u>
End of year	<u>\$ 13,886,985</u>	<u>\$ 15,103,878</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 entities. The primary purpose of the Fund is to provide NJ counties, municipalities, and other component units of local governments insurance coverage through group purchasing while sharing the risk of such insurance coverage. The Fund offers a full line of insurance coverage. It operates under the provisions of the New Jersey statutes (N.J.S.A. 40A:10-36 et seq.).

Public Alliance Insurance Coverage Fund Management's Discussion and Analysis December 31, 2021 and 2020

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

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

Financial Highlights

- The Fund's assessment revenue for 2021 amounted to \$5,661,574, which represents a 9% decrease from 2020 primarily due to the loss of two members.
- 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 regulations. The executive committee did not declare a return of surplus during the years ended December 31, 2021 and 2020.

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 Audit of the Financial Statements

Opinion

We have audited the financial statements of Public Alliance Insurance Coverage Fund, which comprise the balance sheets as of December 31, 2021 and 2020, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Public Alliance Insurance Coverage Fund as of December 31, 2021 and 2020, and the changes in fund surplus and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"), 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Public Alliance Insurance Coverage Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Public Alliance Insurance Coverage Fund's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Public Alliance Insurance Coverage Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Public Alliance Insurance Coverage Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 6, 2022 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 solely to 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 6, 2022

Public Alliance Insurance Coverage Fund
Balance Sheets
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 5,322,990	\$ 5,328,966
Investments	15,008,649	15,022,847
Accrued interest	57,101	67,309
Assessments receivable	21,281	21,281
Prepaid expenses	<u>3,017</u>	<u>1,725</u>
	<u>\$ 20,413,038</u>	<u>\$ 20,442,128</u>
Liabilities and Fund Surplus		
Liabilities		
Claims		
Case reserves	\$ 3,847,302	\$ 2,455,732
IBNR reserves	<u>1,058,565</u>	<u>1,159,969</u>
	<u>4,905,867</u>	<u>3,615,701</u>
Other		
Administrative expenses payable	624,399	697,355
Insurance premiums payable	981,516	1,010,923
Return of surplus payable	<u>14,271</u>	<u>14,271</u>
	<u>1,620,186</u>	<u>1,722,549</u>
Total liabilities	6,526,053	5,338,250
Fund surplus	<u>13,886,985</u>	<u>15,103,878</u>
	<u>\$ 20,413,038</u>	<u>\$ 20,442,128</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue		
Underwriting income - regular contributions	\$ 5,661,574	\$ 6,255,261
Expenses		
Claims		
Paid	1,912,297	2,176,087
Increase (decrease) in case reserves	1,391,570	(762,142)
Decrease in IBNR reserves	<u>(101,404)</u>	<u>(10,326)</u>
Claims - net	<u>3,202,463</u>	<u>1,403,619</u>
Insurance and reinsurance premiums	2,407,091	2,731,095
Administrative expenses	<u>1,084,017</u>	<u>1,325,515</u>
	<u>3,491,108</u>	<u>4,056,610</u>
Total expenses	<u>6,693,571</u>	<u>5,460,229</u>
Operating income (loss)	<u>(1,031,997)</u>	<u>795,032</u>
Investment return (loss)		
Investment income, net	262,589	309,940
Change in fair value of investments	<u>(450,631)</u>	<u>320,643</u>
Investment return (loss), net	<u>(188,042)</u>	<u>630,583</u>
Other non operating income	<u>3,146</u>	<u>-</u>
Net income (loss)	(1,216,893)	1,425,615
Fund surplus		
Beginning of year	<u>15,103,878</u>	<u>13,678,263</u>
End of year	<u>\$ 13,886,985</u>	<u>\$ 15,103,878</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating activities		
Underwriting income - regular contributions received	\$ 5,661,574	\$ 6,268,852
Claims paid	(1,909,151)	(2,176,087)
Excess insurance premiums paid	(2,436,498)	(2,459,794)
Administrative expenses paid	<u>(1,158,265)</u>	<u>(1,219,613)</u>
Net cash provided by operating activities	<u>157,660</u>	<u>413,358</u>
Investing activities		
Sale/maturity of investment securities	3,169,546	3,532,131
Purchase of investment securities	(3,602,899)	(3,812,615)
Investment income	<u>269,717</u>	<u>294,554</u>
Net cash provided by (used in) investing activities	<u>(163,636)</u>	<u>14,070</u>
Net change in cash and cash equivalents	(5,976)	427,428
Cash and cash equivalents		
Beginning of year	<u>5,328,966</u>	<u>4,901,538</u>
End of year	<u>\$ 5,322,990</u>	<u>\$ 5,328,966</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ (1,031,997)	\$ 795,032
Other income	3,146	-
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Changes in assets and liabilities		
Assessments receivable	-	13,589
Prepaid expenses	(1,292)	1,417
Case and IBNR reserves	1,290,166	(772,468)
Administrative expenses payable	(72,956)	104,487
Insurance premiums payable	<u>(29,407)</u>	<u>271,301</u>
Net cash provided by operating activities	<u>\$ 157,660</u>	<u>\$ 413,358</u>

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

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2021 and 2020

1. OPERATIONS

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

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

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

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

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

Self Insured Retentions (SIRs):

Fund Year(s)	Workers' Compensation	General Liability	Automobile Liability	Property **
2017 - 2021	\$ 300,000	\$ 300,000	\$ 300,000	\$ 100,000
2013 - 2016	300,000	300,000	300,000	50,000
2010 - 2012	250,000	250,000	250,000	50,000
2005 - 2009	200,000	200,000	200,000	50,000
2004	150,000	150,000	150,000	50,000
2003	250,000	100,000	100,000	100,000
2002	250,000	100,000	100,000	100,000
2001	-	50,000	50,000	-
2000	-	50,000	50,000	-
1999	-	50,000	50,000	-
1998	-	50,000	50,000	-
1997	-	50,000	50,000	-

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2021 and 2020

Loss Fund Aggregates:

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

**Property includes Auto Physical Damage.

Effective 2004, the Fund no longer purchases aggregate protection.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fund are prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

Governmental Accounting Standards Board Codification Section 2100, *Defining Financial Reporting Entity*, establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards, and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The Fund has determined that there were no additional entities required to be included in the reporting entity under the criteria as described above in the current year. In addition, the Fund is not includable in any other reporting entity on the basis of such criteria.

Basis of Accounting

The Fund utilizes the accrual basis of accounting whereby revenue is recorded as earned and expenses reflected as incurred. Fund surplus (deficit), or net position, reflects the excess (deficit) of total assets over total liabilities.

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2021 and 2020

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.

Investments

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

Revenue Recognition

The Fund offers annual coverage to its members. Member assessments (contributions) 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 Board of Trustees. There are no advance sums collected for the revenue streams except any prepayments recorded as a liability. Revenue is recognized in the year the coverage is in effect and is recognized ratably over the period the service is provided.

Assessments Receivable

Assessments receivable are comprised of member installments due to the Fund for the current year which remain unpaid at the end of the fiscal year. Per the Fund's by-laws, past due assessments shall bear interest at a rate determined annually by the Executive Committee. The interest rate assessed for each of the years ending December 31, 2021 and 2020 was 2% plus prime as determined by the 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.

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.

