SUSD SELF-INSURANCE TRUST BOARD MEETING

JUNE 16, 2022

SHANNON CROSIER, ADMINISTRATOR
SCOTTSDALE UNIFIED DISTRICT
7575 E. Main Street

Thursday, June 16, 2022
Scottsdale USD Self-Insurance Trust Board

SELF-INSURANCE TRUST BOARD MEETING
SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
Ed. Center 7575 E. Main Street, Room Old Main, Scottsdale, Arizona 85251
9:30 AM

PURSUANT TO A.R.S. Section 38-431.02, notice is hereby given to the general public that the Self Insurance Trust Board will hold a Special Meeting at 9:30 am, Ed Center, 7575 E. Main Street, Room Old Main, Scottsdale, AZ 85251.

One or more members of the SUSD Self-Insurance Trust Board may participate in the meeting by telephonic communication. Persons with a disability may request reasonable accommodations by contacting Ms. Jill Olivas, Senior Executive Assistant to the Chief Financial Officer, at 480-484-6147. Accommodations should be requested two working days prior to the meeting to allow time for the District to arrange for the accommodation.

Due to the COVID-19 (aka Coronavirus) emergency, Center for Disease Control guidelines, and pursuant to guidance from the Arizona Attorney General regarding compliance with the Open Meeting Law during this national emergency (see opinion at: https://www.azag.gov/sites/default/files/2020-03/Covid-OML_202003131526.pdf): THIS MEETING WILL BE CONDUCTED IN-PERSON, ONLINE OR BY TELEPHONE.

1. MEETING NOTICES

A. Please Note: PURSUANT TO A.R.S. §38-431.03(A)(3), THE SELF INSURANCE TRUST BOARD MAY VOTE TO CONVENE IN EXECUTIVE SESSION, WHICH WILL NOT BE OPEN TO THE PUBLIC, FOR DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE GOVERNING BOARD'S ATTORNEY ON AN ITEM THAT IS LISTED ON THIS AGENDA.

B. BOARD PACKET MATERIAL AVAILABLE TWENTY-FOUR (24) HOURS IN ADVANCE OF THE MEETING, AT THE SCOTTSDALE UNIFIED SCHOOL DISTRICT, ED CENTER, 7575 E. MAIN STREET, SCOTTSDALE, AZ 85251.

2. OPENING OF MEETING

A. Call to Order

B. Roll Call

3. BUSINESS OF THE MEETING

A. Approval of Minutes from March 31, 2022 Meeting - ACTION

B. Approval of Self-Insurance Trust Board Meeting Dates for FY 2022- 2023 - ACTION

C. Approval of Property and Casualty Insurance Premium July 1, 2022 - June 30, 2023 - ACTION

E. Approval of Worker's Compensation Premium July 1, 2022 - June 30, 2023 - ACTION

F. Property/Casualty/Workers Comp Claims Report (ARRT) - INFORMATION

G. Medical Claims/Financial Reports - INFORMATION

H. Trust Financial Update - INFORMATION

I. Future Agenda Items

J. Adjournment

NOTICE AND AGENDA

SELF-INSURANCE TRUST BOARD MEETING SCOTTSDALE
UNIFIED SCHOOL DISTRICT NO. 48

Ed Center, Room - Old Main, 7575 E. Main, Scottsdale, AZ 85251
June 16, 2022 at 9:30 AM

PURSUANT TO A.R.S. §38-431.02, notice is hereby given to the members of the Scottsdale Self-Insurance Trust Board and the general public that the Self Insurance Retention Trust Board will hold a Special Meeting on **Thursday, June 16, 2022, at 9:30 AM, Ed Center, 7575 E. Main Street, Room Old Main, Scottsdale, AZ 85251.**

One or more members of the SUSD Self-Insurance Trust Board may participate in the meeting in-person, via an online platform, or may participate by telephonic communication. Persons with a disability may request reasonable accommodations by contacting Ms. Jill Olivas, Senior Executive Assistant to the Chief Financial Officer, at 480-484-6147. Accommodations should be requested two working days prior to the meeting to allow time for the District to arrange for the accommodation.

A. Call to Order

B. Roll Call

INFORMATION/DISCUSSION AND POSSIBLE ACTION

A. Approval of Minutes from March 31, 2022 Meeting – Action

B. Approval of Self-Insurance Trust Board Meeting Dates for FY22-23 – Action

C. Approval of Property and Casualty Insurance Premium July 1, 2022 – June 30, 2023 – Action

D. Approval of Worker's Compensation Premium July 1, 2022 – June 30, 2023 - Action

E. Property/Casualty/Workers Comp Claims Report (ARRT) – Information

F. Medical Claims/Financial Reports – Information

G. Trust Financial Update – Information

H. Future Agenda Items

I. Adjournment

PURSUANT TO A.R.S. §38-431.03(A)(3), THE SELF INSURANCE TRUST BOARD MAY VOTE TO CONVENE IN EXECUTIVE SESSION, WHICH WILL NOT BE OPEN TO THE PUBLIC, FOR DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE GOVERNING BOARD'S ATTORNEY ON AN ITEM THAT IS LISTED ON THIS AGENDA.

BOARD PACKET MATERIAL AVAILABLE TWENTY-FOUR (24) HOURS IN ADVANCE OF THE MEETING, AT THE SCOTTSDALE UNIFIED SCHOOL DISTRICT, ED CENTER, 7575 E. MAIN STREET, SCOTTSDALE, AZ 85251.

Date Posted June 13, 2022

Action:

Approval of Self-Insurance Trust Meeting Minutes of March 31, 2022

Submitted by:

Shannon Crosier, Administrator

RECOMMENDATION:

It is recommended that the Self-Insurance Trust Board approve the Self-Insurance Trust Meeting Minutes of March 31, 2022.

BACKGROUND:

Minutes were taken at the March 31, 2022 Self-Insurance Trust Board meeting.

MINUTES OF THE SELF-INSURANCE TRUST BOARD MEETING
SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
Ed Center, Room - Old Main, 7575 E. Main, Scottsdale, AZ 85251
March 31, 2022 at 3:00 PM

The meeting was called to order at **3:04** pm on March 31, 2022.

I. Call to Order – Melinda Gulick, Chairperson called the meeting to order.

Due to the COVID-19 (aka Coronavirus) emergency, Centers for Disease Control and Prevention guidelines, and pursuant to guidelines from the Arizona Attorney General regarding compliance with the Open Meeting Law during this national emergency, this meeting was conducted in person with masks on, online, or via phone.

II. Roll Call-

Board Trustees in attendance were (in person, telephonically and/or via Teams' video), Shannon Crosier, Trust Board Administrator, Melinda Gulick, Trust Chairperson, Eloy Yndigoyen, Trustee, Valerie Shannon, Trustee.

Patty Beckman, Governing Board Member was not in attendance

INFORMATION/DISCUSSION AND POSSIBLE ACTION

A. Approval of SUSD Self-Insurance Trust Minutes from January 20, 2022 meeting. - Action
No discussion, Minutes stand as submitted.

Valerie Shannon Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of January 20, 2022. Shannon Crosier Seconded the motion. The motion was approved with a vote of 4 – 0.

B. Approval of Proposed Minimum and Maximum Balances for Self-Insurance Trust – Action

At the January 20, 2022 Self-Insurance Trust meeting, Administration presented information on a Minimum and Maximum Account Balance for each of the individual accounts within the Self-Insurance Trust. It is recommended that the Self-Insurance Trust adopted those proposed amounts.

Medical Insurance – Minimum Balance of $15,000,000, Maximum Balance of 1.5 times the yearly premium. (20/22 yearly premium is $16.6 and would be multiplied by 1.5 = just under 25 million plus ancillary)

Property/Casualty – Minimum Balance of 1-year premiums (approximately $2,000,000), Maximum balance of 2 years premiums (approximately $4,000,000).

Worker's Compensation – Minimum Balance 1-year premiums (approximately $1,000,000), Maximum balance 2 years premiums (approximately $2,000,000).

Valerie Shannon Moved to Approve the Proposed Minimum and Maximum Balances for Self-Insurance Trust with the amendment of minimum balance of one year premium. Eloy Yndigoyen Seconded the motion. The motion was approved with a vote of 4 – 0.

C. Approval of Kairos Medical Rate Increase for 2022-2023 – Action

Kairos has proposed a 10% increase for fiscal year 2022-2023. This would represent a $1.5 million increase. The proposed increase is due to increased costs above the anticipated amount for fiscal year 2021-2022.

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Valerie Shannon Moved to Approve the Kairos Medical Rate Increase for 2022-2023. Shannon Crosier Seconded the motion. The motion was approved with a vote of 4 – 0.

D. Approval of Insurance Committee Recommendations for the 2022-2023 School Year – Action

Scottsdale Unified School District's Insurance Committee met on 10/20/2021, 12/8/2021, 1/26/2022, 2/16/2022, and 3/23/2022 to discuss and vote on insurance recommendations for the 2022-2023 school year. Recommendations include:

- Extend Real Appeal Program to Dependents
- Additional Co-Pays to Incentivize Behavior
- Increase Health Savings Limits
- Home Health Care Benefit Limit
- Identity Guard Coverage
- Remove 90-Day Mail Order requirement

Valerie Shannon Moved to Approve the Insurance Committee Recommendations for 2022-2023. Eloy Yndigoyen Seconded the motion. The motion was approved with a vote of 4 – 0.

E. Property/Casualty/Workers Comp Claims Report (ARRT) – Information

Ryan Cole and Jessica Schuler from the Trust presented Financial reports concerning Property/Casualty and Worker's Compensation.

21/22 Property and Liability Premium:	$2,008,533
21/22 Workers' Compensation Premium:	$927,441 (Est)
21/22 Health Benefits Premium:	$16,051,022 (Est)

Trust Claims have been trending down since 2017/2018 but a slight increase 19/20 - 20/21. Currently a slight decrease in 21/22.

- Total number of claims processed as of 2/28/2022: 54
- Total incurred as of 2/28/2022: $869,542

Pre-Paid Legal

- 2020/2021 = Over $200,000
- 2021-2022 = As of 12/31/2021 = over $50,000

2022/2023 Renewal: Dates

- 11/1: Trust Values Collection released
- 12/17: Cyber Values Collection released
- 2/15: Alliance Values Collection released
- 3/15: 22/23 contribution estimates sent to members
- 6/30: 22/23 renewal forms due to the Trust

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2022/2023 Renewal Updates:

- Liability
  - General: 1.5% rate increase
  - Automobile: 0%
  - Pandemic: -25% contribution decrease (if selected)
  - Cyber: $62,127 (due to the cyber market)
- Property:
  - TIV Increase: 7.66%

2022/2023 Trust Renewal Updates

- 2022/2023 Contribution Estimate: $2,095,530
- 2021/2022 Contribution: $2,008,533
- 4.33% Increase

- Trust Loyalty Credit (5%)
  - District is on track to receive approximately $100,000
    - Tier 1 (2%): 69.73% 3-year loss ratio (YTD)
    - Tier 2 (3%): 3 of 3 items completed

Alliance Rating Retrospective Plan

- Scottsdale joined retro plan effective July 1, 2019
- Designed for members with a higher appetite for risk
- Member pays for losses and various expenses (admin, excess insurance, tax, contribution to Surplus)

Alliance Rating Retrospective Plan

- 2021/2022 Retrospective Rating Program Contributions
  - Incurred Losses* $665,157
  - Unallocated Loss Adjustment Expense* $112,559
  - Administrative Expense $ 75,500
  - Excess Insurance and Tax Expense $ 56,997
  - Contribution to Net Position $ 17,228
  - **Total** **$927,441**
    - Loss Rated at 90%

Alliance Rating Retrospective Plan	**Estimate**	**Actual (As of 2/28/2022)**
Incurred Losses*	$665,157	$430,326
Unallocated Loss Adjustment Expense*	$112,559	$ 72,820
Administrative Expense	$ 75,500	$ 75,500
Excess Insurance and Tax Expense	$ 56,997	$ 56,997
Contribution to Net Position	$ 17,228	$ 17,228
Total	**$927,441**	**$652,870**

As of 2/28/2021 District is trending at 65% of estimates

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Alliance Contribution History

Year	Rating Model	Contribution	Retro Contribution: Original Estimate
2021/2022	Retrospectively Rated	*660,814	927,441
2020/2021	Retrospectively Rated	*626,193	860,358
2019/2020	Retrospectively Rated	*408,788	839,973
2018/2019	Guaranteed Cost	958,573	N/A
2017/2018	Guaranteed Cost	877,064	N/A
2016/2017	Guaranteed Cost	873,457	N/A

*Estimated contribution. Loss elements are adjusted for 5 years

Alliance 2022/2023 Renewal
- Estimated payroll:
- $139,000,000 (1% increase assumed)
- Estimated contribution:
- $857,000 (approximate, pending payroll estimates from district)
- 7% decrease, subject to final underwriting

PPA/TIP Balances
- Trust Prepaid Account Balance as of 2/28/2022
- $118,441
- Trust Investment Pool Balance as of 2/28/2022
- $40,637

Upcoming Dates: 2022/2023 Renewal
- April 30: 22/23 Alliance estimated payroll due
- June 30: 22/23 renewal forms due to the Trust

F. Medical Claims/Financial Reports – Information – Jeremy Larson, Tanya Edwards, Chris Marler, and Jennifer Sherman presented financial and health reports from Kairos Health Arizona
- Discussion of Large Claimants (7/1/2021 – 2/28/2022) several large claimants
- Clinical Advocacy Engagement
  - 28 Closed Cases: 23 engaged, 4 unable to reach, 1 declined
  - 6 Open Cases:3 Post-discharge outreach, 3 low-value outreach
  - Shock Claims > $100K: 13 claims = $2,226,446
- COVID Reporting
  - Confirmed Diagnosis – Members 137 - $122,796 (2021) $112,908 (2022)
  - Testing – Members 1,094 - $101,478 (2021), $75,376 (2022)
  - Vaccination – Members 1,200 - $44,285 (2021) $7,626 (2022) District Honor Health Clinic not included in these numbers
  - ER Visit – Members 28
  - Inpatient – Members 8
  - Ventilators – 0
  - ICU – Members 2
  - Vaccinations –

COVID-19 Vaccination Summary (Medical data through 3/12/2022; Rx data through 2/28/2022. See Appendix for detailed criteria)

Vaccine Manufacturer	# Partially Vaccinated	# Fully Vaccinated	# Received Booster	Total Members Any Vax Status	Total # of Doses	Total Paid	Paid per Dose
Pfizer	618	109	312	1,039	1,146	$44,567	$38.89
Moderna	99	26	27	150	176	$6,915	$39.29
Janssen (J&J)	n/a	9	2	11	11	$429	$39.01
All Vaccines	**717**	**483**	**341**	**1,200**	**1,333**	**$51,911**	**$38.94**

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G. Trust Financial Update – Information

Shannon Crosier presented the Checking and Investments Accounts for Fiscal Year 2021 and 2022 as of February 28, 2022.

- Accounts are growing on average. Total in each of the three accounts are:
  - Medical - $36,245,642.02
  - Property/Casualty - $ 7,763,057.33
  - Workman's Comp - $ 7,995,060.15

Tyler Tayrien from Wells Fargo is presenting the Financial Market Investment Update. Three investment accounts as of 2/28/2022:

- Medical- 59 Securities/Accounts - 60,023 million (.79% Book Yield)
  - Unrealized Loss ($438) without accrued Interest.
  - Cash Flow $27,439,000
  - *Medical information is incorrect – Will be update at the next meeting. Tyler caught during the meeting.
- Property and Casualty – 16 Securities/Accounts - 7.855 million Portfolio Size (.81 Book Yield)
  - Unrealized Loss (89) without accrued Interest.
  - Cash Flow $4,169,000

- Worker's Compensation- 15 Securities/Accounts - 6.7336 million (.57 Book Yield)
  - Unrealized Loss $ (100) without accrued Interest.
  - Cash Flow $3,769,000

G. Future Agenda Items –

- IT Presentation
- Change the time of Self-Insurance Trust meetings and don't schedule on half days
- Pandemic Coverage

H. Adjournment

At **4:59** PM, Valerie Shannon Moved to adjourn the meeting. Eloy Yndigoyen seconded the motion.
The motion was approved with a vote of 4 – 0.

Dated this 31st day of March 2022.

DRAFT

Action:

Proposed Self-Insurance Trust Board Meeting Dates 2022-2023

Submitted by:
Shannon Crosier, Administrator

RECOMMENDATION:

It is recommended that the Self-Insurance Trust Board approve the Self-Insurance Trust Board Meeting Dates for July 1, 2022 – June 30, 2023.

BACKGROUND:

The proposed Self-Insurance Trust Board Meeting Dates for 2022-2023 (The start time of the meetings will be determined during the meeting) – to be held at 7575 E. Main Street, Scottsdale, AZ 85251 are as follows:

1. September 29, 2022
2. January 19, 2023
3. March 9, 2023
4. June 8, 2023

Action:

Approval of Property and Casualty Insurance Premium July 1, 2022 – June 30, 2023

Submitted by:
Shannon Crosier, Administrator

RECOMMENDATION:

It is recommended that the Self-Insurance Trust Board approve the Property and Casualty Insurance Premium for July 1, 2022 – June 30, 2023.

BACKGROUND:

The Arizona Risk Retention Trust has provided rates for the Property and Casualty Insurance Premium as attached.

FY2021/2022 annual premium was $2,008,533. The new 2022/2023 premium will be determined by the selection of the Enhanced Cyber option ($1 Million, $3 Million, or $5 Million).

THE TRUST

Cyber Liability Coverage

Program Options for the 2022/2023 Coverage Year

	Basic Cyber Coverage	Enhanced Cyber Coverage
District Per Occurrence Limit	$1 Million	$3 Million or $5 Million
District Annual Aggregate Limit	$1 Million	$3 Million or $5 Million
Pool Shared Annual Aggregate Limit	$15 Million shared between all participants of the Basic Program	$15 Million shared between all participants of the Enhanced Program
Deductible Options	$50,000 or $5,000 $50,000 deductible is the default/standard deductible. The district can move to the lower $5,000 deductible if the following is in place prior to the beginning of the coverage period: • Viable air gap backup • Bi-annual phishing campaigns and phishing training program	
Underwriting Criteria	No underwriting criteria; available to all Trust members	Requirements: • Viable air gap backup, • Bi-annual phishing campaigns and phishing training program, • Multi-factor authentication (MFA) for all district privileged access[1] and remote users
Contribution	Contributions are calculated individually based on the district's size	

*The cyber liability insurance market is rapidly changing. The programs above are subject to change. This document is not a guarantee of limits, deductibles, or underwriting criteria.