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2021 and 2020

Reinsurance and Excess Insurance

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

Income Taxes

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

Fair Value of Financial Instruments

According to professional standards, the Fund measures its fair value under accounting principles generally accepted in the United States of America and provides disclosures about fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs using a fair value hierarchy based on three levels of inputs, of which, the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

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

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

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

3. CASH AND CASH EQUIVALENTS

At December 31, the carrying amounts of the Fund's deposits and the corresponding bank balances were as follows:

	2021		2020	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
Operating checking account	\$ 5,256,091	\$ 5,252,270	\$ 5,306,219	\$ 5,306,219
Money market account	66,899	66,899	22,747	22,747
	<u>\$ 5,322,990</u>	<u>\$ 5,319,169</u>	<u>\$ 5,328,966</u>	<u>\$ 5,328,966</u>

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").

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2021 and 2020

4. INVESTMENTS

At December 31, 2021 and 2020, 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 0.25% to 3.0% as of December 31, 2021 and 1.25% to 3.0% as of December 31, 2020. The maturity dates range from July 31, 2022 to February 28, 2026 as of December 31, 2021, and August 31, 2021 to November 30, 2025 as of December 31, 2020. 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, 2021 and 2020, all of the Fund's investments are under the custody of the New Jersey Asset and Rebate Management Program.

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

	<u>2021</u>	<u>2020</u>
Face value	\$ 14,820,000	\$ 14,335,000
Unamortized premium (discount), net	159,261	207,828
Unrealized gain, net	<u>29,388</u>	<u>480,019</u>
Fair value	<u>\$ 15,008,649</u>	<u>\$ 15,022,847</u>

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

	<u>2021</u>	<u>2021</u>
Interest income	\$ 259,510	\$ 294,554
Amortization of premium, net	(29,592)	(2,249)
Realized gain using amortized cost	<u>32,671</u>	<u>17,635</u>
Investment income, net	<u>\$ 262,589</u>	<u>\$ 309,940</u>

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2021 and 2020

5. FAIR VALUE ACCOUNTING

Recurring Fair Value Measurements

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

2021				
Basis for Valuation				
	Total	Quoted Prices in Active Markets	Observable Measurement Criteria	Unobservable Measurement Criteria
Investments in				
U.S. Treasury Notes	\$ 15,008,649	\$ 15,008,649	\$ -	\$ -
2020				
Basis for Valuation				
	Total	Quoted Prices in Active Markets	Observable Measurement Criteria	Unobservable Measurement Criteria
Investments in				
U.S. Treasury Notes	\$ 15,022,847	\$ 15,022,847	\$ -	\$ -

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, 2021 and 2020.

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2021 and 2020

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.

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

	<u>2021</u>	<u>2020</u>
Case reserves	\$ 3,847,302	\$ 2,455,732
Reserves for losses incurred but not reported	<u>1,058,565</u>	<u>1,159,969</u>
	<u>\$ 4,905,867</u>	<u>\$ 3,615,701</u>

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

	<u>2021</u>	<u>2020</u>
Unpaid claim liabilities, beginning of year	\$ 3,615,701	\$ 4,388,169
Incurred claims		
Provision for insured events of the current period	2,032,042	2,292,980
Increase (decrease) in provision for insured events of prior years	<u>1,170,421</u>	<u>(889,361)</u>
Total increase in incurred claims	<u>3,202,463</u>	<u>1,403,619</u>
Payments		
Payments - net on claims for insured events of the current period	827,499	958,150
Payments - net on claims for insured events of prior years	<u>1,084,798</u>	<u>1,217,937</u>
Total payments	<u>1,912,297</u>	<u>2,176,087</u>
Unpaid claim liabilities, end of year	<u>\$ 4,905,867</u>	<u>\$ 3,615,701</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.

Public Alliance Insurance Coverage Fund
Notes to Financial Statements
December 31, 2021 and 2020

7. RETURN OF SURPLUS

The executive committee approved returns of surplus in prior years of which \$14,271 remains unpaid as of December 31, 2021 and 2020. There were no returns of surplus approved during the years ended December 31, 2021 and 2020.

8. CONCENTRATION OF CREDIT RISK

The Fund has three members whose assessments in total approximated 56% and 55% of total assessments for the fund years ended December 31, 2021 and 2020, respectively.

9. RISKS AND UNCERTAINTIES

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

10. SUBSEQUENT EVENTS

The Fund has evaluated subsequent events occurring after the balance sheet date through May 6, 2022, 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.

SUPPLEMENTARY INFORMATION

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

INDEPENDENT AUDITOR'S REPORT

To the Fund Commissioners,
Public Alliance Insurance Coverage Fund:

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Public Alliance Insurance Coverage Fund, which comprise the balance sheet as of December 31, 2021, 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 6, 2022.

Internal Control Over Financial Reporting

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

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of the Report

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

WithumSmith+Brown, PC

May 6, 2022

Public Alliance Insurance Coverage Fund
Ten Year Claims Development Information
December 31, 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Underwriting income - regular contributions	\$ 6,745,110	\$ 6,961,636	\$ 7,263,036	\$ 5,804,471	\$ 6,009,186	\$ 6,156,836	\$ 5,958,800	\$ 6,120,065	\$ 6,255,261	\$ 5,661,574
Investment income (loss)	186,844	173,346	146,431	133,322	105,670	103,093	137,094	116,120	14,713	(11,902)
Other income (expense)	1	115	(1)	5	-	(4)	1	-	-	-
	<u>\$ 6,931,955</u>	<u>\$ 7,135,097</u>	<u>\$ 7,409,466</u>	<u>\$ 5,937,798</u>	<u>\$ 6,114,856</u>	<u>\$ 6,259,925</u>	<u>\$ 6,095,895</u>	<u>\$ 6,236,185</u>	<u>\$ 6,269,974</u>	<u>\$ 5,649,672</u>
Insurance and reinsurance premiums	\$ 2,215,003	\$ 2,315,882	\$ 2,495,840	\$ 2,444,378	\$ 2,496,923	\$ 2,489,403	\$ 2,372,163	\$ 2,504,522	\$ 2,656,095	\$ 2,476,899
Administrative expenses	1,310,445	1,330,176	1,351,404	1,163,702	1,222,905	1,248,658	1,221,887	1,252,440	1,306,050	1,280,288
	<u>\$ 3,525,448</u>	<u>\$ 3,646,058</u>	<u>\$ 3,847,244</u>	<u>\$ 3,608,080</u>	<u>\$ 3,719,828</u>	<u>\$ 3,738,061</u>	<u>\$ 3,594,050</u>	<u>\$ 3,756,962</u>	<u>\$ 3,962,145</u>	<u>\$ 3,757,187</u>
Estimated incurred claims, end of policy year	<u>\$ 2,338,000</u>	<u>\$ 2,542,001</u>	<u>\$ 3,456,000</u>	<u>\$ 2,194,058</u>	<u>\$ 1,984,749</u>	<u>\$ 2,232,575</u>	<u>\$ 2,473,789</u>	<u>\$ 2,310,548</u>	<u>\$ 2,292,980</u>	<u>\$ 2,032,042</u>
Cumulative paid claims as of										
End of policy year	444,243	579,184	913,995	405,811	553,019	542,475	677,088	628,832	958,150	827,499
One year later	868,614	1,009,617	1,590,652	657,018	756,413	1,067,498	999,812	1,261,542	1,523,636	
Two years later	1,041,398	1,142,275	1,880,150	781,660	937,138	1,796,822	1,105,154	1,366,964		
Three years later	1,090,614	1,480,188	2,180,435	866,143	1,224,579	2,109,579	1,387,910			
Four years later	1,434,835	1,651,495	2,344,323	883,667	1,282,471	2,168,066				
Five years later	1,445,000	1,820,458	2,344,336	883,667	1,321,870					
Six years later	1,475,636	2,028,559	2,344,985	883,667						
Seven years later	1,479,411	2,108,319	2,356,589							
Eight years later	1,500,639	2,130,408								
Nine years later	1,500,639									
Cumulative incurred claims as of										
End of policy year	2,338,000	2,542,001	3,456,000	2,194,058	1,984,749	2,232,575	2,473,789	2,310,548	2,292,980	2,032,042
One year later	2,222,257	2,440,001	3,587,257	1,455,389	1,393,346	2,601,012	1,697,884	2,017,317	2,628,238	
Two years later	2,249,297	2,154,670	2,958,112	1,150,349	1,500,758	2,618,030	1,587,763	2,018,383		
Three years later	1,434,174	2,110,999	2,865,876	986,784	1,501,057	2,236,821	2,097,011			
Four years later	1,543,444	2,193,307	2,615,852	920,941	1,459,996	2,272,753				
Five years later	1,501,060	2,260,170	2,615,853	918,441	1,534,805					
Six years later	1,500,640	2,506,397	2,607,329	918,441						
Seven years later	1,500,640	2,439,517	2,819,140							
Eight years later	1,500,639	2,451,916								
Nine years later	1,500,639									
Increase (decrease) in cumulative incurred claims from end of policy year	<u>\$ (837,361)</u>	<u>\$ (90,085)</u>	<u>\$ (636,860)</u>	<u>\$ (1,275,617)</u>	<u>\$ (449,944)</u>	<u>\$ 40,178</u>	<u>\$ (376,778)</u>	<u>\$ (292,165)</u>	<u>\$ 335,258</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, 2021 and 2020

	2021				
	<u>Total</u>	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Auto Liability</u>	<u>Property and Inland Marine</u>
Unpaid claim liabilities, beginning of year	\$ 3,615,701	\$ 2,195,282	\$ 1,158,061	\$ 121,419	\$ 140,939
Incurring claims					
Provision for insured events of current year	2,032,042	1,165,317	451,438	119,444	295,843
Increase (decrease) in provision for insured events of prior years	<u>1,170,421</u>	<u>(395,222)</u>	<u>1,587,812</u>	<u>(116,178)</u>	<u>94,009</u>
Increase in incurred claims	<u>3,202,463</u>	<u>770,095</u>	<u>2,039,250</u>	<u>3,266</u>	<u>389,852</u>
Claim payments, net					
Payments on claims for insured events of current year	827,499	502,722	25,808	27,864	271,105
Payments - net on claims for insured events of prior years	<u>1,084,798</u>	<u>482,789</u>	<u>366,057</u>	<u>1,000</u>	<u>234,952</u>
Total payments	<u>1,912,297</u>	<u>985,511</u>	<u>391,865</u>	<u>28,864</u>	<u>506,057</u>
Unpaid liability, end of year	<u>\$ 4,905,867</u>	<u>\$ 1,979,866</u>	<u>\$ 2,805,446</u>	<u>\$ 95,821</u>	<u>\$ 24,734</u>
	2020				
	<u>Total</u>	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Auto Liability</u>	<u>Property and Inland Marine</u>
Unpaid claim liabilities, beginning of year	\$ 4,388,169	\$ 2,641,924	\$ 1,353,281	\$ 338,348	\$ 54,616
Incurring claims					
Provision for insured events of current year	2,292,980	1,367,283	432,637	106,845	386,215
Increase (decrease) in provision for insured events of prior years	<u>(889,361)</u>	<u>(431,720)</u>	<u>(423,682)</u>	<u>(112,305)</u>	<u>78,346</u>
Increase (decrease) in incurred claims	<u>1,403,619</u>	<u>935,563</u>	<u>8,955</u>	<u>(5,460)</u>	<u>464,561</u>
Claim payments					
Payments on claims for insured events of current year	958,150	693,977	8,016	8,502	247,655
Payments - net on claims for insured events of prior years	<u>1,217,937</u>	<u>688,228</u>	<u>196,159</u>	<u>202,967</u>	<u>130,583</u>
Total payments	<u>2,176,087</u>	<u>1,382,205</u>	<u>204,175</u>	<u>211,469</u>	<u>378,238</u>
Unpaid liability, end of year	<u>\$ 3,615,701</u>	<u>\$ 2,195,282</u>	<u>\$ 1,158,061</u>	<u>\$ 121,419</u>	<u>\$ 140,939</u>

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 2021
Year Ended December 31, 2021

Fund Year	Fund Surplus (Deficit) 1/1/2021	Net Income (Loss)	Less Surplus Returned to Members	Fund Surplus (Deficit) 12/31/2021
1997	\$ -	\$ -	\$ -	\$ -
1998	-	-	-	-
1999	-	-	-	-
2000	-	-	-	-
2001	-	-	-	-
2002	949,072	(8,708)	-	940,364
2003	490,293	(6,586)	-	483,707
2004	1,220,289	(11,144)	-	1,209,145
2005	1,298,622	(11,976)	-	1,286,646
2006	774,273	(7,066)	-	767,207
2007	768,225	(7,554)	-	760,671
2008	104,068	(951)	-	103,117
2009	255,973	(2,338)	-	253,635
2010	619,166	(6,918)	-	612,248
2011	849,270	8,583	-	857,853
2012	1,923,615	(17,747)	-	1,905,868
2013	1,062,299	(25,176)	-	1,037,123
2014	966,257	(223,175)	-	743,082
2015	1,424,787	(13,510)	-	1,411,277
2016	912,403	(52,180)	-	860,223
2017	255,807	(6,696)	-	249,111
2018	884,446	(479,612)	-	404,834
2019	362,520	98,320	-	460,840
2020	(17,507)	(302,902)	-	(320,409)
2021	-	(139,557)	-	(139,557)
	<u>\$ 15,103,878</u>	<u>\$ (1,216,893)</u>	<u>\$ -</u>	<u>\$ 13,886,985</u>

See Independent Auditor's Report.

**Public Alliance Insurance Coverage Fund
Combined Cumulative Results Analysis for
Fund Years 1997 through 2021
December 31, 2021**

Revenue

Underwriting income - regular contributions	\$ 168,140,203
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Expenses

Claims	
Paid	46,400,853
Case reserves	3,847,302
IBNR reserves	<u>1,058,565</u>
Claims - net	<u>51,306,720</u>

Insurance and reinsurance premiums	67,572,056
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Administrative expenses	<u>35,675,594</u>
	<u>103,247,650</u>

Total expenses	<u>154,554,370</u>
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Operating income	<u>13,585,833</u>
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Non-operating income

Investment income	5,649,898
Other income	<u>30,883</u>
Total non-operating income	<u>5,680,781</u>

Net income	19,266,614
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Less: Surplus returned to members	<u>(5,379,629)</u>
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Fund surplus	<u>\$ 13,886,985</u>
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See Independent Auditor's Report.