[1] Privileged access users include the district's administration team, IT staff, HR staff, etc.

THE TRUST

Scottsdale Unified School District No. 48
Proposal Acceptance Form (PAF)
Date Generated: 6/9/2022
Contribution Terms: 7/1/2022 until 6/30/2023
Trust Agreement Number: 202-2022

General Liability (including School Governing Board and Teachers Professional Liability)			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$10,000,000/Occurrence, Offense, or Wrongful Act	$10,000,000 Employee Benefit Administration Liability $10,000,000 Professional Liability	$0/Occurrence, Offense, or Wrongful Act	$360,556
$2,000,000 Employers Liability/Accident or Disease	$2,000,000 Employers Liability/Accident or Disease	$500,000 Employers Liability/Accident or Disease	
$1,000,000 Professional Liability for Clinical Practicum Students/Occurrence/Student	$3,000,000 Professional Liability for Clinical Practicum/Student	$0/Occurrence, Offense, or Wrongful Act	

Cyber Liability			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$1,000,000 Cyber Liability/Occurrence	$1,000,000 Cyber Liability, District Annual Aggregate $15,000,000 Cyber Liability, Pool Shared Annual Aggregate	$5,000 Cyber Liability/Occurrence	$62,127
Multi-Factor Authentification Licensing Program (access to 0 Licenses)			Available, but Not Accepted

Automobile Liability			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$10,000,000/Occurrence	$10,000,000 Annual Aggregate	$0/Occurrence	$223,487
Uninsured Motorist: $15,000 each Person	$250,000 each Accident		
Underinsured Motorist: $15,000 each Person	$250,000 each Accident		

Administrative Practices Liability (Appendix A.1, Endorsement No. 6A)			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$150,000/Claim Coverage A and B	$300,000 Annual Aggregate	No Deductible/Occurrence	$35,000
$100,000/Claim Coverage C	$200,000 Annual Aggregate		

For Profit Activities (Appendix A.1, Endorsement No. 8): 2 Activities			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$1,000,000/Occurrence	$1,000,000 Annual Aggregate	No Deductible/Occurrence	$9,000

Pandemic Liability (Appendix A.1, Endorsement 10)			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$1,000,000/Occurrence, including Defense Costs and Indemnity payments $10,000/Claimant in indemnity coverage, provided that the other limits identified herein are not exhausted	$2,000,000 District Annual Aggregate $25,000,000 Pool Shared Annual Aggregate	$10,000/Occurrence	$56,250

Excess Liability	
Limit	**Contribution**
First Excess: $10,000,000 excess of $10,000,000/Occurrence and underlying aggregate limit, where applicable	$42,514
Second Excess: $5,000,000 excess of $20,000,000/Occurrence and underlying aggregate limit, where applicable	$7,440
Third Excess: $10,000,000 excess of $25,000,000/Occurrence and underlying aggregate limit, where applicable	$6,377
Fourth Excess: $15,000,000 excess of $35,000,000/Occurrence and underlying, $50,000,000 aggregate limit, where applicable	Included at no charge

All Risk Property (including Flood and Earthquake)

Limit	Aggregate Limit	Deductible	Contribution
Total Insurable Value: $1,026,704,861	Total Insurable Value: $1,026,704,861 Annual Aggregate	$10,000/Occurrence	$966,797
Maximum Flood Limit: $100,000,000/Occurrence	$100,000,000 Pool Shared Annual Aggregate		
Maximum Earthquake Limit: $100,000,000/Occurrence	$100,000,000 Pool Shared Annual Aggregate		

Mold Coverage Reinstatement of Limit Program (Appendix A.3, Endorsement No. 1)

Limit	Aggregate Limit	Deductible	Contribution
$25,000/Occurrence of Fungus, Bacteria, or Wet or Dry Rot Remediation by Location	$75,000/Agreement Period (Coverage Year)	$1,000/Occurrence	Available, but Not Accepted

Course of Construction (Appendix A.3, Endorsement No. 3)

Limit	Deductible	Contribution
Total Insurable Value of the renovation project	$10,000/Occurrence	Available, but Not Accepted

Device Coverage Program (Appendix A.3, Endorsement No. 4)

Limit	Aggregate Limit	Deductible	Contribution
Total Device Insurable Value: $0	Total Device Insurable Value: $0 Annual Aggregate	No Annual Deductible	Available, but Not Accepted

Automobile Physical Damage

Limit	Deductible	Contribution
Actual Cash Value	Comprehensive: $250/Accident/Vehicle Collision: $250/Accident/Vehicle	$56,151

Equipment Breakdown

Limit	Aggregate Limit	Deductible	Contribution
$100,000,000/Accident, Property Damage and Extra Expense Combined *Sublimits apply*	$100,000,000/Accident, Property Damage and Extra Expense Combined	$1,000/Accident	$27,629

Commercial Crime

Limit	Aggregate Limit	Deductible	Contribution
$1,500,000/Occurrence	$1,500,000/Occurrence	$100/Occurrence	$11,898

PTO/Booster Club Commercial Crime (Appendix A.6, Endorsement No. 1)

Limit	Aggregate Limit	Deductible	Contribution
$100,000/Occurrence	$200,000/Occurrence	$100/Occurrence	Available, but Not Accepted

Storage Tank System Third Party Liability and Cleanup: 7 AST, 8 UST

Limit	Aggregate Limit	Deductible	Contribution
$2,000,000 each Claim	$4,000,000 Annual Aggregate for Third Party Claims and First Party Remediation Costs $2,000,000 Annual Aggregate for Legal Defense Expenses	$10,000/Claim **Retroactive Date** Per Schedule	$15,303

Pre-Paid Legal Services Indemnity

Aggregate Limit	Deductible	Contribution
$300,000	None	$190,000

Unemployment Insurance Liability (Appendix A.9)

Aggregate Limit	Deductible	Contribution
Statutory, as outlined in A.R.S. § 11-952.01(S)	None	Available, but Not Accepted

Annual Contribution Subtotal:	$2,070,529
Authorized Insurance Representative (AIR) or AAS Fee:	$1
Trust Administration Fee:	$25,000
Annual Trust Contribution Grand Total:	$2,095,530

I, the undersigned, as the District Authorized Representative of Scottsdale USD No. 48 do hereby accept, on behalf of the above-named District, the coverage indicated above. I understand that for any type of coverage listed above that states “Available, but Not Accepted,” no coverage is being provided by the Trust in connection therewith for the applicable coverage period. In addition, no coverage, even if accepted, is in place if the corresponding annual contribution has not been paid to the Trust by the due date established by the Trust. I further represent and confirm that all information previously provided to the Trust by the District in the Values Collection for the applicable coverage period is accurate and complete.

Signature: _____ Date: _____

Title: _____

The Trust reserves the right to modify coverage limits, terms and conditions, including overall coverage structure, based on the results of reinsurance negotiations. The District will be notified if any such modifications result in reduction in coverage or an increase in contribution. Nothing in this document is intended to expand the coverage provided pursuant to the Trust’s Coverage Agreements, and the terms, limits, conditions, definitions, and exclusions of such Coverage Agreements will control the scope of coverage provided by the Trust.

THE TRUST

Scottsdale Unified School District No. 48
Proposal Acceptance Form (PAF)
Date Generated: 6/10/2022
Contribution Terms: 7/1/2022 until 6/30/2023
Trust Agreement Number: 202-2022

General Liability (including School Governing Board and Teachers Professional Liability)			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$10,000,000/Occurrence, Offense, or Wrongful Act	$10,000,000 Employee Benefit Administration Liability $10,000,000 Professional Liability	$0/Occurrence, Offense, or Wrongful Act	$360,556
$2,000,000 Employers Liability/Accident or Disease	$2,000,000 Employers Liability/Accident or Disease	$500,000 Employers Liability/Accident or Disease	
$1,000,000 Professional Liability for Clinical Practicum Students/Occurrence/Student	$3,000,000 Professional Liability for Clinical Practicum/Student	$0/Occurrence, Offense, or Wrongful Act	

Cyber Liability			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$3,000,000 Cyber Liability/Occurrence	$3,000,000 Cyber Liability, District Annual Aggregate $15,000,000 Cyber Liability, Pool Shared Annual Aggregate	$5,000 Cyber Liability/Occurrence	$134,755
Multi-Factor Authentification Licensing Program (access to 0 Licenses)			Available, but Not Accepted

Automobile Liability			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$10,000,000/Occurrence	$10,000,000 Annual Aggregate	$0/Occurrence	$223,487
Uninsured Motorist: $15,000 each Person	$250,000 each Accident		
Underinsured Motorist: $15,000 each Person	$250,000 each Accident		

Administrative Practices Liability (Appendix A.1, Endorsement No. 6A)			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$150,000/Claim Coverage A and B	$300,000 Annual Aggregate	No Deductible/Occurrence	$35,000
$100,000/Claim Coverage C	$200,000 Annual Aggregate		

For Profit Activities (Appendix A.1, Endorsement No. 8): 2 Activities			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$1,000,000/Occurrence	$1,000,000 Annual Aggregate	No Deductible/Occurrence	$9,000

Pandemic Liability (Appendix A.1, Endorsement 10)			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$1,000,000/Occurrence, including Defense Costs and Indemnity payments $10,000/Claimant in indemnity coverage, provided that the other limits identified herein are not exhausted	$2,000,000 District Annual Aggregate $25,000,000 Pool Shared Annual Aggregate	$10,000/Occurrence	$56,250

Excess Liability	
Limit	**Contribution**
First Excess: $10,000,000 excess of $10,000,000/Occurrence and underlying aggregate limit, where applicable	$42,514
Second Excess: $5,000,000 excess of $20,000,000/Occurrence and underlying aggregate limit, where applicable	$7,440
Third Excess: $10,000,000 excess of $25,000,000/Occurrence and underlying aggregate limit, where applicable	$6,377
Fourth Excess: $15,000,000 excess of $35,000,000/Occurrence and underlying, $50,000,000 aggregate limit, where applicable	Included at no charge

All Risk Property (including Flood and Earthquake)

Limit	Aggregate Limit	Deductible	Contribution
Total Insurable Value: $1,026,704,861	Total Insurable Value: $1,026,704,861 Annual Aggregate	$10,000/Occurrence	$966,797
Maximum Flood Limit: $100,000,000/Occurrence	$100,000,000 Pool Shared Annual Aggregate		
Maximum Earthquake Limit: $100,000,000/Occurrence	$100,000,000 Pool Shared Annual Aggregate		

Mold Coverage Reinstatement of Limit Program (Appendix A.3, Endorsement No. 1)

Limit	Aggregate Limit	Deductible	Contribution
$25,000/Occurrence of Fungus, Bacteria, or Wet or Dry Rot Remediation by Location	$75,000/Agreement Period (Coverage Year)	$1,000/Occurrence	Available, but Not Accepted

Course of Construction (Appendix A.3, Endorsement No. 3)

Limit	Deductible	Contribution
Total Insurable Value of the renovation project	$10,000/Occurrence	Available, but Not Accepted

Device Coverage Program (Appendix A.3, Endorsement No. 4)

Limit	Aggregate Limit	Deductible	Contribution
Total Device Insurable Value: $0	Total Device Insurable Value: $0 Annual Aggregate	No Annual Deductible	Available, but Not Accepted

Automobile Physical Damage

Limit	Deductible	Contribution
Actual Cash Value	Comprehensive: $250/Accident/Vehicle Collision: $250/Accident/Vehicle	$56,151

Equipment Breakdown

Limit	Aggregate Limit	Deductible	Contribution
$100,000,000/Accident, Property Damage and Extra Expense Combined *Sublimits apply*	$100,000,000/Accident, Property Damage and Extra Expense Combined	$1,000/Accident	$27,629

Commercial Crime

Limit	Aggregate Limit	Deductible	Contribution
$1,500,000/Occurrence	$1,500,000/Occurrence	$100/Occurrence	$11,898

PTO/Booster Club Commercial Crime (Appendix A.6, Endorsement No. 1)

Limit	Aggregate Limit	Deductible	Contribution
$100,000/Occurrence	$200,000/Occurrence	$100/Occurrence	Available, but Not Accepted

Storage Tank System Third Party Liability and Cleanup: 7 AST, 8 UST

Limit	Aggregate Limit	Deductible	Contribution
$2,000,000 each Claim	$4,000,000 Annual Aggregate for Third Party Claims and First Party Remediation Costs $2,000,000 Annual Aggregate for Legal Defense Expenses	$10,000/Claim **Retroactive Date** Per Schedule	$15,303

Pre-Paid Legal Services Indemnity

Aggregate Limit	Deductible	Contribution
$300,000	None	$190,000

Unemployment Insurance Liability (Appendix A.9)

Aggregate Limit	Deductible	Contribution
Statutory, as outlined in A.R.S. § 11-952.01(S)	None	Available, but Not Accepted

Annual Contribution Subtotal:	$2,143,157
Authorized Insurance Representative (AIR) or AAS Fee:	$1
Trust Administration Fee:	$25,000
Annual Trust Contribution Grand Total:	$2,168,158

I, the undersigned, as the District Authorized Representative of Scottsdale USD No. 48 do hereby accept, on behalf of the above-named District, the coverage indicated above. I understand that for any type of coverage listed above that states "Available, but Not Accepted," no coverage is being provided by the Trust in connection therewith for the applicable coverage period. In addition, no coverage, even if accepted, is in place if the corresponding annual contribution has not been paid to the Trust by the due date established by the Trust. I further represent and confirm that all information previously provided to the Trust by the District in the Values Collection for the applicable coverage period is accurate and complete.

Signature: _____ Date: _____

Title: _____

The Trust reserves the right to modify coverage limits, terms and conditions, including overall coverage structure, based on the results of reinsurance negotiations. The District will be notified if any such modifications result in reduction in coverage or an increase in contribution. Nothing in this document is intended to expand the coverage provided pursuant to the Trust's Coverage Agreements, and the terms, limits, conditions, definitions, and exclusions of such Coverage Agreements will control the scope of coverage provided by the Trust.

THE TRUST

Scottsdale Unified School District No. 48
Proposal Acceptance Form (PAF)
Date Generated: 6/10/2022
Contribution Terms: 7/1/2022 until 6/30/2023
Trust Agreement Number: 202-2022

General Liability (including School Governing Board and Teachers Professional Liability)			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$10,000,000/Occurrence, Offense, or Wrongful Act	$10,000,000 Employee Benefit Administration Liability $10,000,000 Professional Liability	$0/Occurrence, Offense, or Wrongful Act	$360,556
$2,000,000 Employers Liability/Accident or Disease	$2,000,000 Employers Liability/Accident or Disease	$500,000 Employers Liability/Accident or Disease	
$1,000,000 Professional Liability for Clinical Practicum Students/Occurrence/Student	$3,000,000 Professional Liability for Clinical Practicum/Student	$0/Occurrence, Offense, or Wrongful Act	

Cyber Liability			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$5,000,000 Cyber Liability/Occurrence	$5,000,000 Cyber Liability, District Annual Aggregate $15,000,000 Cyber Liability, Pool Shared Annual Aggregate	$5,000 Cyber Liability/Occurrence	$170,690

Multi-Factor Authentification Licensing Program (access to 0 Licenses)	Available, but Not Accepted

Automobile Liability			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$10,000,000/Occurrence	$10,000,000 Annual Aggregate	$0/Occurrence	$223,487
Uninsured Motorist: $15,000 each Person	$250,000 each Accident		
Underinsured Motorist: $15,000 each Person	$250,000 each Accident		

Administrative Practices Liability (Appendix A.1, Endorsement No. 6A)			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$150,000/Claim Coverage A and B	$300,000 Annual Aggregate	No Deductible/Occurrence	$35,000
$100,000/Claim Coverage C	$200,000 Annual Aggregate		

For Profit Activities (Appendix A.1, Endorsement No. 8): 2 Activities			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$1,000,000/Occurrence	$1,000,000 Annual Aggregate	No Deductible/Occurrence	$9,000

Pandemic Liability (Appendix A.1, Endorsement 10)			
Limit	**Aggregate Limit**	**Deductible**	**Contribution**
$1,000,000/Occurrence, including Defense Costs and Indemnity payments $10,000/Claimant in indemnity coverage, provided that the other limits identified herein are not exhausted	$2,000,000 District Annual Aggregate $25,000,000 Pool Shared Annual Aggregate	$10,000/Occurrence	$56,250

Excess Liability	
Limit	**Contribution**
First Excess: $10,000,000 excess of $10,000,000/Occurrence and underlying aggregate limit, where applicable	$42,514
Second Excess: $5,000,000 excess of $20,000,000/Occurrence and underlying aggregate limit, where applicable	$7,440
Third Excess: $10,000,000 excess of $25,000,000/Occurrence and underlying aggregate limit, where applicable	$6,377
Fourth Excess: $15,000,000 excess of $35,000,000/Occurrence and underlying, $50,000,000 aggregate limit, where applicable	Included at no charge

All Risk Property (including Flood and Earthquake)

Limit	Aggregate Limit	Deductible	Contribution
Total Insurable Value: $1,026,704,861	Total Insurable Value: $1,026,704,861 Annual Aggregate	$10,000/Occurrence	$966,797
Maximum Flood Limit: $100,000,000/Occurrence	$100,000,000 Pool Shared Annual Aggregate		
Maximum Earthquake Limit: $100,000,000/Occurrence	$100,000,000 Pool Shared Annual Aggregate		

Mold Coverage Reinstatement of Limit Program (Appendix A.3, Endorsement No. 1)

Limit	Aggregate Limit	Deductible	Contribution
$25,000/Occurrence of Fungus, Bacteria, or Wet or Dry Rot Remediation by Location	$75,000/Agreement Period (Coverage Year)	$1,000/Occurrence	Available, but Not Accepted

Course of Construction (Appendix A.3, Endorsement No. 3)

Limit	Deductible	Contribution
Total Insurable Value of the renovation project	$10,000/Occurrence	Available, but Not Accepted

Device Coverage Program (Appendix A.3, Endorsement No. 4)

Limit	Aggregate Limit	Deductible	Contribution
Total Device Insurable Value: $0	Total Device Insurable Value: $0 Annual Aggregate	No Annual Deductible	Available, but Not Accepted

Automobile Physical Damage

Limit	Deductible	Contribution
Actual Cash Value	Comprehensive: $250/Accident/Vehicle Collision: $250/Accident/Vehicle	$56,151

Equipment Breakdown

Limit	Aggregate Limit	Deductible	Contribution
$100,000,000/Accident, Property Damage and Extra Expense Combined *Sublimits apply*	$100,000,000/Accident, Property Damage and Extra Expense Combined	$1,000/Accident	$27,629

Commercial Crime

Limit	Aggregate Limit	Deductible	Contribution
$1,500,000/Occurrence	$1,500,000/Occurrence	$100/Occurrence	$11,898

PTO/Booster Club Commercial Crime (Appendix A.6, Endorsement No. 1)

Limit	Aggregate Limit	Deductible	Contribution
$100,000/Occurrence	$200,000/Occurrence	$100/Occurrence	Available, but Not Accepted

Storage Tank System Third Party Liability and Cleanup: 7 AST, 8 UST

Limit	Aggregate Limit	Deductible	Contribution
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Pre-Paid Legal Services Indemnity

Aggregate Limit	Deductible	Contribution
$300,000	None	$190,000

Unemployment Insurance Liability (Appendix A.9)

Aggregate Limit	Deductible	Contribution
Statutory, as outlined in A.R.S. § 11-952.01(S)	None	Available, but Not Accepted

Annual Contribution Subtotal:	$2,179,092
Authorized Insurance Representative (AIR) or AAS Fee:	$1
Trust Administration Fee:	$25,000
Annual Trust Contribution Grand Total:	$2,204,093

I, the undersigned, as the District Authorized Representative of Scottsdale USD No. 48 do hereby accept, on behalf of the above-named District, the coverage indicated above. I understand that for any type of coverage listed above that states "Available, but Not Accepted," no coverage is being provided by the Trust in connection therewith for the applicable coverage period. In addition, no coverage, even if accepted, is in place if the corresponding annual contribution has not been paid to the Trust by the due date established by the Trust. I further represent and confirm that all information previously provided to the Trust by the District in the Values Collection for the applicable coverage period is accurate and complete.