Public Alliance Insurance Coverage Fund
1997 Fund Year
Cumulative Operating Results Analysis
December 31, 2021

	<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>
Non-operating income (expense)						
Miscellaneous income	-	-	-	-	2,332	2,332
Transfers	(261)	(1,233)	(1,786)	(1)	(448)	(3,729)
Investment income	<u>9,866</u>	<u>112,013</u>	<u>84,343</u>	<u>-</u>	<u>83,792</u>	<u>290,014</u>
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, 2021

	Workers' Compensation	General Liability	Auto Liability and Physical Damage	Other Coverages	Administrative	Totals
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	212,512	44,807	47,769	-	-	305,088
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	1,356,756	522,978	553,995	603,093	1,137,664	4,174,486
Total expenses	1,569,268	567,785	601,764	603,093	1,137,664	4,479,574
Operating income	-	351,614	248,684	235	273,035	873,568
Non-operating income (expense)						
Miscellaneous income	-	-	-	-	210	210
Transfers	(18)	(1,367)	(2,242)	(6)	(883)	(4,516)
Investment income	745	100,248	74,473	4	86,103	261,573
Total non-operating income (expense)	727	98,881	72,231	(2)	85,430	257,267
Net income	727	450,495	320,915	233	358,465	1,130,835
Less: Surplus returned to members	(727)	(450,495)	(320,915)	(233)	(358,465)	(1,130,835)
Fund surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

See Independent Auditor's Report.

Public Alliance Insurance Coverage Fund
1999 Fund Year
Cumulative Operating Results Analysis
December 31, 2021

	<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>
Non-operating income (expense)						
Miscellaneous income	-	-	-	-	4,422	4,422
Transfers	(92)	3,237	(11,179)	(586)	(1,131)	(9,751)
Investment income	<u>414</u>	<u>87,436</u>	<u>69,264</u>	<u>1,625</u>	<u>49,004</u>	<u>207,743</u>
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, 2021

	Workers' Compensation	General Liability	Auto Liability and Physical Damage	Other Coverages	Administrative	Totals
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>
Non-operating 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, 2021

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

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, 2021

	<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>
Non-operating income (expense)							
Miscellaneous income	-	-	-	-	-	854	854
Transfers	-	(97,954)	100,574	(41,081)	(4,164)	(13,878)	(56,503)
Investment income (loss)	<u>413,101</u>	<u>40,694</u>	<u>(13,648)</u>	<u>32,063</u>	<u>1,562</u>	<u>16,362</u>	<u>490,134</u>
Total non-operating income (expense)	<u>413,101</u>	<u>(57,260)</u>	<u>86,926</u>	<u>(9,018)</u>	<u>(2,602)</u>	<u>3,338</u>	<u>434,485</u>
Net income	1,458,783	123,834	28	187,122	2,272	96,822	1,868,861
Less: Surplus returned to members	<u>(525,000)</u>	<u>(117,254)</u>	<u>(27)</u>	<u>(187,122)</u>	<u>(2,272)</u>	<u>(96,822)</u>	<u>(928,497)</u>
Fund surplus	<u>\$ 933,783</u>	<u>\$ 6,580</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 940,364</u>

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

See Independent Auditor's Report.

Public Alliance Insurance Coverage Fund
2003 Fund Year
Cumulative Operating Results Analysis
December 31, 2021

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 1,679,264	\$ 531,274	\$ 629,291	\$ 527,024	\$ 1,090,049	\$ 1,332,517	\$ 5,789,419
Expenses							
Claims							
Paid	1,160,804	323,291	207,886	43,366	-	-	1,735,347
Case reserves	13,635	-	-	-	-	-	13,635
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>1,174,439</u>	<u>323,291</u>	<u>207,886</u>	<u>43,366</u>	<u>-</u>	<u>-</u>	<u>1,748,982</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>1,347,328</u>	<u>590,257</u>	<u>761,821</u>	<u>304,134</u>	<u>1,009,862</u>	<u>1,274,587</u>	<u>5,287,989</u>
Operating income (loss)	<u>331,936</u>	<u>(58,983)</u>	<u>(132,530)</u>	<u>222,890</u>	<u>80,187</u>	<u>57,930</u>	<u>501,430</u>
Non-operating 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>177,446</u>	<u>32,803</u>	<u>(21,992)</u>	<u>43,623</u>	<u>22,857</u>	<u>16,249</u>	<u>270,986</u>
Total non-operating income (expense)	<u>177,446</u>	<u>158,778</u>	<u>133,838</u>	<u>(131,377)</u>	<u>(62,143)</u>	<u>(18,232)</u>	<u>258,310</u>
Net income	509,382	99,795	1,308	91,513	18,044	39,698	759,740
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>\$ 359,382</u>	<u>\$ 61,260</u>	<u>\$ 1,308</u>	<u>\$ 29,013</u>	<u>\$ 18,044</u>	<u>\$ 14,700</u>	<u>\$ 483,707</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, 2021

	<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>
Non-operating income (expense)							
Miscellaneous income	-	-	-	-	-	1,508	1,508
Transfers	(137,600)	74,265	28,350	-	-	-	(34,985)
Investment income	<u>269,321</u>	<u>108,209</u>	<u>290</u>	<u>49,820</u>	<u>24,593</u>	<u>51,770</u>	<u>504,003</u>
Total non-operating income (expense)	<u>131,721</u>	<u>182,474</u>	<u>28,640</u>	<u>49,820</u>	<u>24,593</u>	<u>53,278</u>	<u>470,526</u>
Net income	699,048	213,147	6,572	161,029	75,939	188,425	1,344,160
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>\$ 674,048</u>	<u>\$ 148,132</u>	<u>\$ 6,572</u>	<u>\$ 161,029</u>	<u>\$ 75,939</u>	<u>\$ 143,425</u>	<u>\$ 1,209,145</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, 2021

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 2,368,816	\$ 1,152,437	\$ 704,183	\$ 512,726	\$ 545,552	\$ 1,715,264	\$ 6,998,978
Expenses							
Claims							
Paid	1,149,626	578,144	190,766	386,422	-	-	2,304,958
Case reserves	13,105	-	-	-	-	-	13,105
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>1,162,731</u>	<u>578,144</u>	<u>190,766</u>	<u>386,422</u>	<u>-</u>	<u>-</u>	<u>2,318,063</u>
Other							
Insurance and reinsurance premiums	406,132	555,552	442,487	370,368	545,552	-	2,320,091
Administrative	-	-	-	-	-	1,560,130	1,560,130
Total other expenses	<u>406,132</u>	<u>555,552</u>	<u>442,487</u>	<u>370,368</u>	<u>545,552</u>	<u>1,560,130</u>	<u>3,880,221</u>
Total expenses	<u>1,568,863</u>	<u>1,133,696</u>	<u>633,253</u>	<u>756,790</u>	<u>545,552</u>	<u>1,560,130</u>	<u>6,198,284</u>
Operating income (loss)	<u>799,953</u>	<u>18,741</u>	<u>70,930</u>	<u>(244,064)</u>	<u>-</u>	<u>155,134</u>	<u>800,694</u>
Non-operating income (expense)							
Miscellaneous income	-	-	-	-	-	577	577
Transfers	(31,590)	(108,187)	(65,000)	256,285	-	(50,000)	1,508
Investment income	<u>365,104</u>	<u>89,447</u>	<u>18,205</u>	<u>29,485</u>	<u>5,746</u>	<u>57,388</u>	<u>565,375</u>
Total non-operating income (expense)	<u>333,514</u>	<u>(18,740)</u>	<u>(46,795)</u>	<u>285,770</u>	<u>5,746</u>	<u>7,965</u>	<u>567,460</u>
Net income	1,133,467	1	24,135	41,706	5,746	163,099	1,368,154
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>\$ 1,108,467</u>	<u>\$ 1</u>	<u>\$ 24,135</u>	<u>\$ 10,198</u>	<u>\$ 5,746</u>	<u>\$ 138,099</u>	<u>\$ 1,286,646</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.

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Public Alliance Insurance Coverage Fund
2006 Fund Year
Cumulative Operating Results Analysis
December 31, 2021

	<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>
Non-operating 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>287,530</u>	<u>67,942</u>	<u>(3,787)</u>	<u>21,747</u>	<u>12,011</u>	<u>38,044</u>	<u>423,487</u>
Total non-operating income (expense)	<u>175,720</u>	<u>396,334</u>	<u>74,957</u>	<u>(58,239)</u>	<u>(20,158)</u>	<u>(82,528)</u>	<u>486,086</u>
Net income (loss)	785,576	(1,975)	-	1,521	3,005	40,702	828,829
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>\$ 767,207</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 767,207</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, 2021

	<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	225,760	226,053	-	-	2,849,822
Case reserves	-	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>1,192,244</u>	<u>1,205,765</u>	<u>225,760</u>	<u>226,053</u>	<u>-</u>	<u>-</u>	<u>2,849,822</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>683,121</u>	<u>606,091</u>	<u>729,226</u>	<u>1,658,242</u>	<u>7,168,041</u>
Operating income (loss)	<u>756,892</u>	<u>(528,134)</u>	<u>91,764</u>	<u>(82,984)</u>	<u>12,021</u>	<u>155,266</u>	<u>404,825</u>
Non-operating 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>241,889</u>	<u>53,474</u>	<u>21,251</u>	<u>9,266</u>	<u>9,071</u>	<u>34,831</u>	<u>369,782</u>
Total non-operating income (expense)	<u>38,504</u>	<u>505,977</u>	<u>(89,251)</u>	<u>82,984</u>	<u>(10,369)</u>	<u>(89,325)</u>	<u>438,520</u>
Net income (loss)	795,396	(22,157)	2,513	-	1,652	65,941	843,345
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 (deficit)	<u>\$ 761,155</u>	<u>\$ 252</u>	<u>\$ (736)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 760,671</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, 2021

	<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>
Non-operating 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>76,699</u>	<u>18,241</u>	<u>316</u>	<u>33,128</u>	<u>6,236</u>	<u>25,473</u>	<u>160,093</u>
Total non-operating income (expense)	<u>76,693</u>	<u>602,770</u>	<u>51,910</u>	<u>(63,834)</u>	<u>(34,746)</u>	<u>(163,035)</u>	<u>469,758</u>
Net income	103,117	-	-	-	286	7,087	110,490
Less: Surplus returned to members	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(286)</u>	<u>(7,087)</u>	<u>(7,373)</u>
Fund surplus (deficit)	<u>\$ 103,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,117</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, 2021

	<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>
Non-operating income (expense)							
Miscellaneous income	-	-	-	-	-	785	785
Transfers	-	113,404	(80,262)	(7,191)	(10,937)	-	15,014
Investment income	<u>65,864</u>	<u>48,650</u>	<u>10,931</u>	<u>5,285</u>	<u>15,361</u>	<u>12,350</u>	<u>158,441</u>
Total non-operating income (expense)	<u>65,864</u>	<u>162,054</u>	<u>(69,331)</u>	<u>(1,906)</u>	<u>4,424</u>	<u>13,135</u>	<u>174,240</u>
Net income	125,286	2,552	3,600	3,427	52,555	81,232	268,652
Less: Surplus returned to members	<u>-</u>	<u>-</u>	<u>(3,600)</u>	<u>(3,427)</u>	<u>(7,990)</u>	<u>-</u>	<u>(15,017)</u>
Fund surplus (deficit)	<u>\$ 125,286</u>	<u>\$ 2,552</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,565</u>	<u>\$ 81,232</u>	<u>\$ 253,635</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, 2021

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 2,744,418	\$ 1,600,376	\$ 863,139	\$ 724,500	\$ 1,154,252	\$ 2,072,489	\$ 9,159,174
Expenses							
Claims							
Paid	1,983,951	823,790	338,900	33,961	-	-	3,180,602
Case reserves	59,622	-	-	-	-	-	59,622
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>2,043,573</u>	<u>823,790</u>	<u>338,900</u>	<u>33,961</u>	<u>-</u>	<u>-</u>	<u>3,240,224</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>2,591,404</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>8,388,038</u>
Operating income	<u>153,014</u>	<u>51,432</u>	<u>169,355</u>	<u>207,103</u>	<u>77,617</u>	<u>112,615</u>	<u>771,136</u>
Non-operating income (expense)							
Miscellaneous income	-	-	-	-	-	811	811
Transfers	-	(34,767)	(122,989)	(91,180)	-	-	(248,936)
Investment income	<u>132,173</u>	<u>89,113</u>	<u>30,061</u>	<u>32,087</u>	<u>34,716</u>	<u>24,155</u>	<u>342,305</u>
Total non-operating income (expense)	<u>132,173</u>	<u>54,346</u>	<u>(92,928)</u>	<u>(59,093)</u>	<u>34,716</u>	<u>24,966</u>	<u>94,180</u>
Net income	285,187	105,778	76,427	148,010	112,333	137,581	865,316
Less: Surplus returned to members	<u>-</u>	<u>(41,907)</u>	<u>(63,151)</u>	<u>(148,010)</u>	<u>-</u>	<u>-</u>	<u>(253,068)</u>
Fund surplus (deficit)	<u>\$ 285,187</u>	<u>\$ 63,871</u>	<u>\$ 13,276</u>	<u>\$ -</u>	<u>\$ 112,333</u>	<u>\$ 137,581</u>	<u>\$ 612,248</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, 2021

	<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	1,366,251	1,099,691	391,206	310,378	-	-	3,167,526
Case reserves	13,486	-	-	-	-	-	13,486
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>1,379,737</u>	<u>1,099,691</u>	<u>391,206</u>	<u>310,378</u>	<u>-</u>	<u>-</u>	<u>3,181,012</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>1,926,490</u>	<u>1,853,768</u>	<u>764,373</u>	<u>808,762</u>	<u>1,114,564</u>	<u>1,926,320</u>	<u>8,394,277</u>
Operating income (loss)	<u>733,072</u>	<u>(74,680)</u>	<u>(78,602)</u>	<u>(67,666)</u>	<u>30,447</u>	<u>101,853</u>	<u>644,424</u>
Non-operating income							
Miscellaneous income	-	-	-	-	-	3,829	3,829
Investment income	<u>130,031</u>	<u>43,951</u>	<u>3,652</u>	<u>8,591</u>	<u>4,736</u>	<u>18,639</u>	<u>209,600</u>
Total non-operating income	<u>130,031</u>	<u>43,951</u>	<u>3,652</u>	<u>8,591</u>	<u>4,736</u>	<u>22,468</u>	<u>213,429</u>
Net income (loss)	863,103	(30,729)	(74,950)	(59,075)	35,183	124,321	857,853
Less: Surplus returned to members	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund surplus (deficit)	<u>\$ 863,103</u>	<u>\$ (30,729)</u>	<u>\$ (74,950)</u>	<u>\$ (59,075)</u>	<u>\$ 35,183</u>	<u>\$ 124,321</u>	<u>\$ 857,853</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, 2021