Signature: _____ Date: _____

Title: _____

The Trust reserves the right to modify coverage limits, terms and conditions, including overall coverage structure, based on the results of reinsurance negotiations. The District will be notified if any such modifications result in reduction in coverage or an increase in contribution. Nothing in this document is intended to expand the coverage provided pursuant to the Trust's Coverage Agreements, and the terms, limits, conditions, definitions, and exclusions of such Coverage Agreements will control the scope of coverage provided by the Trust.

Action:

Approval of Worker's Compensation Premium July 1, 2022 – June 30, 2023

Submitted by:
Shannon Crosier, Administrator

RECOMMENDATION:

It is recommended that the Self-Insurance Trust Board approve the Worker's Compensation Insurance Premium for July 1, 2022 – June 30, 2023.

BACKGROUND:

Worker's Compensation Insurance Premium is updated yearly.

FY 21/22 annual premium was $927,441. As attached, the premium for July 1, 2022 - June 30, 2023 will be $914,446.

Scottsdale Unified School District No. 48
Incurred Retrospective Rating Plan
Coverage Acceptance Form (CAF)
Date Generated: 5/9/2022
Contribution Terms: 7/1/2022 until 7/1/2023
Alliance Agreement Number: 050-2022

Workers' Compensation Coverage

Estimated Payroll: **$148,488,604**

Retrospective Contribution Adjusted Elements

Category	Rate	Contribution
Incurred Losses and Allocated Loss Adjustment Expense	Estimated Incurred	$641,961
Unallocated Loss Adjustment Expense	20.91% of Estimated Incurred	$120,807
	Subtotal, Adjusted Elements:	$762,768

Retrospective Contribution Fixed Elements

Category	Rate	Contribution
Administrative Expense	$0.0519 per $100 of payroll	$77,021
Excess Insurance* and Tax Expense	$0.0378 per $100 of payroll	$56,096
Contribution to Net Assets	$0.0125 per $100 of payroll	$18,561
	Subtotal, Fixed Elements:	$151,678

Additional Coverage(s)

Out-of-State Worker Coverage: Not Applicable

Off-Duty Law Enforcement Coverage is included when there is a written agreement approved by the Alliance, between the District and law enforcement agency, but not for injuries that occur during a law enforcement action.

Estimated Annual Contribution Grand Total**:	$914,446

Signature: _____ Date: _____

Title: _____

*For 2022/2023, the Alliance has bound coverage with Safety National for excess insurance. The self-insured retention (SIR) limit is $1,000,000 per occurrence.

**Assumes the Incurred Losses and ALAE, Loss Rated at 90%. Additional options are available. Pursuant to Section II.B.2 of Endorsement No. 1 of the Incurred Retrospective Rating Program, the minimum contribution the district will pay is $226,250 and the maximum contribution the district will pay is $1,229,721. (These figures are based on the 100% Loss Rated option, and are subject to the payroll audit.)

This document is a summary and is not intended to expand the coverage provided pursuant to the Alliance's coverage agreements. The terms, limits, conditions, definitions, and exclusions of such coverage agreements will control the scope of coverage provided by the Alliance.

Information/Discussion:

Property/Casualty/Worker's Comp Claims Report (ARRT)

Submitted by:

Shannon Crosier, Administrator

BACKGROUND:

Financial reports and presentations concerning Property/Casualty and Worker's Compensation from The Trust – Ryan Cole

Scottsdale Unified School District Trust Board Meeting

Trust and Alliance

June 16, 2022

THE TRUST
ALLIANCE | SCIP

Note: Approval of membership in the three pools may be granted by the Scottsdale Governing Board.

Scottsdale USD Governing Board

Scottsdale USD Trust

THE TRUST

Property and liability coverage A.R.S. 11-952.01(A)

Coverages provided:

- General Liability
- Professional Liability
- Auto Liability
- Excess Liability
- Administrative Practices Liability
- Cyber Liability
- Auto Physical Damage
- All-Risk Property
- Commercial Crime
- Equipment Breakdown
- Storage Tank Liability
- Pre-Paid Legal Services
- Unemployment Insurance
- Pandemic Liability Coverage

21/22 premium: $2,008,533

ALLIANCE

Workers' compensation coverage A.R.S. 11-952.01(B)

Coverages provided:

- Workers' Compensation
- Employer's Liability

21/22 premium: $927,441 (est)

KAIROS HEALTH ARIZONA, INC.

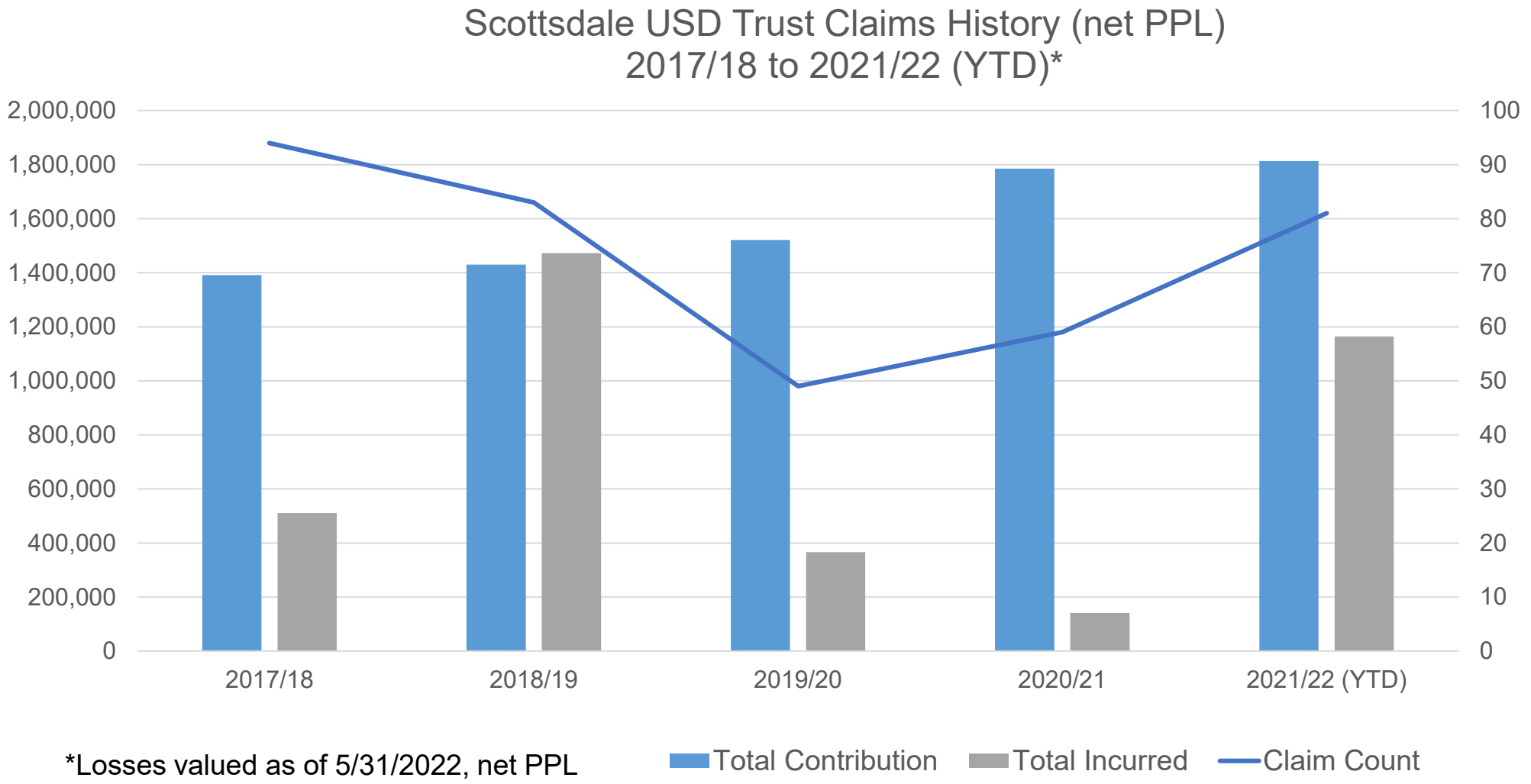
Health benefits coverage A.R.S. 11-952.01(C)

Coverages provided:

- Medical/Pharmacy
- Health Savings Account
- Dental
- Vision
- Basic Life Insurance
- Voluntary Life Insurance
- Accidental Death Insurance
- Short Term Disability
- Accident Insurance
- Hospital Indemnity
- Critical Illness
- Legal Assistance
- Pet Insurance
- Employee Assistance Program
- Cobra Administration
- Flexible Spending Account

21/22 premium: $16,051,022 (est)

Trust Claims

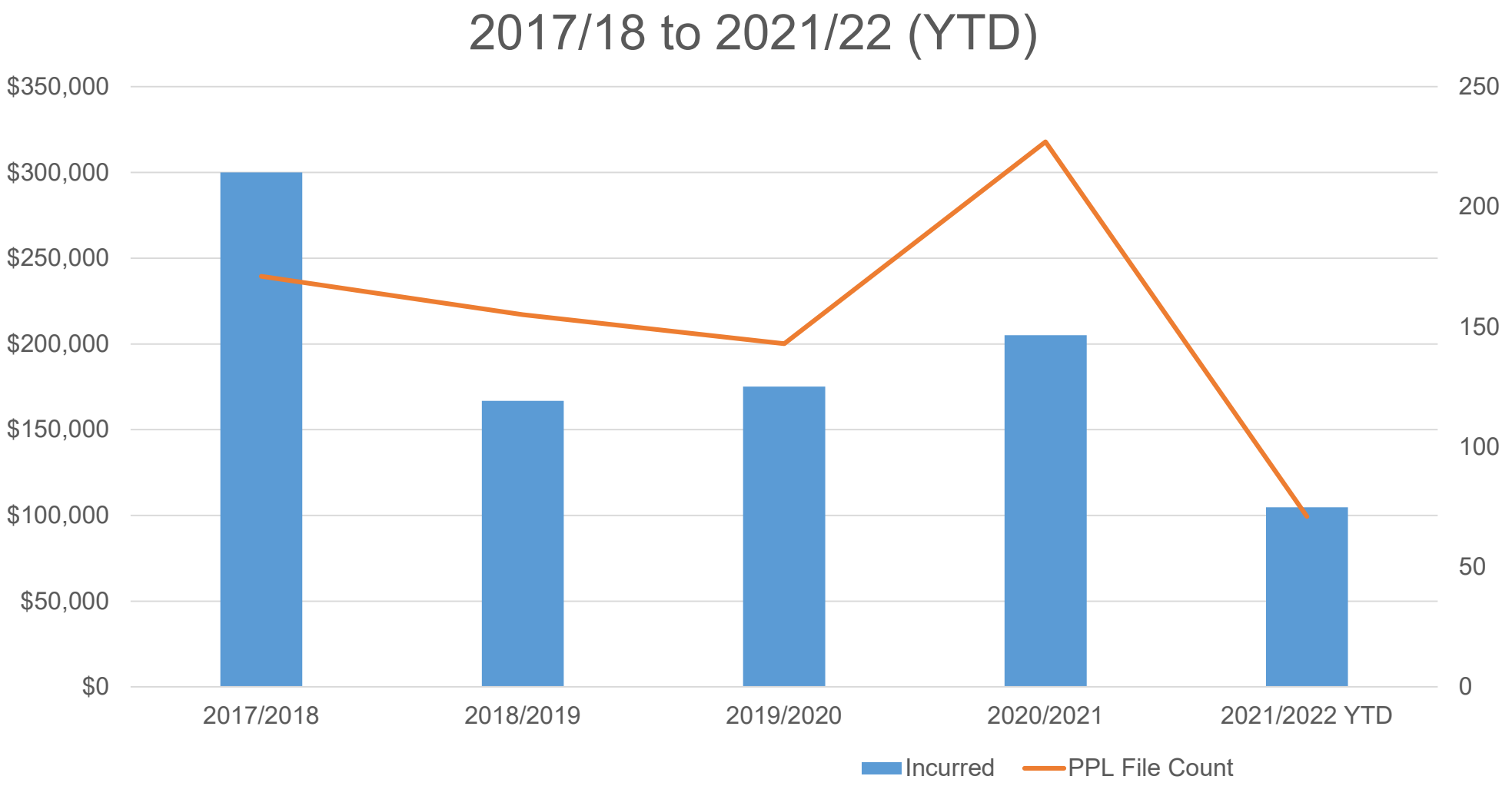


*Losses valued as of 5/31/2022, net PPL

2021/2022 Trust Claims Summary

- Total number of claims processed as of 5/31/2022: 85
- Total incurred as of 5/31/2022: $1,144,627

Trust Pre-Paid Legal Overview



2022/2023 Trust Renewal Updates

- 2022/2023 contribution estimate: $2,095,530
- 2021/2022 contribution: $2,008,533
- 4.33% increase

- Trust Loyalty Credit (5%)
  - District will receive approximately $100,000
    - Tier 1 (2%): 52.94% 3-year loss ratio
    - Tier 2 (3%): 3 of 3 items completed

2022/2023 Trust Renewal Updates

Enhanced Cyber Coverage Options

- $1M Basic $ 62,127 – no MFA requirements
- $3M Enhanced $134,755 – MFA requirements
- $5M Enhanced $170,690 – MFA requirements

The enhanced quote is subject to full implementation of MFA for all remote users and any users with privileged access before 7/1/22. We can assist with MFA if needed.

Alliance Rating Retrospective Plan

- Scottsdale joined retro plan effective July 1, 2019
- Designed for members with a higher appetite for risk
- Member pays for losses and various expenses (admin, excess insurance, tax, contribution to surplus)

Alliance Rating Retrospective Plan

Rating Element	Estimate	Actual (as of 5/31/2022)
Incurred Losses & ALAE	665,157	593,381
ULAE	112,559	100,413
Admin Expense*	75,500	75,500
Excess Insurance & Tax Expense*	56,997	56,997
Contribution to Net Position*	17,228	17,228
Total	**927,441**	**843,518**

*Based on actual payroll, to be reported in July 2022.

- As of 5/31/2021, the district is trending at 91% of estimates.
- Alliance staff will continue to provide quarterly updates on Scottsdale's performance.
- A final adjustment based on actual losses and payroll will be conducted in July 2022.

Alliance Contribution History

Year	Rating Model	Contribution: Valued as of 5/31/2022	Retro Contribution: Original Estimate
2021/2022	Retrospectively Rated	843,518*	927,441
2020/2021	Retrospectively Rated	658,949*	860,358
2019/2020	Retrospectively Rated	413,581*	839,973
2018/2019	Guaranteed Cost	958,573	N/A
2017/2018	Guaranteed Cost	877,064	N/A
2016/2017	Guaranteed Cost	873,457	N/A

*Estimated contribution. Loss elements are adjusted for 5 years.