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 2,375,408	\$ 1,182,873	\$ 571,086	\$ 468,361	\$ 769,465	\$ 1,377,917	\$ 6,745,110
Expenses							
Claims							
Paid	822,194	192,877	219,297	266,271	-	-	1,500,639
Case reserves	-	-	-	-	-	-	-
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>822,194</u>	<u>192,877</u>	<u>219,297</u>	<u>266,271</u>	<u>-</u>	<u>-</u>	<u>1,500,639</u>
Other							
Insurance and reinsurance premiums	465,431	432,869	273,066	288,579	755,058	-	2,215,003
Administrative	-	-	-	-	-	1,310,445	1,310,445
Total other expenses	<u>465,431</u>	<u>432,869</u>	<u>273,066</u>	<u>288,579</u>	<u>755,058</u>	<u>1,310,445</u>	<u>3,525,448</u>
Total expenses	<u>1,287,625</u>	<u>625,746</u>	<u>492,363</u>	<u>554,850</u>	<u>755,058</u>	<u>1,310,445</u>	<u>5,026,087</u>
Operating income (loss)	<u>1,087,783</u>	<u>557,127</u>	<u>78,723</u>	<u>(86,489)</u>	<u>14,407</u>	<u>67,472</u>	<u>1,719,023</u>
Non-operating income							
Miscellaneous income	-	-	-	-	-	1	1
Investment income	<u>113,518</u>	<u>54,941</u>	<u>7,380</u>	<u>1,111</u>	<u>1,457</u>	<u>8,437</u>	<u>186,844</u>
Total non-operating income	<u>113,518</u>	<u>54,941</u>	<u>7,380</u>	<u>1,111</u>	<u>1,457</u>	<u>8,438</u>	<u>186,845</u>
Net income (loss)	1,201,301	612,068	86,103	(85,378)	15,864	75,910	1,905,868
Less: Surplus returned to members	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund surplus (deficit)	<u>\$ 1,201,301</u>	<u>\$ 612,068</u>	<u>\$ 86,103</u>	<u>\$ (85,378)</u>	<u>\$ 15,864</u>	<u>\$ 75,910</u>	<u>\$ 1,905,868</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, 2021

	Workers' Compensation	General Liability	Property	Auto Liability	Other Coverages	Administrative	Totals
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	1,461,906	484,679	172,882	10,941	-	-	2,130,408
Case reserves	321,508	-	-	-	-	-	321,508
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>1,783,414</u>	<u>484,679</u>	<u>172,882</u>	<u>10,941</u>	<u>-</u>	<u>-</u>	<u>2,451,916</u>
Other							
Insurance and reinsurance premiums	390,499	443,591	319,232	285,894	876,666	-	2,315,882
Administrative	-	-	-	-	-	1,330,176	1,330,176
Total other expenses	<u>390,499</u>	<u>443,591</u>	<u>319,232</u>	<u>285,894</u>	<u>876,666</u>	<u>1,330,176</u>	<u>3,646,058</u>
Total expenses	<u>2,173,913</u>	<u>928,270</u>	<u>492,114</u>	<u>296,835</u>	<u>876,666</u>	<u>1,330,176</u>	<u>6,097,974</u>
Operating income (loss)	<u>154,807</u>	<u>393,051</u>	<u>137,818</u>	<u>165,163</u>	<u>(48,229)</u>	<u>61,052</u>	<u>863,662</u>
Non-operating income							
Miscellaneous income	-	-	-	-	-	115	115
Investment income	<u>73,474</u>	<u>59,378</u>	<u>12,831</u>	<u>16,662</u>	<u>2,949</u>	<u>8,052</u>	<u>173,346</u>
Total non-operating income	<u>73,474</u>	<u>59,378</u>	<u>12,831</u>	<u>16,662</u>	<u>2,949</u>	<u>8,167</u>	<u>173,461</u>
Net income (loss)	228,281	452,429	150,649	181,825	(45,280)	69,219	1,037,123
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ 228,281</u>	<u>\$ 452,429</u>	<u>\$ 150,649</u>	<u>\$ 181,825</u>	<u>\$ (45,280)</u>	<u>\$ 69,219</u>	<u>\$ 1,037,123</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, 2021

	<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	1,870,783	229,694	219,869	36,243	-	-	2,356,589
Case reserves	306,646	155,905	-	-	-	-	462,551
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>2,177,429</u>	<u>385,599</u>	<u>219,869</u>	<u>36,243</u>	<u>-</u>	<u>-</u>	<u>2,819,140</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>2,569,520</u>	<u>856,009</u>	<u>597,193</u>	<u>311,222</u>	<u>981,036</u>	<u>1,351,404</u>	<u>6,666,384</u>
Operating income (loss)	<u>(261,323)</u>	<u>467,119</u>	<u>139,369</u>	<u>150,671</u>	<u>20,503</u>	<u>80,313</u>	<u>596,652</u>
Non-operating income (expense)							
Miscellaneous expense	-	-	-	-	-	(1)	(1)
Investment income	<u>25,448</u>	<u>75,134</u>	<u>15,238</u>	<u>16,969</u>	<u>2,275</u>	<u>11,367</u>	<u>146,431</u>
Total non-operating income (expense)	<u>25,448</u>	<u>75,134</u>	<u>15,238</u>	<u>16,969</u>	<u>2,275</u>	<u>11,366</u>	<u>146,430</u>
Net income (loss)	<u>(235,875)</u>	<u>542,253</u>	<u>154,607</u>	<u>167,640</u>	<u>22,778</u>	<u>91,679</u>	<u>743,082</u>
Less: Surplus returned to members	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund surplus (deficit)	<u>\$ (235,875)</u>	<u>\$ 542,253</u>	<u>\$ 154,607</u>	<u>\$ 167,640</u>	<u>\$ 22,778</u>	<u>\$ 91,679</u>	<u>\$ 743,082</u>

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

See Independent Auditor's Report.

Public Alliance Insurance Coverage Fund
2015 Fund Year
Cumulative Operating Results Analysis
December 31, 2021

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 1,513,576	\$ 972,401	\$ 623,759	\$ 399,695	\$ 1,049,728	\$ 1,245,312	\$ 5,804,471
Expenses							
Claims							
Paid	517,347	121,577	133,389	111,354	-	-	883,667
Case reserves	34,774	-	-	-	-	-	34,774
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>552,121</u>	<u>121,577</u>	<u>133,389</u>	<u>111,354</u>	<u>-</u>	<u>-</u>	<u>918,441</u>
Other							
Insurance and reinsurance premiums	336,154	439,962	370,708	293,308	1,004,246	-	2,444,378
Administrative	-	-	-	-	-	1,163,702	1,163,702
Total other expenses	<u>336,154</u>	<u>439,962</u>	<u>370,708</u>	<u>293,308</u>	<u>1,004,246</u>	<u>1,163,702</u>	<u>3,608,080</u>
Total expenses	<u>888,275</u>	<u>561,539</u>	<u>504,097</u>	<u>404,662</u>	<u>1,004,246</u>	<u>1,163,702</u>	<u>4,526,521</u>
Operating income (loss)	<u>625,301</u>	<u>410,862</u>	<u>119,662</u>	<u>(4,967)</u>	<u>45,482</u>	<u>81,610</u>	<u>1,277,950</u>
Non-operating income							
Miscellaneous income	-	-	-	-	-	5	5
Investment income	<u>63,394</u>	<u>42,227</u>	<u>11,366</u>	<u>2,367</u>	<u>7,120</u>	<u>6,848</u>	<u>133,322</u>
Total non-operating income	<u>63,394</u>	<u>42,227</u>	<u>11,366</u>	<u>2,367</u>	<u>7,120</u>	<u>6,853</u>	<u>133,327</u>
Net income (loss)	688,695	453,089	131,028	(2,600)	52,602	88,463	1,411,277
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ 688,695</u>	<u>\$ 453,089</u>	<u>\$ 131,028</u>	<u>\$ (2,600)</u>	<u>\$ 52,602</u>	<u>\$ 88,463</u>	<u>\$ 1,411,277</u>

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

See Independent Auditor's Report.

Public Alliance Insurance Coverage Fund
2016 Fund Year
Cumulative Operating Results Analysis
December 31, 2021

	<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	511,622	444,585	226,410	139,253	-	-	1,321,870
Case reserves	65,358	147,577	-	-	-	-	212,935
IBNR reserves	-	-	-	-	-	-	-
Claims - net	<u>576,980</u>	<u>592,162</u>	<u>226,410</u>	<u>139,253</u>	<u>-</u>	<u>-</u>	<u>1,534,805</u>
Other							
Insurance and reinsurance premiums	320,593	447,897	391,719	298,599	1,038,115	-	2,496,923
Administrative	-	-	-	-	-	1,222,905	1,222,905
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>1,222,905</u>	<u>3,719,828</u>
Total expenses	<u>897,573</u>	<u>1,040,059</u>	<u>618,129</u>	<u>437,852</u>	<u>1,038,115</u>	<u>1,222,905</u>	<u>5,254,633</u>
Operating income (loss)	676,525	(22,058)	21,830	(20,305)	31,131	67,430	754,553
Investment income	<u>58,942</u>	<u>29,159</u>	<u>2,457</u>	<u>4,152</u>	<u>1,716</u>	<u>9,244</u>	<u>105,670</u>
Net income (loss)	735,467	7,101	24,287	(16,153)	32,847	76,674	860,223
Less: Surplus returned to members	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund surplus (deficit)	<u>\$ 735,467</u>	<u>\$ 7,101</u>	<u>\$ 24,287</u>	<u>\$ (16,153)</u>	<u>\$ 32,847</u>	<u>\$ 76,674</u>	<u>\$ 860,223</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, 2021

	Workers' Compensation	General Liability	Property	Auto Liability	Other Coverages	Administrative	Totals
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	1,243,978	189,957	130,794	603,337	-	-	2,168,066
Case reserves	29,942	66,044	-	-	-	-	95,986
IBNR reserves	-	8,701	-	-	-	-	8,701
Claims - net	<u>1,273,920</u>	<u>264,702</u>	<u>130,794</u>	<u>603,337</u>	<u>-</u>	<u>-</u>	<u>2,272,753</u>
Other							
Insurance and reinsurance premiums	316,621	433,265	405,313	288,843	1,045,361	-	2,489,403
Administrative	-	-	-	-	-	1,248,658	1,248,658
Total other expenses	<u>316,621</u>	<u>433,265</u>	<u>405,313</u>	<u>288,843</u>	<u>1,045,361</u>	<u>1,248,658</u>	<u>3,738,061</u>
Total expenses	<u>1,590,541</u>	<u>697,967</u>	<u>536,107</u>	<u>892,180</u>	<u>1,045,361</u>	<u>1,248,658</u>	<u>6,010,814</u>
Operating income (loss)	<u>45,248</u>	<u>309,523</u>	<u>159,711</u>	<u>(479,553)</u>	<u>42,635</u>	<u>68,458</u>	<u>146,022</u>
Non-operating income (expense)							
Miscellaneous expense	-	-	-	-	-	(4)	(4)
Investment income	<u>33,635</u>	<u>35,084</u>	<u>12,285</u>	<u>6,251</u>	<u>7,720</u>	<u>8,118</u>	<u>103,093</u>
Total non-operating income (expense)	<u>33,635</u>	<u>35,084</u>	<u>12,285</u>	<u>6,251</u>	<u>7,720</u>	<u>8,114</u>	<u>103,089</u>
Net income (loss)	78,883	344,607	171,996	(473,302)	50,355	76,572	249,111
Less: Surplus returned to members	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund surplus (deficit)	<u>\$ 78,883</u>	<u>\$ 344,607</u>	<u>\$ 171,996</u>	<u>\$ (473,302)</u>	<u>\$ 50,355</u>	<u>\$ 76,572</u>	<u>\$ 249,111</u>

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

See Independent Auditor's Report.

Public Alliance Insurance Coverage Fund
2018 Fund Year
Cumulative Operating Results Analysis
December 31, 2021

	Workers' Compensation	General Liability	Property	Auto Liability	Other Coverages	Administrative	Totals
Underwriting income							
Regular contributions	\$ 1,550,087	\$ 955,217	\$ 678,726	\$ 415,707	\$ 1,057,247	\$ 1,301,816	\$ 5,958,800
Expenses							
Claims							
Paid	744,175	303,750	317,760	22,225	-	-	1,387,910
Case reserves	150,309	502,481	-	-	-	-	652,790
IBNR reserves	13,283	43,028	-	-	-	-	56,311
Claims - net	907,767	849,259	317,760	22,225	-	-	2,097,011
Other							
Insurance and reinsurance premiums	275,770	419,944	399,449	280,144	996,856	-	2,372,163
Administrative	-	-	-	-	-	1,221,887	1,221,887
Total other expenses	275,770	419,944	399,449	280,144	996,856	1,221,887	3,594,050
Total expenses	1,183,537	1,269,203	717,209	302,369	996,856	1,221,887	5,691,061
Operating income (loss)	366,550	(313,986)	(38,483)	113,338	60,391	79,929	267,739
Non-operating income							
Miscellaneous income	-	-	-	-	-	1	1
Investment income	53,823	33,634	8,302	11,476	24,488	5,371	137,094
Total non-operating income	53,823	33,634	8,302	11,476	24,488	5,372	137,095
Net income (loss)	420,373	(280,352)	(30,181)	124,814	84,879	85,301	404,834
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	\$ 420,373	\$ (280,352)	\$ (30,181)	\$ 124,814	\$ 84,879	\$ 85,301	\$ 404,834

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, 2021

	<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	995,973	157,264	208,225	5,502	-	-	1,366,964
Case reserves	107,215	390,079	-	-	-	-	497,294
IBNR reserves	38,499	115,626	-	-	-	-	154,125
Claims - net	<u>1,141,687</u>	<u>662,969</u>	<u>208,225</u>	<u>5,502</u>	<u>-</u>	<u>-</u>	<u>2,018,383</u>
Other							
Insurance and reinsurance premiums	308,210	434,056	422,723	289,370	1,050,163	-	2,504,522
Administrative	-	-	-	-	-	1,252,440	1,252,440
Total other expenses	<u>308,210</u>	<u>434,056</u>	<u>422,723</u>	<u>289,370</u>	<u>1,050,163</u>	<u>1,252,440</u>	<u>3,756,962</u>
Total expenses	<u>1,449,897</u>	<u>1,097,025</u>	<u>630,948</u>	<u>294,872</u>	<u>1,050,163</u>	<u>1,252,440</u>	<u>5,775,345</u>
Operating income (loss)	<u>163,464</u>	<u>(147,748)</u>	<u>77,237</u>	<u>133,118</u>	<u>40,387</u>	<u>78,262</u>	<u>344,720</u>
Non-operating income							
Miscellaneous income	-	-	-	-	-	-	-
Investment income	<u>37,827</u>	<u>21,850</u>	<u>15,053</u>	<u>9,099</u>	<u>12,609</u>	<u>19,682</u>	<u>116,120</u>
Total non-operating income	<u>37,827</u>	<u>21,850</u>	<u>15,053</u>	<u>9,099</u>	<u>12,609</u>	<u>19,682</u>	<u>116,120</u>
Net income	201,291	(125,898)	92,290	142,217	52,996	97,944	460,840
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ 201,291</u>	<u>\$ (125,898)</u>	<u>\$ 92,290</u>	<u>\$ 142,217</u>	<u>\$ 52,996</u>	<u>\$ 97,944</u>	<u>\$ 460,840</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
2020 Fund Year
Cumulative Operating Results Analysis
December 31, 2021