Alliance 2022/2023 Renewal

- Estimated payroll:
  - $148,488,604

- Estimated contribution:
  - $914,416
  - 1.4% decrease, subject to final underwriting

PPA/TIP Balances

- Trust Prepaid Account Balance as of 5/31/2022
  - $85,719

- Trust Investment Pool Balance as of 5/31/2022
  - $40,638

Upcoming Dates: 2022/2023 Renewal

- June 30: 22/23 renewal forms due to the Trust
- July 20-22: Annual AASBO Conference
  - Wednesday night – Trust Member Appreciation Dinner
  - Trust Presentations:
    - Top Safety Inspection Issues
    - White Fleet Session #1 – Regulations
    - White Fleet Session #2 – Best Practices
    - Emerging Cyber Requirements: Phishing, Backups, MFA, and More
    - Transportation Loss Trends

Contact Information

Jessica Schuler

jschuler@the-trust.org
602.200.2405

Information/Discussion:

Kairos Health of Arizona Report

Submitted by:

Shannon Crosier, Administrator

BACKGROUND:

Presentation of financial and health reports from Kairos Health Arizona – Jeremy Larson

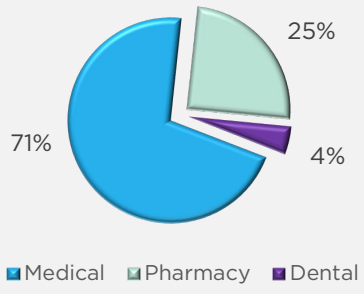
KAIROS HEALTH ARIZONA, INC.
In cooperation with the Trust

Scottsdale USD Management Dashboard
April 30, 2022

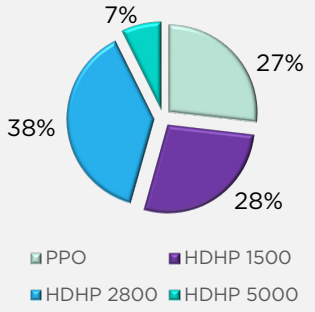
Financial Performance

	YTD Actual	YTD Budget	Favorable/ (Unfavorable)
Gross Contributions	$ 14,519,743	$ 13,864,847	5%
Less: Cost of Excess Insurance	(770,830)	$ (776,040)	1%
Less: Cost of Ancillary Insurance	(1,008,248)	(1,075,986)	6%
Less: Loss Expense	(13,658,645)	(12,136,650)	(13%)
Less: Administration & Other	(389,886)	(393,020)	1%
Non-Operating Revenue (Loss)[4]	(2,026)	-	(100%)
Net Income (Loss)[5]	$ (1,309,892)	$ (516,849)	(153%)

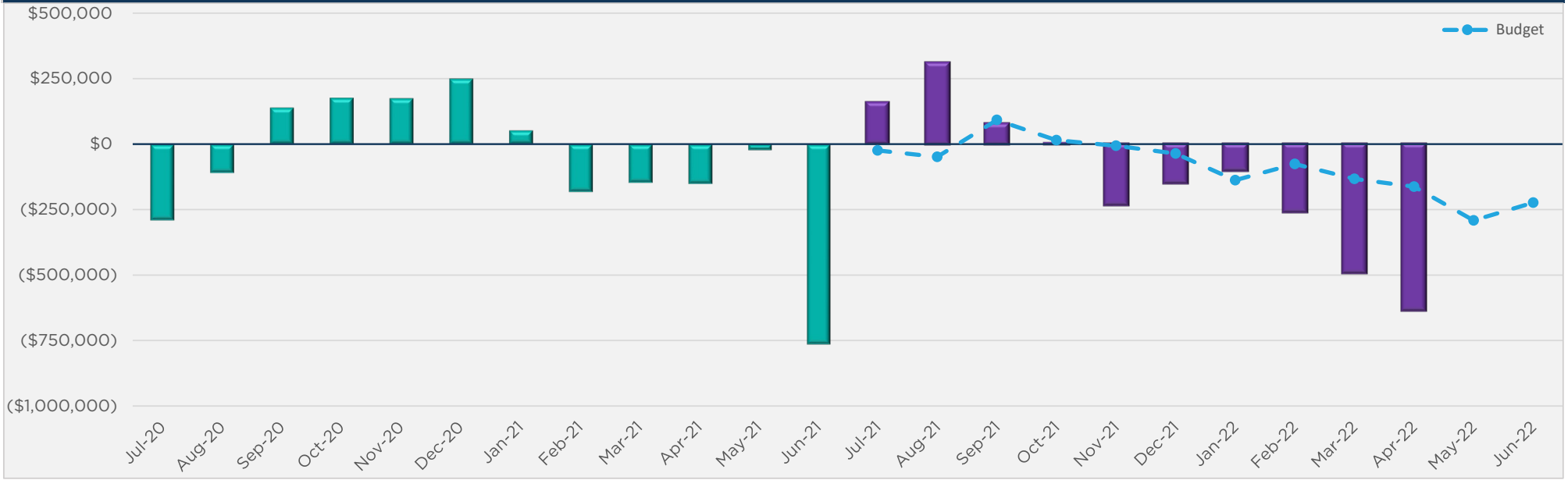
Cost by Program



Plan Participation



Net Income / (Loss)



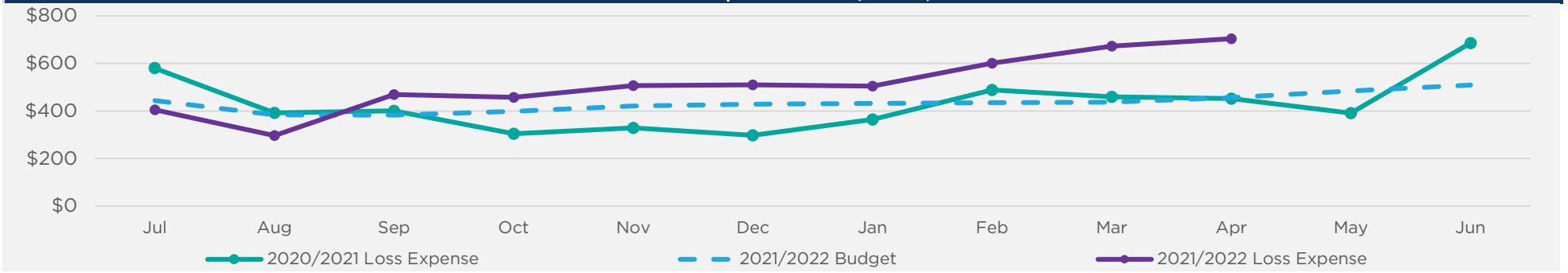
Loss Ratio[1]	Expense Ratio[2]	Combined Ratio[3]	YTD Increase in Net Position	Net Position	YTD Net Investment Income (Loss)	Employees	Lives
107.1%	3.1%	110.2%	($1,309,892)	$1,332,269	($2,026)	1,891	2,635

[1] Calculated as (net incurred losses) + (loss adjusted expense) / (net contributions).
[2] Calculated as (non-loss expenses) / (net contributions). If loss adjusted expense is added to the expense ratio, it would represent a 5% increase to the ratio.
[3] Calculated as (loss ratio + expense ratio). Investment Income is not included in the calculation.
[4] Kairos does not budget for Self-Funded investment income.
[5] Due to Scottsdale USD holding a large medical trust balance, Scottsdale USD has strategically decided to limit annual rate increases to lower this trust balance.

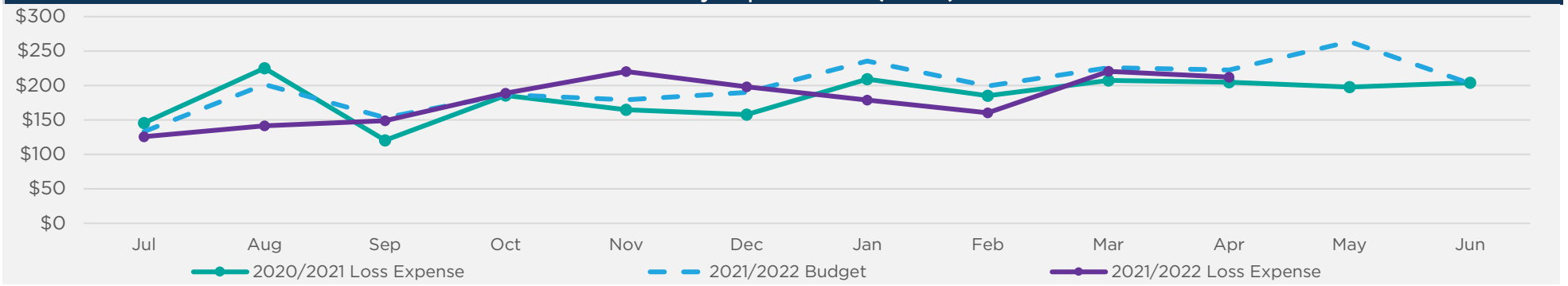
KAIROS HEALTH ARIZONA, INC.
In cooperation with the Trust

Scottsdale USD Management Dashboard
April 30, 2022

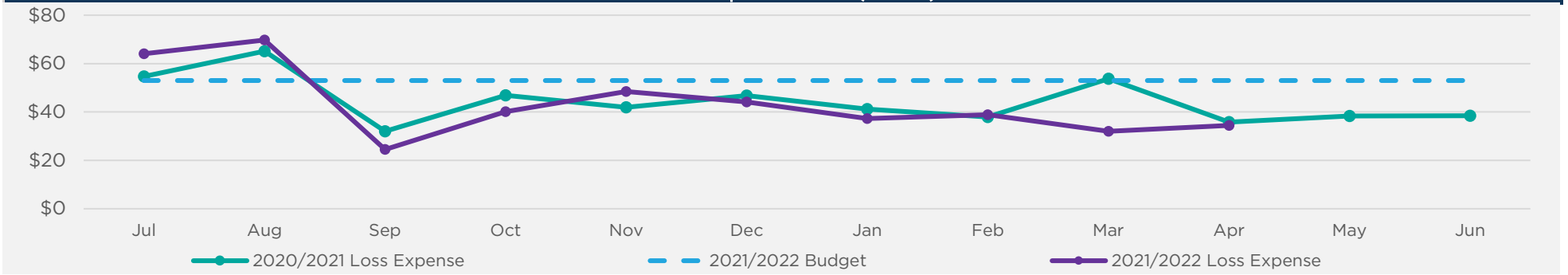
Medical Expense Paid (PEPM) [1,2]



Pharmacy Expense Paid (PEPM)[1]



Dental Expense Paid (PEPM)[1]



[1] Loss expense and budget excludes IBNR and Rx rebates.

[2] Figures do not include stop loss recoveries.

Scottsdale Unified School District Reporting

Reporting period 7/1/2021–4/30/2022

June 2022

KAIROS HEALTH ARIZONA, INC.

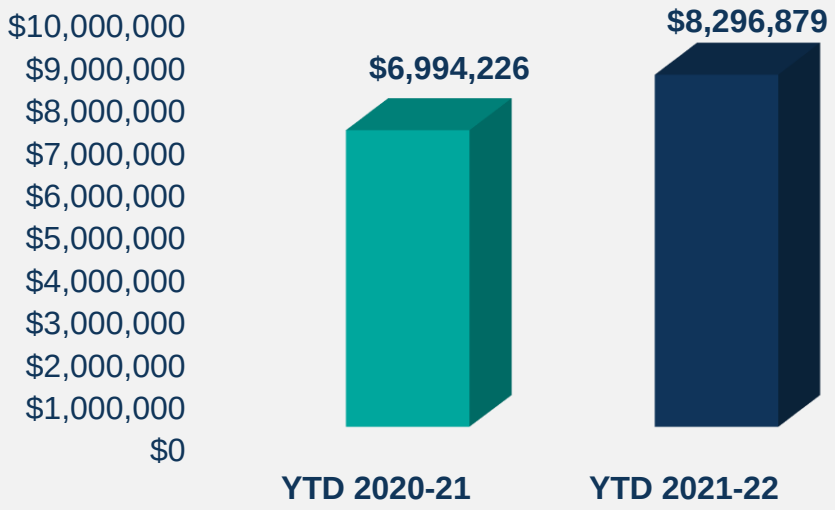
PLAN OVERVIEW

ENROLLMENT

1,895	2,635	42
employees	lives	Average age

Medical Plan Spend

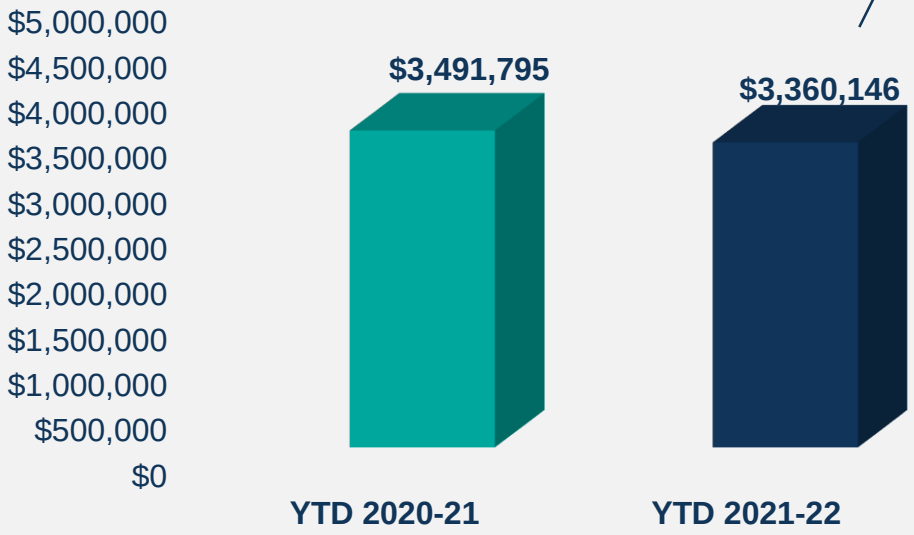
18.62% increase



National benchmark = 5% increase, Kairos benchmark = 2.61% increase

Pharmacy Spend

3.77% decrease

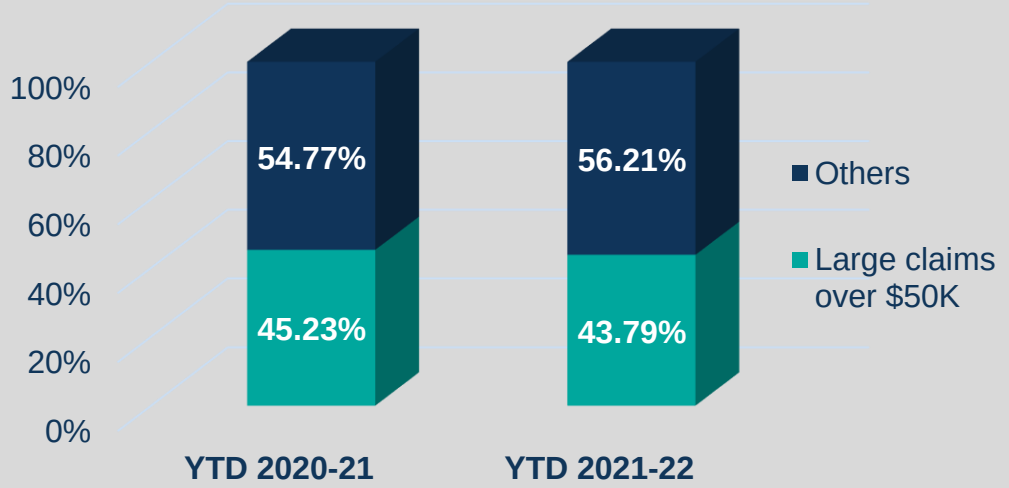


National benchmark = 12% increase, Kairos benchmark = 2.52% decrease

LARGE CLAIMS

Top 10	Total Paid
HIV	$360,124
Thoracic aneurysm	$292,770
Spinal muscular atrophy	$271,546
Abdominal cancer	$261,630
Breast cancer	$248,078
Pancreatic cancer	$223,120
Breast cancer	$220,663
Breast cancer	$206,426
Peripheral neuropathy	$144,648
Gastrointestinal obstruction	$134,809

PLAN SPEND



STATS

	YTD 2020-21	YTD 2021-22
Threshold	$50,000	$50,000
Number of claimants	40	45
Average cost	$118,572	$113,441

KAIROS HEALTH ARIZONA, INC.

MEDICAL SPEND

TOP 5 PROVIDERS

TOP 5 CONDITIONS

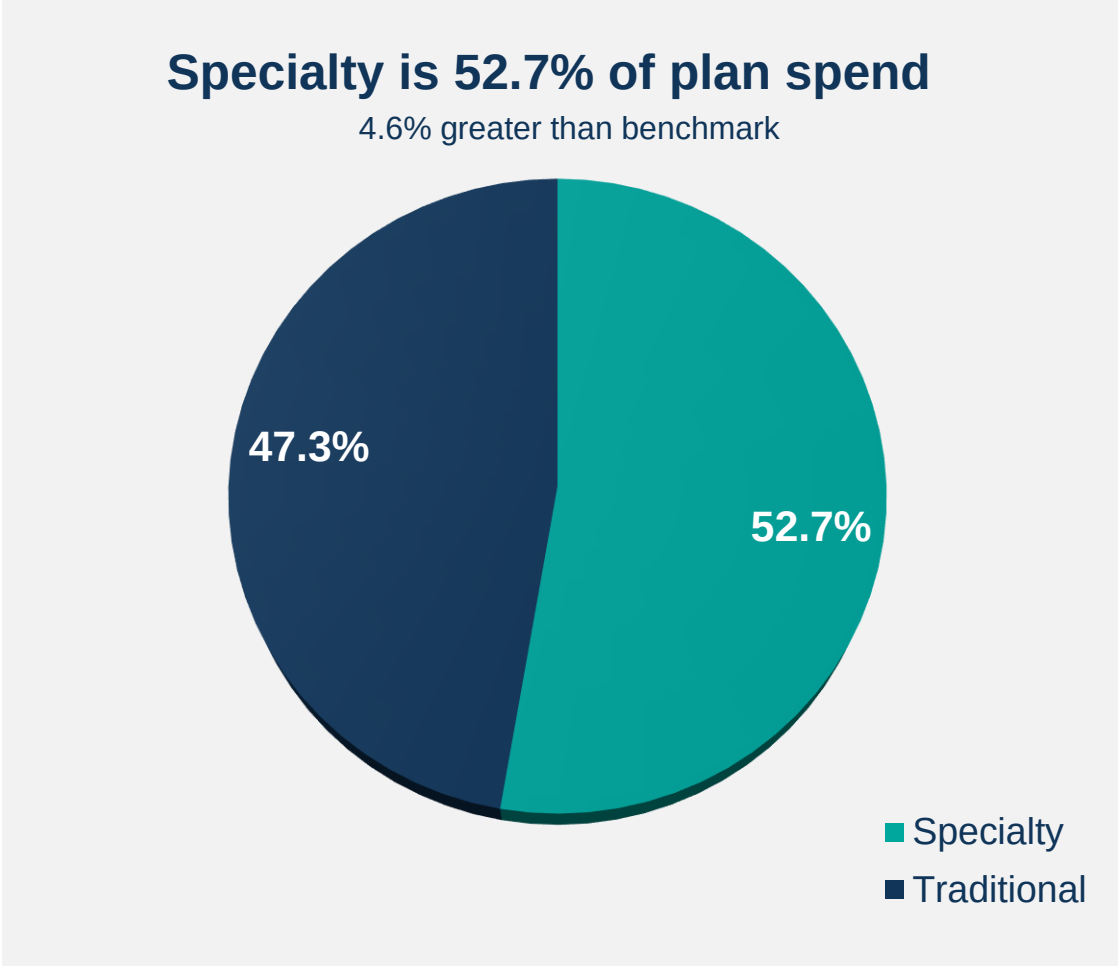
	YTD 2020-21	YTD 2021-22	Prior Rank
Cancer	$1,328,379.41	$1,466,942.25	1
Spine-related Disorders	$375,780.77	$746,510.60	7
Screenings	$671,233.53	$709,649.42	3
Gastrointestinal Disorders	$749,649.21	$640,393.60	2
Neurological disorders	$605,032.47	$527,421.54	4

KAIROS HEALTH ARIZONA, INC.