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Property</u>	<u>Auto Liability</u>	<u>Other Coverages</u>	<u>Administrative</u>	<u>Totals</u>
Underwriting income							
Regular contributions	\$ 1,632,754	\$ 984,811	\$ 766,961	\$ 465,927	\$ 1,042,206	\$ 1,362,602	\$ 6,255,261
Expenses							
Claims							
Paid	944,449	75,773	493,912	9,502	-	-	1,523,636
Case reserves	112,271	630,611	-	-	-	-	742,882
IBNR reserves	37,715	319,764	-	4,241	-	-	361,720
Claims - net	<u>1,094,435</u>	<u>1,026,148</u>	<u>493,912</u>	<u>13,743</u>	<u>-</u>	<u>-</u>	<u>2,628,238</u>
Other							
Insurance and reinsurance premiums	328,780	482,984	475,637	326,488	1,042,206	-	2,656,095
Administrative	-	-	-	-	-	1,306,050	1,306,050
Total other expenses	<u>328,780</u>	<u>482,984</u>	<u>475,637</u>	<u>326,488</u>	<u>1,042,206</u>	<u>1,306,050</u>	<u>3,962,145</u>
Total expenses	<u>1,423,215</u>	<u>1,509,132</u>	<u>969,549</u>	<u>340,231</u>	<u>1,042,206</u>	<u>1,306,050</u>	<u>6,590,383</u>
Operating income (loss)	<u>209,539</u>	<u>(524,321)</u>	<u>(202,588)</u>	<u>125,696</u>	<u>-</u>	<u>56,552</u>	<u>(335,122)</u>
Non-operating income							
Miscellaneous income	-	-	-	-	-	-	-
Investment income	<u>2,873</u>	<u>448</u>	<u>2,353</u>	<u>568</u>	<u>4,055</u>	<u>4,416</u>	<u>14,713</u>
Total non-operating income	<u>2,873</u>	<u>448</u>	<u>2,353</u>	<u>568</u>	<u>4,055</u>	<u>4,416</u>	<u>14,713</u>
Net income (loss)	212,412	(523,873)	(200,235)	126,264	4,055	60,968	(320,409)
Less: Surplus returned to members	-	-	-	-	-	-	-
Fund surplus (deficit)	<u>\$ 212,412</u>	<u>\$ (523,873)</u>	<u>\$ (200,235)</u>	<u>\$ 126,264</u>	<u>\$ 4,055</u>	<u>\$ 60,968</u>	<u>\$ (320,409)</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
2021 Fund Year
Cumulative Operating Results Analysis
December 31, 2021

	<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	\$ 1,401,945	\$ 868,395	\$ 706,371	\$ 425,400	\$ 967,700	\$ 1,291,763	\$ 5,661,574
Expenses							
Claims							
Paid	502,722	25,808	271,105	27,864	-	-	827,499
Case reserves	642,563	60,526	22,738	1,008	-	-	726,835
IBNR reserves	20,032	365,104	2,000	90,572	-	-	477,708
Claims - net	<u>1,165,317</u>	<u>451,438</u>	<u>295,843</u>	<u>119,444</u>	<u>-</u>	<u>-</u>	<u>2,032,042</u>
Other							
Insurance and reinsurance premiums	298,245	443,154	468,038	299,762	967,700	-	2,476,899
Administrative	-	-	-	-	-	1,280,288	1,280,288
Total other expenses	<u>298,245</u>	<u>443,154</u>	<u>468,038</u>	<u>299,762</u>	<u>967,700</u>	<u>1,280,288</u>	<u>3,757,187</u>
Total expenses	<u>1,463,562</u>	<u>894,592</u>	<u>763,881</u>	<u>419,206</u>	<u>967,700</u>	<u>1,280,288</u>	<u>5,789,229</u>
Operating income (loss)	<u>(61,617)</u>	<u>(26,197)</u>	<u>(57,510)</u>	<u>6,194</u>	<u>-</u>	<u>11,475</u>	<u>(127,655)</u>
Non-operating income (expense)							
Miscellaneous income	-	-	-	-	-	-	-
Investment income	<u>(2,946)</u>	<u>(1,826)</u>	<u>(1,486)</u>	<u>(894)</u>	<u>(2,035)</u>	<u>(2,715)</u>	<u>(11,902)</u>
Total non-operating income (expense)	<u>(2,946)</u>	<u>(1,826)</u>	<u>(1,486)</u>	<u>(894)</u>	<u>(2,035)</u>	<u>(2,715)</u>	<u>(11,902)</u>
Net income (loss)	<u>(64,563)</u>	<u>(28,023)</u>	<u>(58,996)</u>	<u>5,300</u>	<u>(2,035)</u>	<u>8,760</u>	<u>(139,557)</u>
Less: Surplus returned to members	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund surplus (deficit)	<u>\$ (64,563)</u>	<u>\$ (28,023)</u>	<u>\$ (58,996)</u>	<u>\$ 5,300</u>	<u>\$ (2,035)</u>	<u>\$ 8,760</u>	<u>\$ (139,557)</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
2020 Fund Year
Cumulative Expense Analysis
December 31, 2021

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
RMC fee	\$ 447,916	\$ 10,083	\$ 457,999
Actuary	22,720	-	22,720
Administrator	312,763	-	312,763
Attorney	79,579	-	79,579
Auditor	25,751	-	25,751
Claims servicing	167,969	33,603	201,572
Loss control	102,368	-	102,368
Treasurer	6,120	-	6,120
EPL seminars	-	-	-
Non-contracted	11,303	-	11,303
Contingency fees	-	50,000	50,000
Website services	5,055	-	5,055
MEL Safety Institute	30,820	-	30,820
	<u>\$ 1,212,364</u>	<u>\$ 93,686</u>	<u>\$ 1,306,050</u>

See Independent Auditor's Report.

Public Alliance Insurance Coverage Fund
2021 Fund Year
Cumulative Expense Analysis
December 31, 2021

	<u>Paid</u>	<u>Unpaid</u>	<u>Total</u>
RMC fee	\$ 408,432	\$ 8,292	\$ 416,724
Actuary	28,701	9,074	37,775
Administrator	259,489	23,590	283,079
Attorney	66,316	13,263	79,579
Auditor	-	25,751	25,751
Claims servicing	153,972	47,600	201,572
Loss control	79,750	22,618	102,368
Treasurer	5,610	510	6,120
EPL seminars	-	10,000	10,000
Non-contracted	9,785	20,215	30,000
Contingency fees	-	50,000	50,000
Website services	4,405	2,095	6,500
MEL Safety Institute	<u>23,115</u>	<u>7,705</u>	<u>30,820</u>
	<u>\$ 1,039,575</u>	<u>\$ 240,713</u>	<u>\$ 1,280,288</u>

See Independent Auditor's Report.

Public Alliance Insurance Coverage Fund
Comments and Recommendations
December 31, 2021

None.

See Independent Auditor's Report.