DRUG SPEND

Top 5 traditional classes
Diabetes
Allergy/Asthma/Cold
Mental Health
Hormonal Agents
Blood Modifiers

Top 5 specialty classes
Chronic Inflammatory Disease
Oncology
Orphan Drugs
HIV/AIDS
Chelation Agents



KAIROS HEALTH ARIZONA, INC.

COVID-19 SUMMARY THROUGH 5/28/2022

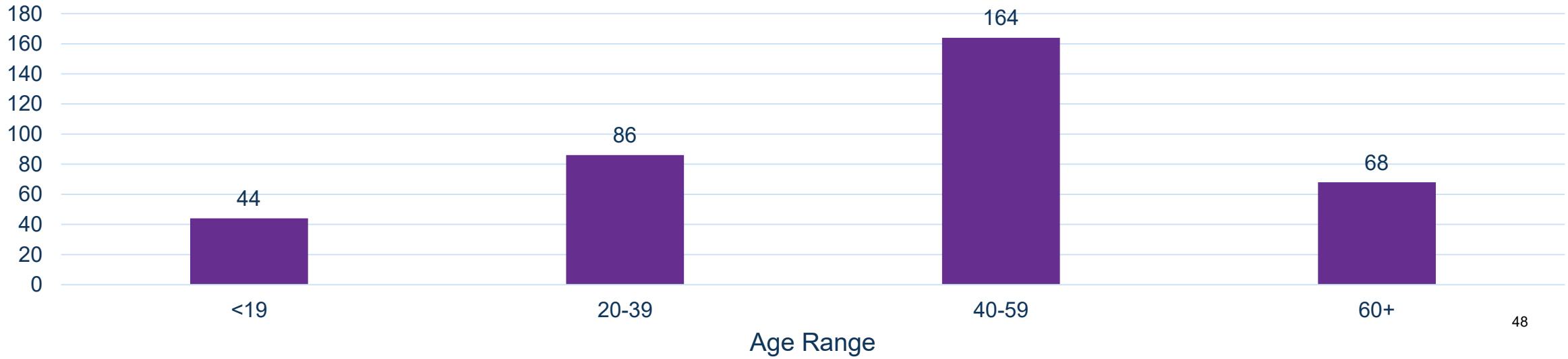
SCOTTSDALE UNIFIED SCHOOL DISTRICT

KAIROS HEALTH ARIZONA, INC.

COVID-19 Cost Summary

Claim Type	# of Members	Total Paid	Average Paid per Member	Dollars Paid by Year		
				2020	2021	2022
Confirmed Diagnosis	468	$372,756	$796	$41,156	$211,799	$119,801
Testing	2,669	$424,390	$159	$119,030	$189,663	$115,697
Vaccines	2,212	$166,011	$75	-	$145,312	$20,699

COVID-19 Confirmed Cases



Information:

Scottsdale Unified School District Trust Financial Update

Submitted by:

Shannon Crosier, Chief Financial Officer/ Trust Administrator

RECOMMENDATION:

Shannon Crosier, Chief Financial Officer/ Trust Administrator will present a review of the investment accounts for Fiscal Year 2021- 2022 (As of May 31, 2022). Wells Fargo will then follow up with a financial market forecast.

Self-Insurance Trust Balances
Fiscal Year 2020-2021
As of May 31, 2021

Checking

	Medical Insurance	Property/Casualty	Workmans Comp	Total
Beginning Balance (July 1, 2020)	$ 4,496,898.46	$ 250,806.90	$ 1,149,077.68	$ 5,896,783.04
Revenue YTD	$ 25,409,104.37	$ 2,125,044.30	$ 1,234,394.58	$ 28,768,543.25
Expenditures YTD	$ 26,459,444.19	$ 2,186,112.40	$ 956,008.92	$ 29,601,565.51
Ending Balance	$ 3,446,558.64	$ 189,738.80	$ 1,427,463.34	$ 5,063,760.78

Investment Accounts - Need to include May Statements

	Medical Insurance	Property/Casualty	Workmans Comp	Total
Beginning Balance (July 1, 2020)	$ 22,994,377.15	$ 9,414,757.00	$ 6,692,658.61	$ 39,101,792.76
Deposits & Withdraws	$ 6,833,461.26	$ (65,340.77)	$ (51,396.82)	$ 6,716,723.67
Interest	$ 267,924.78	$ 116,107.42	$ 80,163.82	$ 464,196.02
Mutal Funds Dividends	$ 427.93	$ 309.58	$ 124.43	$ 861.94
Ending Balance	$ 30,096,191.12	$ 9,465,833.23	$ 6,721,550.04	$ 46,283,574.39

Total All Accounts	$ 33,542,749.76	$ 9,655,572.03	$ 8,149,013.38	$ 51,347,335.17

Scottsdale USD Workers Compensation

Analysis Date:	6/2/2022
Portfolio as of:	5/31/2022
Market Data as of:	5/31/2022

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602-378-4006
Tyler.Tayrien@wellsfargo.com

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Together we'll go far

Portfolio Summary

Portfolio Snapshot

Number of Positions	14
Par ($000)	6,748
Book Value ($000)	6,743
Mkt Value w/o Accrd ($000)	6,555
Unrlzed Gain / Loss ($000)	(188)
Coupon	0.76

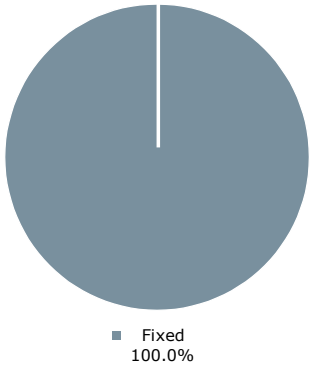
Characteristics

Book Yield	0.79
Market Yield	1.73
Wgt Avg Maturity	1.3
Average Life	1.3
Effective Duration	1.2
Effective Convexity	0.0

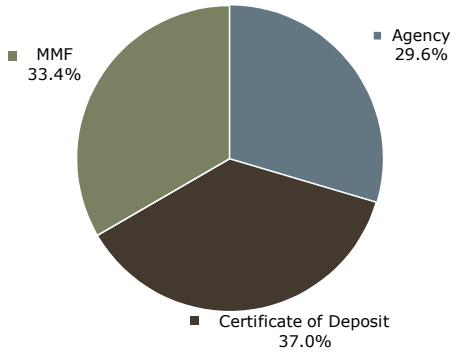
12M Projected Cash Flow ($000)

Overnight Funds Principal	2,250
Overnight Funds Interest	0
Term Securities Principal	1,498
Term Securities Interest	25
Total Cash Flow	3,773

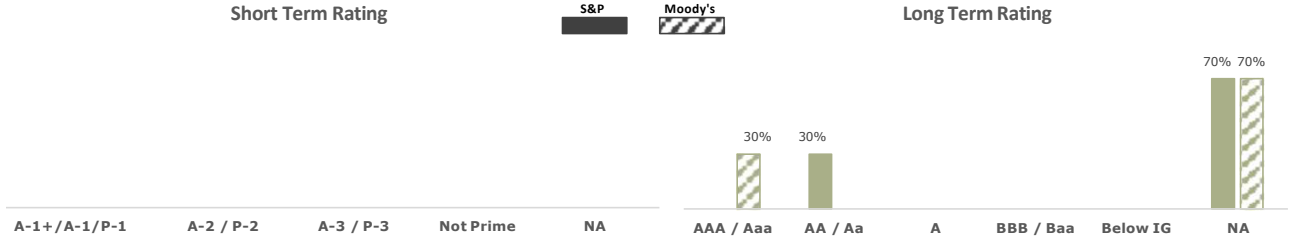
Coupon Structure



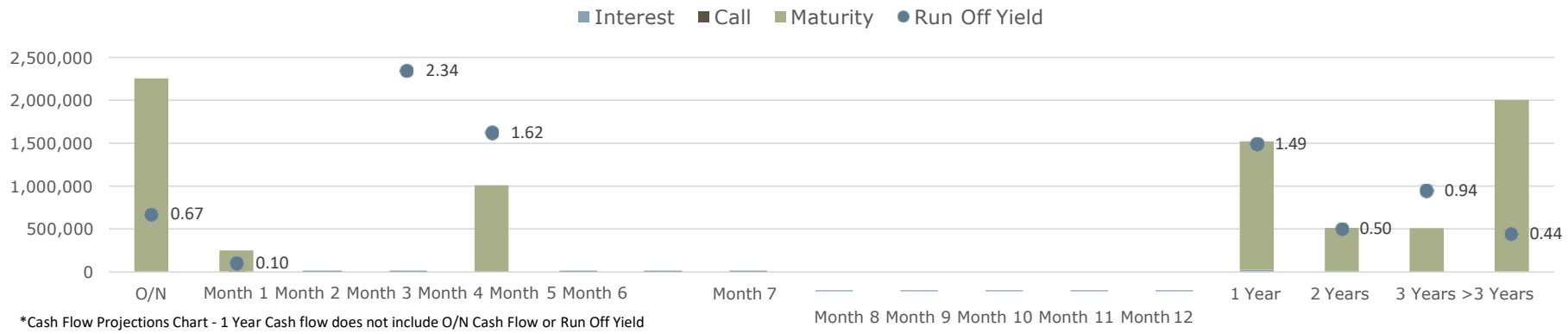
Portfolio Allocation



Credit Exposure



Cash Flow Projections*

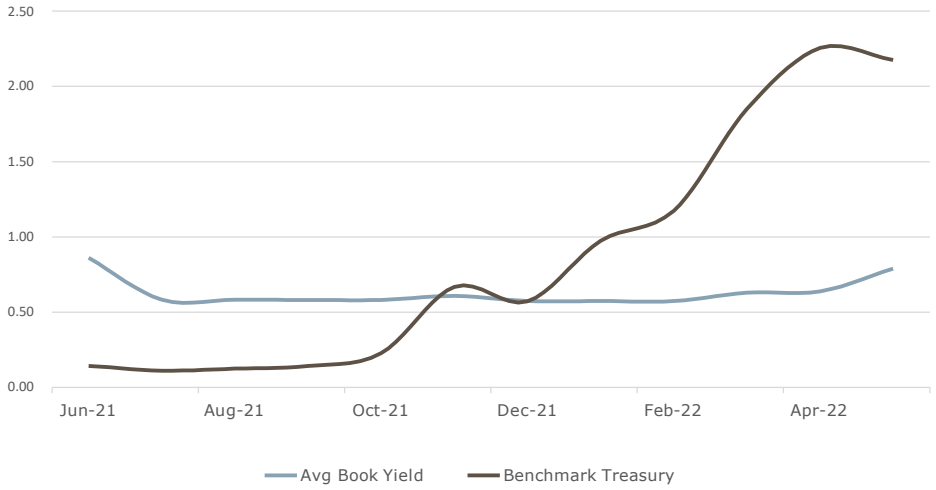


*Cash Flow Projections Chart - 1 Year Cash flow does not include O/N Cash Flow or Run Off Yield

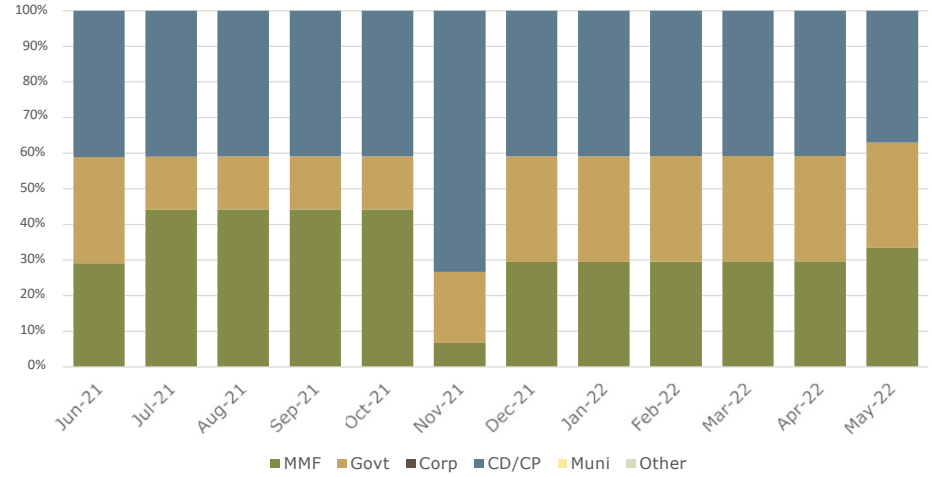
Historical Performance

Date	# Line Items	Avg Coupon	Total Par ($000)	G / L	Avg Bk Yield	Avg Mkt Yield	Bnchmrk Tsy Yield	Wgt Avg Maturity	Eff Dur	Ratings		Portfolio Allocation*					
										Moody's	S&P	MMF	Govt	Corp	CD/CP	Muni	Other
05/31/22	14	0.76	6,748	(188)	0.79	1.73	2.18	1.3	1.2	Aaa	AA+	33%	30%	0%	37%	0%	0%
04/30/22	15	0.61	6,747	(190)	0.64	1.57	2.26	1.3	1.2	Aaa	AA+	30%	30%	0%	41%	0%	0%
03/31/22	15	0.60	6,745	(161)	0.63	1.35	1.85	1.4	1.3	Aaa	AA+	30%	30%	0%	41%	0%	0%
02/28/22	15	0.55	6,736	(100)	0.57	0.90	1.18	1.4	1.4	Aaa	AA+	30%	30%	0%	41%	0%	0%
01/31/22	15	0.55	6,731	(63)	0.57	0.68	0.97	1.5	1.5	Aaa	AA+	29%	30%	0%	41%	0%	0%
12/31/21	15	0.55	6,730	(30)	0.57	0.47	0.57	1.6	1.5	Aaa	AA+	29%	30%	0%	41%	0%	0%
11/30/21	15	0.58	3,750	(35)	0.61	0.67	0.67	2.4	2.4	Aaa	AA+	7%	20%	0%	73%	0%	0%
10/31/21	13	0.59	6,722	(9)	0.58	0.27	0.23	1.3	1.3	Aaa	AA+	44%	15%	0%	41%	0%	0%
09/30/21	13	0.59	6,721	(2)	0.58	0.24	0.14	1.3	1.3	Aaa	AA+	44%	15%	0%	41%	0%	0%
08/31/21	13	0.59	6,711	(4)	0.58	0.26	0.13	1.4	1.4	Aaa	AA+	44%	15%	0%	41%	0%	0%
07/31/21	13	0.59	6,706	7	0.58	0.22	0.11	1.4	1.4	Aaa	AA+	44%	15%	0%	41%	0%	0%
06/30/21	14	0.87	6,695	22	0.86	0.20	0.14	1.5	1.4	Aaa	AA+	29%	30%	0%	41%	0%	0%

Book Yield vs. Treasury Benchmark



Portfolio Allocation*



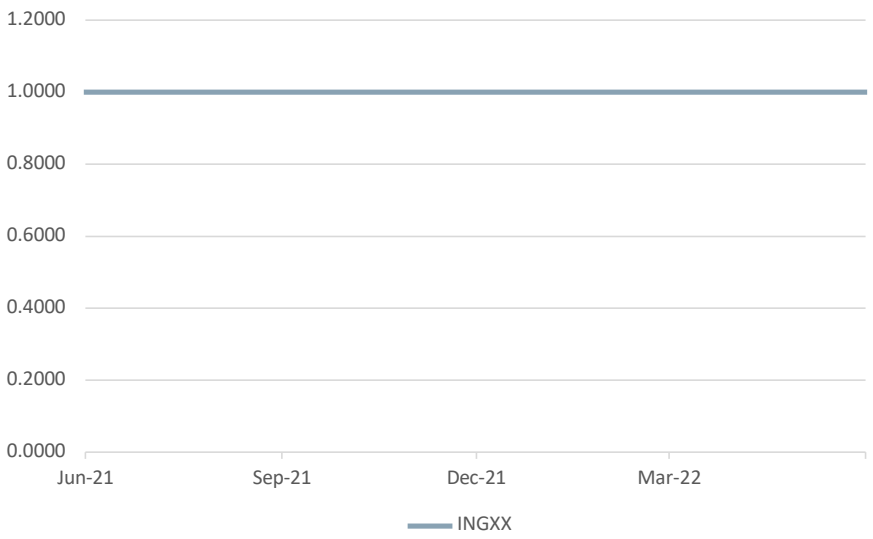
* Portfolio Allocation is a new addition to portfolio analysis. Data will be added over time.

Positions by Maturity - Scenario Analysis

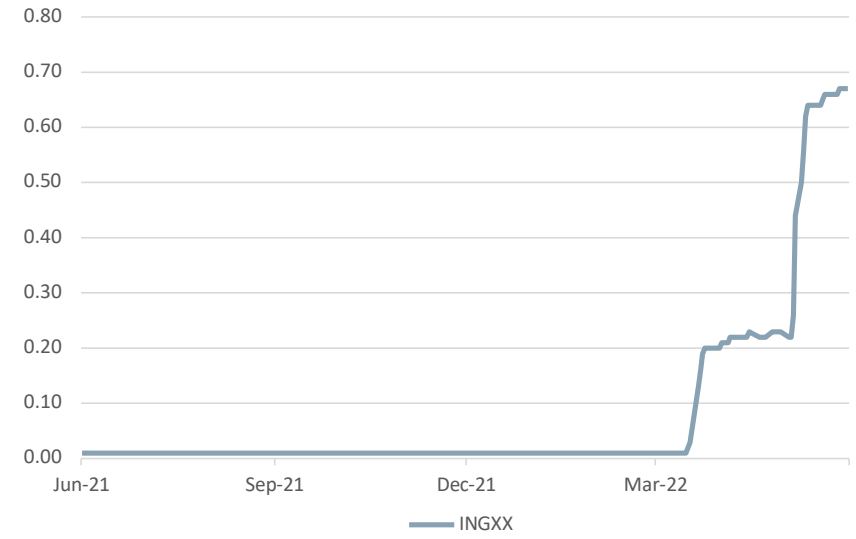
								Market Price (%Δ)				Book Yield					Effective Duration				
ID	CUSIP	Issuer	% Port	Cpn	Final Maturity	Par	WAM	DN DN 50	DN DN 25	UP UP 25	UP UP 50	DN DN 50	DN DN 25	Base Case	UP UP 25	UP UP 50	DN DN 50	DN DN 25	Base Case	UP UP 25	UP UP 50
1	52470G791	Western Asset Institutional Go	33%	0.67		2,250,213	0.0	0.0	0.0	0.0	0.0	0.67	0.67	0.67	0.67	0.67	0.0	0.0	0.0	0.0	0.0
2	10420LAN4	BRADESCO BAC FLORIDA BK	4%	0.10	06/30/22	250,000	0.1	0.0	0.0	(0.0)	(0.0)	0.10	0.10	0.10	0.10	0.10	0.1	0.1	0.1	0.1	0.1
3	795450D36	SALLIE MAE BANK/SALT LKE	4%	2.35	08/23/22	248,000	0.2	0.1	0.1	(0.1)	(0.1)	2.34	2.34	2.34	2.34	2.34	0.2	0.2	0.2	0.2	0.2
4	3133ELEW0	FEDERAL FARM CREDIT BANK	15%	1.70	09/19/22	1,000,000	0.3	0.2	0.1	(0.1)	(0.2)	1.62	1.62	1.62	1.62	1.62	0.3	0.3	0.3	0.3	0.3
Year 1			**56%**	**1.02**		**3,748,213**	**0.1**	**0.1**	**0.0**	**(0.0)**	**(0.1)**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
5	3133EL3E2	FEDERAL FARM CREDIT BANK	7%	0.32	08/10/23	500,000	1.2	0.6	0.3	(0.3)	(0.6)	0.50	0.50	0.50	0.50	0.50	1.2	1.2	1.2	1.2	1.2
Year 2			**7%**	**0.32**		**500,000**	**1.2**	**0.6**	**0.3**	**(0.3)**	**(0.6)**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**	**1.2**	**1.2**	**1.2**	**1.2**	**1.2**
6	3130APF75	FEDERAL HOME LOAN BANK	7%	0.57	09/27/24	500,000	2.3	1.1	0.6	(0.6)	(1.1)	0.94	0.94	0.94	0.94	0.94	2.3	2.3	2.3	2.3	2.3
Year 3			**7%**	**0.57**		**500,000**	**2.3**	**1.1**	**0.6**	**(0.6)**	**(1.1)**	**0.94**	**0.94**	**0.94**	**0.94**	**0.94**	**2.3**	**2.3**	**2.3**	**2.3**	**2.3**
7	05765LBB2	BALBOA THRIFT & LOAN	4%	0.40	07/31/25	250,000	3.2	1.6	0.8	(0.8)	(1.5)	0.40	0.40	0.40	0.40	0.40	3.1	3.1	3.1	3.1	3.1
8	20367GAM1	COMMUNITY COMMERCE BANK	4%	0.40	08/07/25	250,000	3.2	1.6	0.8	(0.8)	(1.5)	0.40	0.40	0.40	0.40	0.40	3.1	3.1	3.1	3.1	3.1
9	48040PHT5	JONESBORO ST BANK	4%	0.50	08/07/25	250,000	3.2	1.6	0.8	(0.8)	(1.5)	0.50	0.50	0.50	0.50	0.50	3.1	3.1	3.1	3.1	3.1
10	56102AAK2	MALAGA BANK FSB	4%	0.40	08/07/25	250,000	3.2	1.6	0.8	(0.8)	(1.5)	0.40	0.40	0.40	0.40	0.40	3.1	3.1	3.1	3.1	3.1
11	27113PDP3	EAST BOSTON SAVINGS BANK	4%	0.45	08/12/25	250,000	3.2	1.6	0.8	(0.8)	(1.6)	0.45	0.45	0.45	0.45	0.45	3.1	3.1	3.1	3.1	3.1
12	308682BL6	FARMERS & MERCHANTS ST	4%	0.45	08/14/25	250,000	3.2	1.6	0.8	(0.8)	(1.6)	0.45	0.45	0.45	0.45	0.45	3.1	3.1	3.1	3.1	3.1
13	31944MBB0	FIRST CAROLINA BANK	4%	0.45	08/20/25	250,000	3.2	1.6	0.8	(0.8)	(1.6)	0.45	0.45	0.45	0.45	0.45	3.2	3.2	3.2	3.2	3.1
14	664122AF5	NORTHEAST COMMUNITY BK	4%	0.45	08/20/25	250,000	3.2	1.6	0.8	(0.8)	(1.6)	0.45	0.45	0.45	0.45	0.45	3.2	3.2	3.2	3.2	3.1
Year 4			**30%**	**0.44**		**2,000,000**	**3.2**	**1.6**	**0.8**	**(0.8)**	**(1.6)**	**0.44**	**0.44**	**0.44**	**0.44**	**0.44**	**3.1**	**3.1**	**3.1**	**3.1**	**3.1**
Tot al Portfolio			**100%**	**0.76**		**6,748,213**	**1.3**	**0.6**	**0.3**	**(0.3)**	**(0.6)**	**0.79**	**0.79**	**0.79**	**0.79**	**0.79**	**1.2**	**1.2**	**1.2**	**1.2**	**1.2**

MMF: Historical Performance

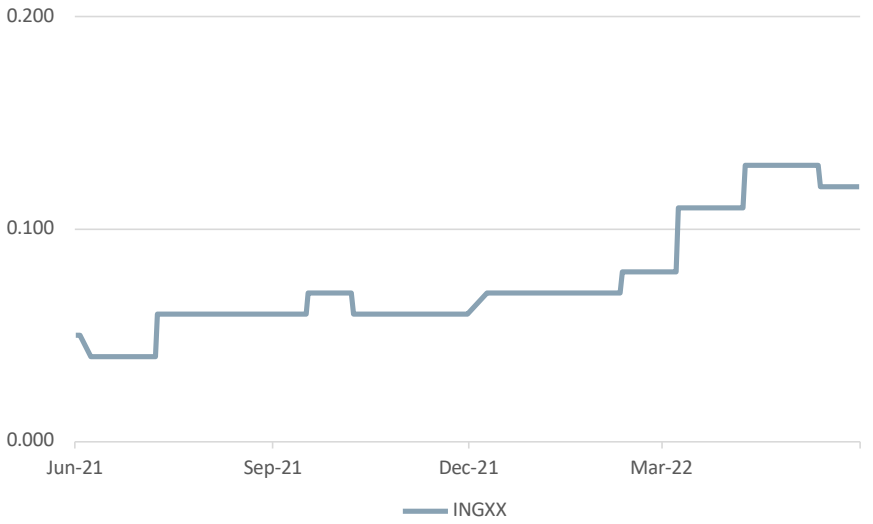
Net Asset Value (NAV)



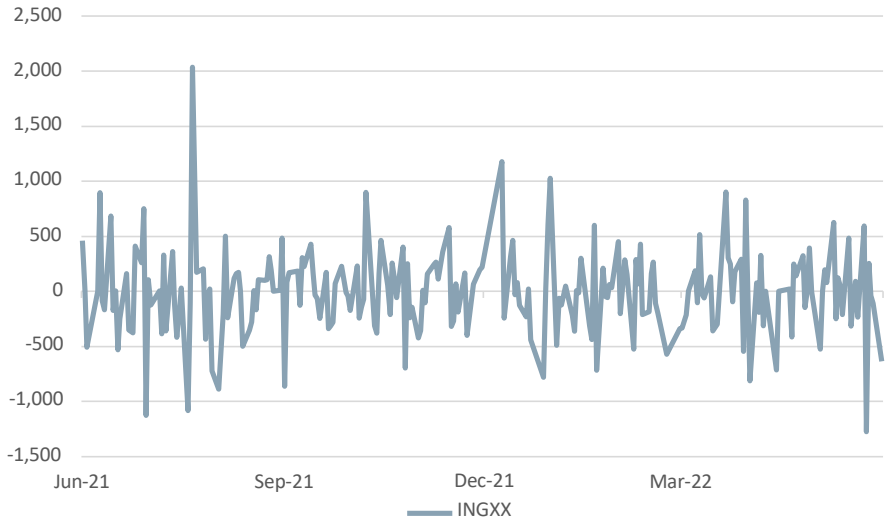
7 Day Yield (%)



Expense Ratio (bps)



Daily Fund Flows ($000)



Scottsdale USD Property & Casualty

Analysis Date:	6/2/2022
Portfolio as of:	5/31/2022
Market Data as of:	5/31/2022

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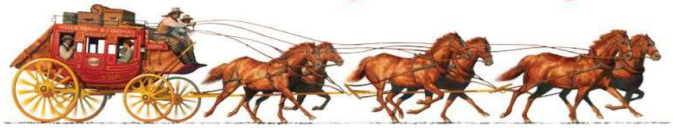
Together we'll go far



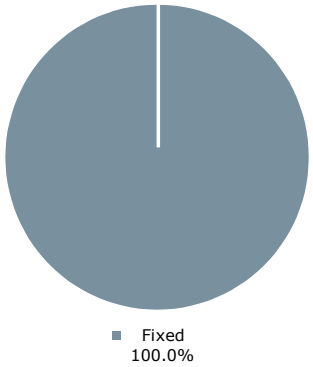
Portfolio Summary

Portfolio Snapshot	
Number of Positions	15
Par ($000)	7,633
Book Value ($000)	7,628
Mkt Value w/o Accrd ($000)	7,448
Unrlzed Gain / Loss ($000)	(179)
Coupon	0.96

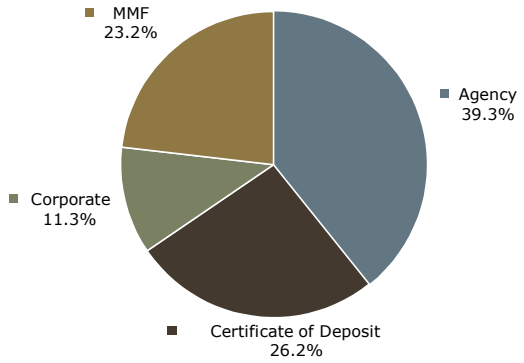
Characteristics	
Book Yield	0.99
Market Yield	1.90
Wgt Avg Maturity	1.2
Average Life	1.2
Effective Duration	1.2
Effective Convexity	0.0

12M Projected Cash Flow ($000)	
Overnight Funds Principal	1,768
Overnight Funds Interest	0
Term Securities Principal	2,115
Term Securities Interest	40
Total Cash Flow	3,922

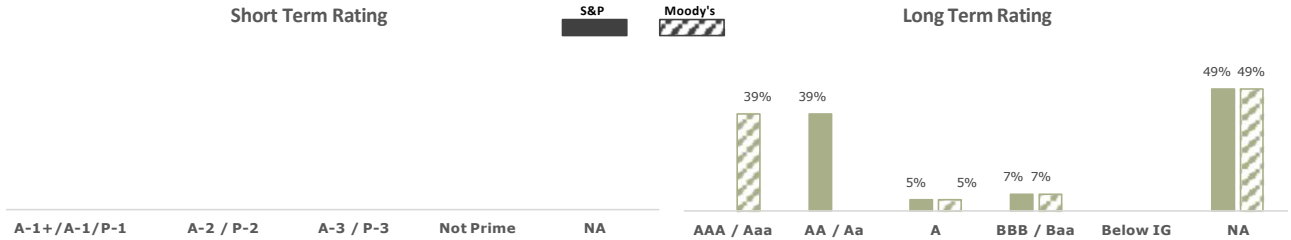
Coupon Structure



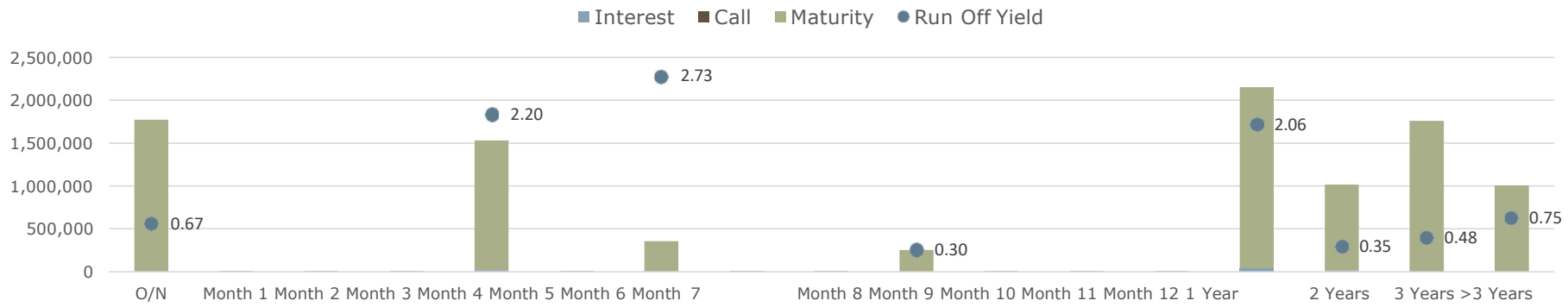
Portfolio Allocation



Credit Exposure



Cash Flow Projections*

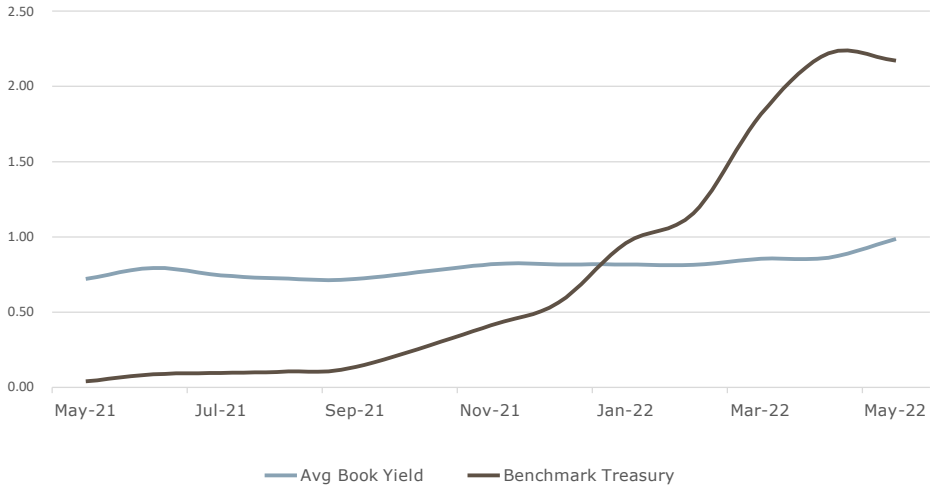


*Cash Flow Projections Chart - 1 Year Cash flow does not include O/N Cash Flow or Run Off Yield

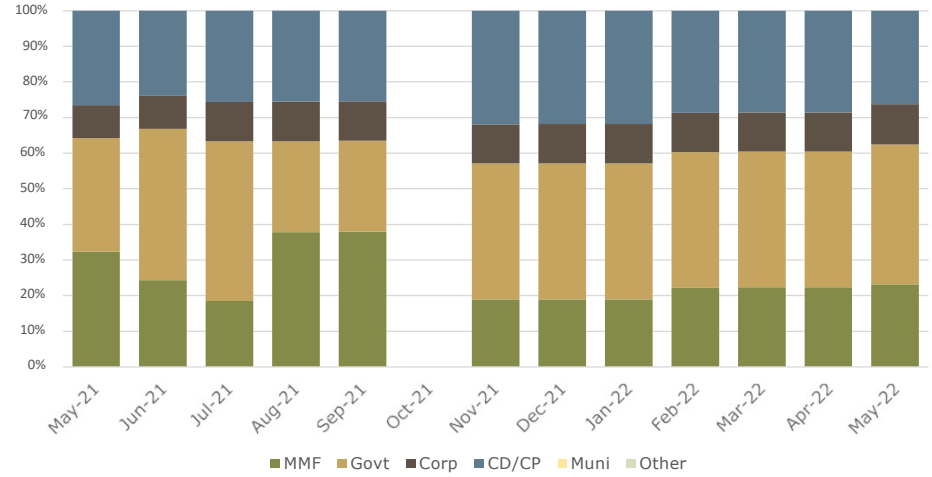
Historical Performance

Date	# Line Items	Avg Coupon	Total Par ($000)	G / L	Avg Bk Yield	Avg Mkt Yield	Bnchmrk Tsy Yield	Wgt Avg Maturity	Eff Dur	Ratings		Portfolio Allocation*					
										Moody's	S&P	MMF	Govt	Corp	CD/CP	Muni	Other
05/31/22	15	0.96	7,633	(179)	0.99	1.90	2.17	1.2	1.2	Aa2	AA	23%	39%	11%	26%	0%	0%
04/30/22	16	0.83	7,877	(189)	0.86	1.79	2.22	1.3	1.2	Aa2	AA	22%	38%	11%	29%	0%	0%
03/31/22	16	0.83	7,875	(154)	0.86	1.51	1.82	1.3	1.3	Aa2	AA	22%	38%	11%	29%	0%	0%
02/28/22	16	0.79	7,858	(89)	0.81	1.02	1.16	1.4	1.4	Aa2	AA	22%	38%	11%	29%	0%	0%
01/31/22	17	0.79	7,856	(53)	0.82	0.77	0.96	1.5	1.4	Aa2	AA	19%	38%	11%	32%	0%	0%
12/31/21	17	0.79	7,855	(10)	0.82	0.53	0.56	1.5	1.5	Aa2	AA	19%	38%	11%	32%	0%	0%
11/30/21	17	0.79	7,851	(3)	0.82	0.49	0.41	1.6	1.5	Aa2	AA	19%	38%	11%	32%	0%	0%
09/30/21	13	0.73	7,839	22	0.72	0.29	0.14	1.4	1.3	Aa2	AA-	38%	26%	11%	26%	0%	0%
08/31/21	13	0.73	7,823	28	0.72	0.28	0.11	1.4	1.2	Aa2	AA-	38%	26%	11%	26%	0%	0%
07/31/21	14	0.97	7,812	34	0.74	0.30	0.10	1.5	1.3	Aa1	AA	19%	45%	11%	26%	0%	0%
06/30/21	16	0.93	9,406	46	0.79	0.22	0.09	1.3	1.1	Aa1	AA	24%	43%	9%	24%	0%	0%
05/31/21	16	0.86	9,405	57	0.72	0.10	0.04	0.9	0.8	Aa2	AA	32%	32%	9%	27%	0%	0%

Book Yield vs. Treasury Benchmark



Portfolio Allocation*



* Portfolio Allocation is a new addition to portfolio analysis. Data will be added over time.

Positions by Maturity - Scenario Analysis

								Market Price (%Δ)				Book Yield					Effective Duration				
ID	CUSIP	Issuer	% Port	Cpn	Final Maturity	Par	WAM	DN DN 50	DN DN 25	UP UP 25	UP UP 50	DN DN 50	DN DN 25	Base Case	UP UP 25	UP UP 50	DN DN 50	DN DN 25	Base Case	UP UP 25	UP UP 50
1	52470G791	Western Asset Institutional Go	23%	0.67		1,767,639	0.0	0.0	0.0	0.0	0.0	0.67	0.67	0.67	0.67	0.67	0.0	0.0	0.0	0.0	0.0
2	36962G6F6	GENERAL ELECTRIC CO	7%	3.15	09/07/22	515,000	0.3	0.1	0.1	(0.1)	(0.1)	3.31	3.31	3.31	3.31	3.31	0.3	0.3	0.3	0.3	0.3
3	3133ELEW0	FEDERAL FARM CREDIT BANK	13%	1.70	09/19/22	1,000,000	0.3	0.2	0.1	(0.1)	(0.2)	1.62	1.62	1.62	1.62	1.62	0.3	0.3	0.3	0.3	0.3
4	459200JC6	IBM CORP	5%	2.88	11/09/22	350,000	0.4	0.2	0.1	(0.1)	(0.2)	2.73	2.73	2.73	2.73	2.73	0.4	0.4	0.4	0.4	0.4
5	88224PLY3	TEXAS CAPITAL BANK NA	3%	0.30	02/07/23	250,000	0.7	0.3	0.2	(0.2)	(0.3)	0.30	0.30	0.30	0.30	0.30	0.7	0.7	0.7	0.7	0.7
Year 1			**51%**	**1.44**		**3,882,639**	**0.2**	**0.1**	**0.1**	**(0.0)**	**(0.1)**	**1.43**	**1.43**	**1.43**	**1.43**	**1.43**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**
6	3133EL3E2	FEDERAL FARM CREDIT BANK	7%	0.32	08/10/23	500,000	1.2	0.6	0.3	(0.3)	(0.6)	0.50	0.50	0.50	0.50	0.50	1.2	1.2	1.2	1.2	1.2
7	458657LV3	INTERCREDIT BK MIAMI FLA	3%	0.20	08/14/23	250,000	1.2	0.6	0.3	(0.3)	(0.6)	0.20	0.20	0.20	0.20	0.20	1.2	1.2	1.2	1.2	1.2
8	89388CDX3	TAB BANK INC	3%	0.20	08/18/23	250,000	1.2	0.6	0.3	(0.3)	(0.6)	0.20	0.20	0.20	0.20	0.20	1.2	1.2	1.2	1.2	1.2
Year 2			**13%**	**0.26**		**1,000,000**	**1.2**	**0.6**	**0.3**	**(0.3)**	**(0.6)**	**0.35**	**0.35**	**0.35**	**0.35**	**0.35**	**1.2**	**1.2**	**1.2**	**1.2**	**1.2**
9	336460DA5	FIRST STATE BANK DEQUEEN	3%	0.35	07/22/24	250,000	2.1	1.1	0.5	(0.5)	(1.0)	0.35	0.35	0.35	0.35	0.35	2.1	2.1	2.1	2.1	2.1
10	52168UHD7	LEADER BANK NA	3%	0.40	08/05/24	250,000	2.2	1.1	0.5	(0.5)	(1.1)	0.40	0.40	0.40	0.40	0.40	2.1	2.1	2.1	2.1	2.1
11	02554BDC2	AMERICAN EAGLE BANK IL	3%	0.35	08/26/24	250,000	2.2	1.1	0.6	(0.5)	(1.1)	0.35	0.35	0.35	0.35	0.35	2.2	2.2	2.2	2.2	2.2
12	319461CW7	FIRST CHOICE BANK CA	3%	0.30	08/28/24	250,000	2.2	1.1	0.6	(0.6)	(1.1)	0.30	0.30	0.30	0.30	0.30	2.2	2.2	2.2	2.2	2.2
13	3130APF75	FEDERAL HOME LOAN BANK	6%	0.57	09/27/24	500,000	2.3	1.1	0.6	(0.6)	(1.1)	0.94	0.94	0.94	0.94	0.94	2.3	2.3	2.3	2.3	2.3
14	48128UKM0	JP MORGAN CHASE BANK NA	3%	0.30	11/18/24	250,000	2.5	1.2	0.6	(0.6)	(1.2)	0.30	0.30	0.30	0.30	0.30	2.4	2.4	2.4	2.4	2.4
Year 3			**23%**	**0.41**		**1,750,000**	**2.3**	**1.1**	**0.6**	**(0.6)**	**(1.1)**	**0.51**	**0.51**	**0.51**	**0.51**	**0.51**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**
15	3130AMTZ5	FEDERAL HOME LOAN BANK	13%	0.75	11/28/25	1,000,000	3.5	1.7	0.9	(0.8)	(1.7)	0.75	0.75	0.75	0.75	0.75	3.4	3.4	3.4	3.4	3.4
Year 4			**13%**	**0.75**		**1,000,000**	**3.5**	**1.7**	**0.9**	**(0.8)**	**(1.7)**	**0.75**	**0.75**	**0.75**	**0.75**	**0.75**	**3.4**	**3.4**	**3.4**	**3.4**	**3.4**
Tot al Portfolio			**100%**	**0.96**		**7,632,639**	**1.2**	**0.6**	**0.3**	**(0.3)**	**(0.6)**	**0.99**	**0.99**	**0.99**	**0.99**	**0.99**	**1.2**	**1.2**	**1.2**	**1.2**	**1.2**

Scottsdale USD Medical

Analysis Date:	6/2/2022
Portfolio as of:	5/31/2022
Market Data as of:	5/31/2022

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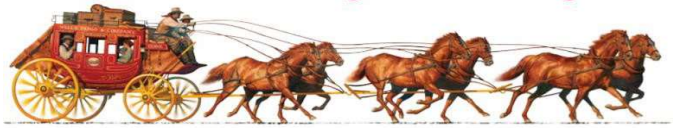
Together we'll go far



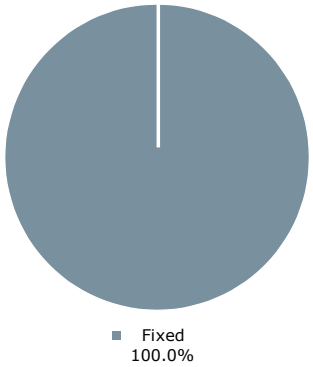
Portfolio Summary

Portfolio Snapshot	
Number of Positions	58
Par ($000)	30,056
Book Value ($000)	30,053
Mkt Value w/o Accrd ($000)	29,475
Unrlzed Gain / Loss ($000)	(578)
Coupon	0.97

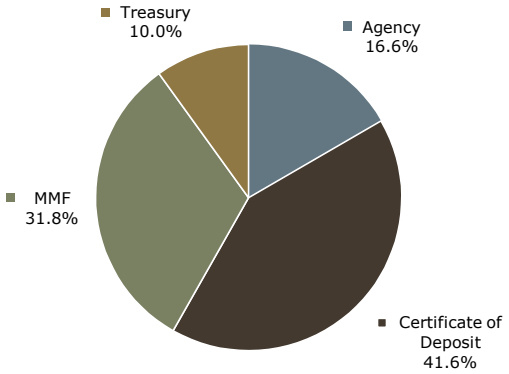
Characteristics	
Book Yield	0.98
Market Yield	1.78
Wgt Avg Maturity	1.2
Average Life	1.2
Effective Duration	1.1
Effective Convexity	0.0

12M Projected Cash Flow ($000)	
Overnight Funds Principal	9,558
Overnight Funds Interest	0
Term Securities Principal	4,500
Term Securities Interest	201
Total Cash Flow	14,259

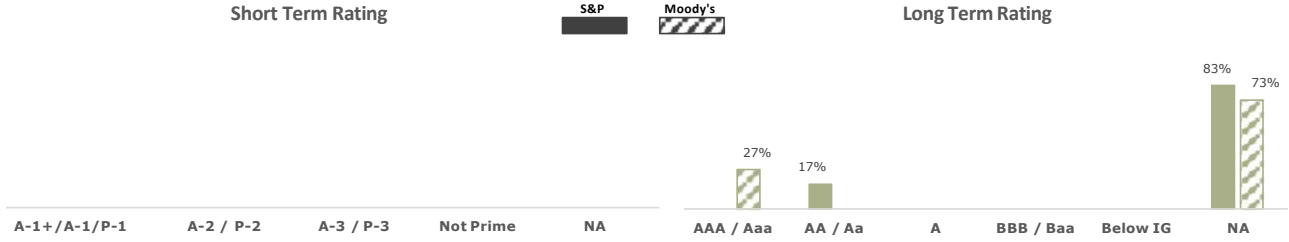
Coupon Structure



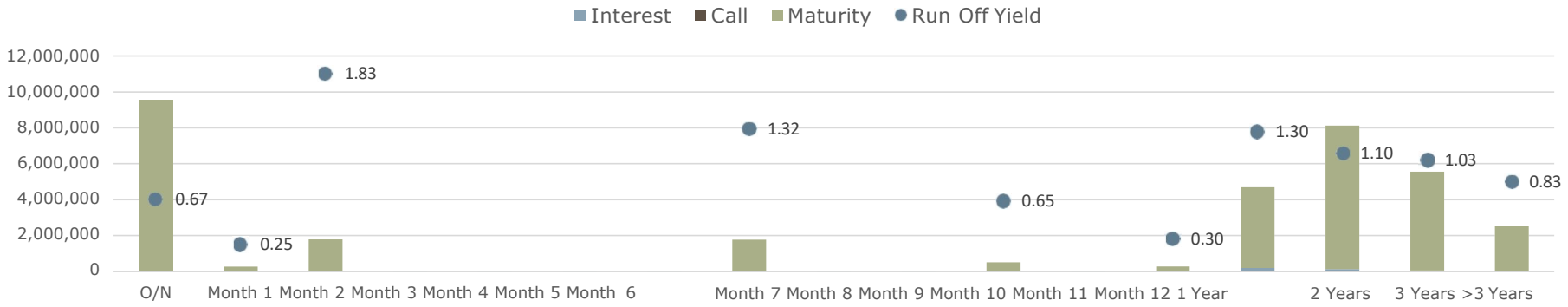
Portfolio Allocation



Credit Exposure



Cash Flow Projections*

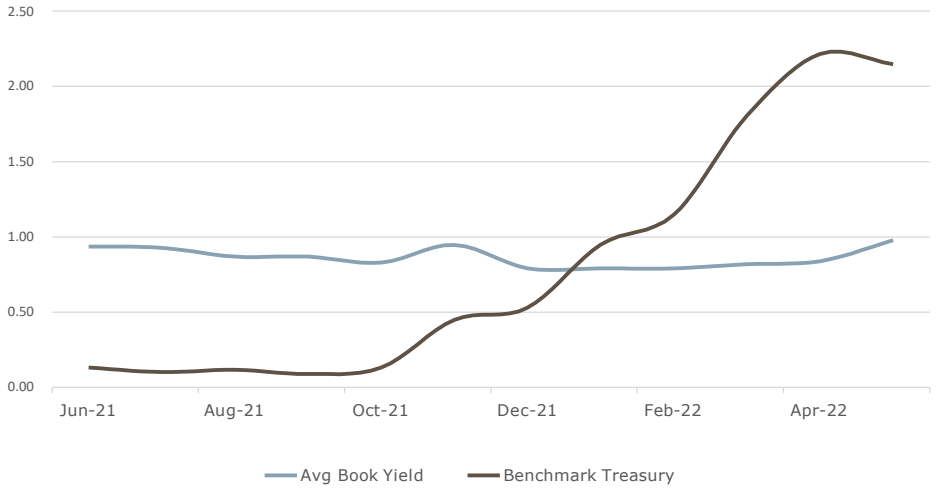


*Cash Flow Projections Chart - 1 Year Cash flow does not include O/N Cash Flow or Run Off Yield

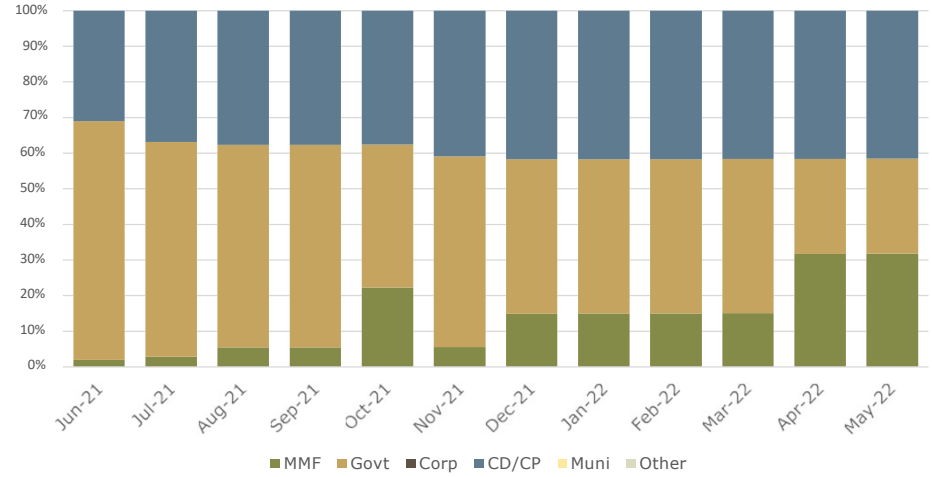
Historical Performance

Date	# Line Items	Avg Coupon	Total Par ($000)	G / L	Avg Bk Yield	Avg Mkt Yield	Bnchmrk Tsy Yield	Wgt Avg Maturity	Eff Dur	Ratings		Portfolio Allocation*					
										Moody's	S&P	MMF	Govt	Corp	CD/CP	Muni	Other
05/31/22	58	0.97	30,056	(578)	0.98	1.78	2.15	1.2	1.1	Aaa	AA+	32%	27%	0%	42%	0%	0%
04/30/22	58	0.84	30,030	(578)	0.84	1.59	2.22	1.3	1.2	Aaa	AA+	32%	27%	0%	42%	0%	0%
03/31/22	59	0.82	30,021	(447)	0.82	1.42	1.81	1.3	1.2	Aaa	AA+	15%	43%	0%	42%	0%	0%
02/28/22	59	0.79	30,012	(219)	0.79	0.96	1.15	1.4	1.3	Aaa	AA+	15%	43%	0%	42%	0%	0%
01/31/22	59	0.79	30,001	(65)	0.79	0.71	0.95	1.5	1.4	Aaa	AA+	15%	43%	0%	42%	0%	0%
12/31/21	59	0.79	29,970	64	0.79	0.53	0.53	1.5	1.4	Aaa	AA+	15%	43%	0%	42%	0%	0%
11/30/21	59	0.94	29,917	2,361	0.95	0.40	0.45	1.6	1.7	Aaa	AA+	6%	53%	0%	41%	0%	0%
10/31/21	52	0.84	29,898	146	0.83	0.31	0.13	1.1	1.0	Aaa	AA+	22%	40%	0%	38%	0%	0%
09/30/21	53	0.88	29,883	190	0.87	0.23	0.09	1.4	1.1	Aaa	AA+	5%	57%	0%	38%	0%	0%
08/31/21	53	0.88	29,876	202	0.87	0.27	0.12	1.5	1.3	Aaa	AA+	5%	57%	0%	38%	0%	0%
07/31/21	53	0.91	29,850	236	0.93	0.28	0.10	1.6	1.3	Aaa	AA+	3%	60%	0%	37%	0%	0%
06/30/21	47	0.92	29,826	273	0.94	0.24	0.13	1.6	1.3	Aaa	AA+	2%	67%	0%	31%	0%	0%

Book Yield vs. Treasury Benchmark



Portfolio Allocation*



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Positions by Maturity - Scenario Analysis

								Market Price (%Δ)				Book Yield					Effective Duration				
ID	CUSIP	Issuer	% Port	Cpn	Final Maturity	Par	WAM	DN DN 50	DN DN 25	UP UP 25	UP UP 50	DN DN 50	DN DN 25	Base Case	UP UP 25	UP UP 50	DN DN 50	DN DN 25	Base Case	UP UP 25	UP UP 50
1	52470G791	Western Asset Institutional Go	32%	0.67		9,557,610	0.0	0.0	0.0	0.0	0.0	0.67	0.67	0.67	0.67	0.67	0.0	0.0	0.0	0.0	0.0
2	88413QCR7	THIRD FED SAV&LN CLEVLND	1%	0.25	06/29/22	250,000	0.1	0.0	0.0	(0.0)	(0.0)	0.25	0.25	0.25	0.25	0.25	0.1	0.1	0.1	0.1	0.1
3	9128287C8	US TREASURY N/B	3%	1.75	07/15/22	1,000,000	0.1	0.1	0.0	(0.0)	(0.1)	1.79	1.79	1.79	1.79	1.79	0.1	0.1	0.1	0.1	0.1
4	02007GKT9	ALLY BANK	1%	2.10	07/18/22	250,000	0.1	0.1	0.0	(0.0)	(0.1)	2.09	2.09	2.09	2.09	2.09	0.1	0.1	0.1	0.1	0.1
5	912828XQ8	US TREASURY N/B	2%	2.00	07/31/22	500,000	0.2	0.1	0.0	(0.0)	(0.1)	1.80	1.80	1.80	1.80	1.80	0.2	0.2	0.2	0.2	0.2
6	13005CAR2	CALIFORNIA BK OF COMMERC	1%	0.10	12/05/22	250,000	0.5	0.3	0.1	(0.1)	(0.3)	0.10	0.10	0.10	0.10	0.10	0.5	0.5	0.5	0.5	0.5
7	02357QAF4	AMERANT BANK NA	1%	1.85	12/20/22	250,000	0.6	0.3	0.1	(0.1)	(0.3)	1.86	1.86	1.86	1.86	1.86	0.6	0.6	0.6	0.6	0.6
8	51210SQX8	LAKESIDE BANK	1%	1.65	12/20/22	250,000	0.6	0.3	0.1	(0.1)	(0.3)	1.66	1.66	1.66	1.66	1.66	0.6	0.6	0.6	0.6	0.6
9	020080BN6	ALMA BANK	1%	1.70	12/23/22	250,000	0.6	0.3	0.1	(0.1)	(0.3)	1.71	1.71	1.71	1.71	1.71	0.6	0.6	0.6	0.6	0.6
10	91630PAT8	UPPER PENINSULA STATE BK	1%	1.65	12/27/22	250,000	0.6	0.3	0.1	(0.1)	(0.3)	1.66	1.66	1.66	1.66	1.66	0.6	0.6	0.6	0.6	0.6
12	59013KEL6	MERRICK BANK	1%	1.80	12/30/22	250,000	0.6	0.3	0.1	(0.1)	(0.3)	1.81	1.81	1.81	1.81	1.81	0.6	0.6	0.6	0.6	0.6
11	32112UDL2	FNB OF MCGREGOR TX	1%	1.70	12/30/22	250,000	0.6	0.3	0.1	(0.1)	(0.3)	1.71	1.71	1.71	1.71	1.71	0.6	0.6	0.6	0.6	0.6
13	27002YEV4	EAGLEBANK	1%	1.65	03/06/23	250,000	0.8	0.4	0.2	(0.2)	(0.4)	1.66	1.66	1.66	1.66	1.66	0.8	0.8	0.8	0.8	0.8
14	856285VA6	STATE BANK OF INDIA	1%	0.15	03/13/23	250,000	0.8	0.4	0.2	(0.2)	(0.4)	0.15	0.15	0.15	0.15	0.15	0.8	0.8	0.8	0.8	0.8
15	47804GHE6	JOHN MARSHALL BANK	1%	0.30	05/30/23	250,000	1.0	0.5	0.2	(0.2)	(0.5)	0.30	0.30	0.30	0.30	0.30	1.0	1.0	1.0	1.0	1.0
Year 1			**47%**	**0.92**		**14,057,610**	**0.1**	**0.1**	**0.0**	**(0.0)**	**(0.1)**	**0.91**	**0.91**	**0.91**	**0.91**	**0.91**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
16	3133834G3	FEDERAL HOME LOAN BANK	7%	2.13	06/09/23	2,000,000	1.0	0.5	0.3	(0.3)	(0.5)	1.87	1.87	1.87	1.87	1.87	1.0	1.0	1.0	1.0	1.0
17	29278TJX9	REGIONS BANK	1%	2.30	07/21/23	250,000	1.1	0.1	0.0	(0.3)	(0.5)	2.31	2.31	2.31	2.31	2.31	0.1	0.1	0.6	1.1	1.1
18	32114LBT5	FIRST NAT BANK PARAGOULD	1%	0.15	07/28/23	250,000	1.2	0.6	0.3	(0.3)	(0.6)	0.15	0.15	0.15	0.15	0.15	1.1	1.1	1.1	1.1	1.1
19	90348JR28	UBS BANK USA	1%	0.25	07/28/23	250,000	1.2	0.6	0.3	(0.3)	(0.6)	0.25	0.25	0.25	0.25	0.25	1.1	1.1	1.1	1.1	1.1
20	912828S92	US TREASURY N/B	2%	1.25	07/31/23	500,000	1.2	0.6	0.3	(0.3)	(0.6)	1.83	1.83	1.83	1.83	1.83	1.1	1.1	1.1	1.1	1.1
21	3133EL3E2	FEDERAL FARM CREDIT BANK	3%	0.32	08/10/23	1,000,000	1.2	0.6	0.3	(0.3)	(0.6)	0.50	0.50	0.50	0.50	0.50	1.2	1.2	1.2	1.2	1.2
22	45383UUR4	INDEPENDENT BK/MEMPHIS	1%	0.20	08/11/23	250,000	1.2	0.6	0.3	(0.3)	(0.6)	0.20	0.20	0.20	0.20	0.20	1.2	1.2	1.2	1.2	1.2
23	549104NH6	LUANA SAVINGS BANK	1%	1.50	08/28/23	250,000	1.2	0.6	0.3	(0.3)	(0.6)	1.50	1.50	1.50	1.50	1.50	1.2	1.2	1.2	1.2	1.2
24	91282CDD0	US TREASURY N/B	3%	0.38	10/31/23	1,000,000	1.4	0.7	0.3	(0.3)	(0.7)	0.56	0.56	0.56	0.56	0.56	1.4	1.4	1.4	1.4	1.4
25	06426KBL1	BANK OF NEW ENGLAND NH	1%	2.10	11/27/23	250,000	1.5	0.7	0.4	(0.4)	(0.7)	2.11	2.11	2.11	2.11	2.11	1.5	1.5	1.4	1.4	1.4
26	947547NM3	WEBBANK	1%	0.55	11/29/23	250,000	1.5	0.7	0.4	(0.4)	(0.7)	0.55	0.55	0.55	0.55	0.55	1.5	1.5	1.5	1.5	1.5
27	320055CG9	FIRST CREDIT BANK	1%	0.15	12/04/23	250,000	1.5	0.7	0.4	(0.4)	(0.7)	0.15	0.15	0.15	0.15	0.15	1.5	1.5	1.5	1.5	1.5
29	649447UH0	NEW YORK COMMUNITY BANK	1%	0.30	12/11/23	250,000	1.5	0.8	0.4	(0.4)	(0.7)	0.30	0.30	0.30	0.30	0.30	1.5	1.5	1.5	1.5	1.5
28	301074ED8	EXCHANGE BANK	1%	0.15	12/11/23	250,000	1.5	0.8	0.4	(0.4)	(0.7)	0.15	0.15	0.15	0.15	0.15	1.5	1.5	1.5	1.5	1.5
30	05890NBC4	BANCCENTRAL NA	1%	0.15	02/15/24	250,000	1.7	0.8	0.4	(0.4)	(0.8)	0.15	0.15	0.15	0.15	0.15	1.7	1.7	1.7	1.7	1.7
31	32117BEE4	FIRST NATIONAL BANK/DAMA	1%	0.20	02/26/24	250,000	1.7	0.9	0.4	(0.4)	(0.9)	0.20	0.20	0.20	0.20	0.20	1.7	1.7	1.7	1.7	1.7
32	61690UUH1	MORGAN STANLEY BANK NA	1%	1.75	02/27/24	250,000	1.7	0.9	0.4	(0.4)	(0.8)	1.75	1.75	1.75	1.75	1.75	1.7	1.7	1.7	1.7	1.7
33	32110YNV3	FIRST NATL BK OF AMERICA	1%	1.55	02/28/24	250,000	1.7	0.9	0.4	(0.4)	(0.8)	1.56	1.56	1.56	1.56	1.56	1.7	1.7	1.7	1.7	1.7
Year 2			**27%**	**1.05**		**8,000,000**	**1.3**	**0.6**	**0.3**	**(0.3)**	**(0.6)**	**1.07**	**1.07**	**1.07**	**1.07**	**1.07**	**1.2**	**1.2**	**1.2**	**1.3**	**1.3**
34	619165JG9	MORTON COMMUNITY BANK	1%	0.50	06/19/24	250,000	2.1	1.0	0.5	(0.5)	(1.0)	0.50	0.50	0.50	0.50	0.50	2.0	2.0	2.0	2.0	2.0
35	68002LBY3	OLD MISSOURI BANK	1%	0.40	06/19/24	250,000	2.1	1.0	0.5	(0.5)	(1.0)	0.40	0.40	0.40	0.40	0.40	2.0	2.0	2.0	2.0	2.0
36	20070PLJ4	COMMERCE STATE BANK	1%	0.35	06/26/24	250,000	2.1	1.0	0.5	(0.5)	(1.0)	0.35	0.35	0.35	0.35	0.35	2.0	2.0	2.0	2.0	2.0
37	064520BC2	BANK OF PRINCETON	1%	0.45	06/28/24	250,000	2.1	1.0	0.5	(0.5)	(1.0)	0.45	0.45	0.45	0.45	0.45	2.0	2.0	2.0	2.0	2.0
38	320337EM6	FIRST GENERAL BANK	1%	0.30	06/28/24	249,000	2.1	1.0	0.5	(0.5)	(1.0)	0.30	0.30	0.30	0.30	0.30	2.0	2.0	2.0	2.0	2.0
39	61760AN96	MORGAN STANLEY PVT BANK	1%	2.20	07/18/24	250,000	2.1	1.0	0.5	(0.5)	(1.0)	2.20	2.20	2.20	2.20	2.20	2.1	2.1	2.1	2.0	2.0
40	201282JA9	COMMERCIAL BANK ALMA MI	1%	2.05	07/26/24	250,000	2.2	1.0	0.5	(0.5)	(1.0)	2.06	2.06	2.06	2.06	2.06	2.1	2.1	2.1	2.1	2.1
41	23062KDM1	CUMBERLAND FED BANK FSB	1%	0.20	09/03/24	249,000	2.3	1.1	0.6	(0.6)	(1.1)	0.20	0.20	0.20	0.20	0.20	2.2	2.2	2.2	2.2	2.2
42	58404DFJ5	MEDALLION BANK UTAH	1%	1.85	09/23/24	250,000	2.3	1.1	0.6	(0.6)	(1.1)	1.86	1.86	1.86	1.86	1.86	2.2	2.2	2.2	2.2	2.2
43	740367JD0	PREFERRED BANK LA CALIF	1%	1.70	09/27/24	250,000	2.3	1.1	0.6	(0.6)	(1.1)	1.71	1.71	1.71	1.71	1.71	2.3	2.3	2.3	2.2	2.2
44	06610TEE1	BANKERS BANK OF THE WEST	1%	1.80	09/30/24	250,000	2.3	1.1	0.6	(0.6)	(1.1)	1.81	1.81	1.81	1.81	1.81	2.3	2.3	2.3	2.3	2.3
45	15118RSC2	CELTIC BANK	1%	1.70	09/30/24	250,000	2.3	1.1	0.6	(0.6)	(1.1)	1.71	1.71	1.71	1.71	1.71	2.3	2.3	2.3	2.3	2.3
46	05580AYQ1	BMW BANK NORTH AMERICA	1%	0.40	02/26/25	250,000	2.7	1.4	0.7	(0.7)	(1.3)	0.40	0.40	0.40	0.40	0.40	2.7	2.7	2.7	2.7	2.7
47	05464LBN0	AXIOM BANK	1%	0.30	02/28/25	250,000	2.8	1.4	0.7	(0.7)	(1.3)	0.30	0.30	0.30	0.30	0.30	2.7	2.7	2.7	2.7	2.7

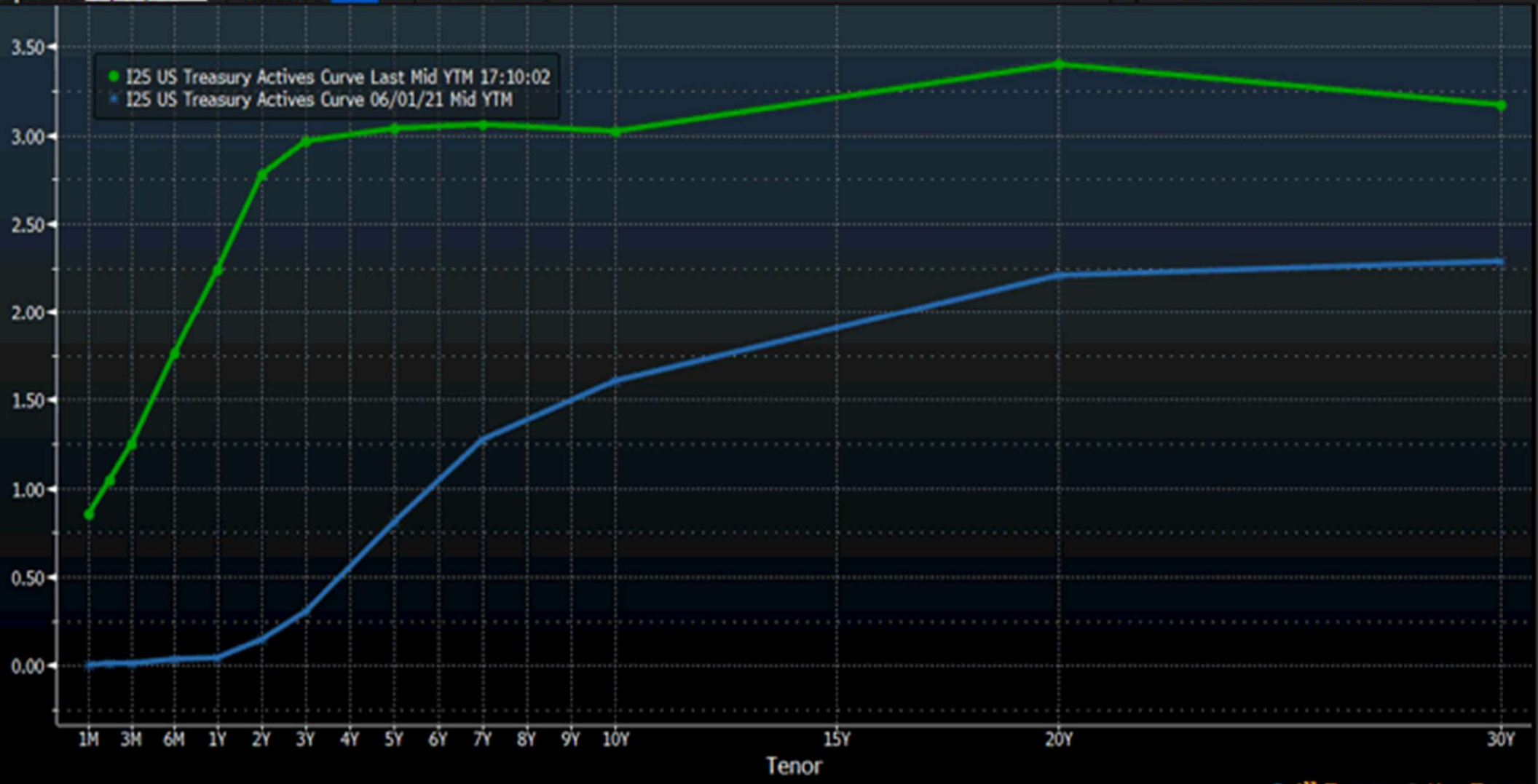
Positions by Maturity - Scenario Analysis

								Market Price (%Δ)				Book Yield					Effective Duration				
ID	CUSIP	Issuer	% Port	Cpn	Final Maturity	Par	WAM	DN DN 50	DN DN 25	UP UP 25	UP UP 50	DN DN 50	DN DN 25	Base Case	UP UP 25	UP UP 50	DN DN 50	DN DN 25	Base Case	UP UP 25	UP UP 50
48	3130APYW9	FEDERAL HOME LOAN BANK	7%	1.16	05/28/25	2,000,000	3.0	1.5	0.7	(0.7)	(1.4)	1.16	1.16	1.16	1.16	1.16	2.9	2.9	2.9	2.9	2.9
Year 3			**18%**	**1.07**		**5,498,000**	**2.5**	**1.2**	**0.6**	**(0.6)**	**(1.2)**	**1.07**	**1.07**	**1.07**	**1.07**	**1.07**	**2.5**	**2.5**	**2.5**	**2.5**	**2.5**
49	538036RP1	LIVE OAK BANKING COMPANY	1%	0.55	07/30/25	250,000	3.2	1.6	0.8	(0.8)	(1.5)	0.55	0.55	0.55	0.55	0.55	3.1	3.1	3.1	3.1	3.1
50	14042RQF1	CAPITAL ONE NA	1%	0.90	11/24/25	250,000	3.5	1.7	0.9	(0.8)	(1.7)	0.90	0.90	0.90	0.90	0.90	3.4	3.4	3.4	3.4	3.4
51	73319FBM0	POPPY BANK	1%	0.75	11/28/25	250,000	3.5	1.7	0.9	(0.8)	(1.7)	0.75	0.75	0.75	0.75	0.75	3.4	3.4	3.4	3.4	3.4
52	909242AR0	UNITED REPUBLIC BK OMAHA	1%	0.75	12/17/25	250,000	3.6	1.7	0.9	(0.9)	(1.7)	0.75	0.75	0.75	0.75	0.75	3.5	3.5	3.4	3.4	3.4
53	86804DCS5	SUNWEST BANK/IRVINE CA	1%	0.50	03/05/26	250,000	3.8	1.9	0.9	(0.9)	(1.8)	0.50	0.50	0.50	0.50	0.50	3.7	3.7	3.7	3.7	3.7
Year 4			**4%**	**0.69**		**1,250,000**	**3.5**	**1.7**	**0.9**	**(0.8)**	**(1.7)**	**0.69**	**0.69**	**0.69**	**0.69**	**0.69**	**3.4**	**3.4**	**3.4**	**3.4**	**3.4**
54	38149MXJ7	GOLDMAN SACHS BANK USA	1%	0.95	07/28/26	250,000	4.2	2.0	1.0	(1.0)	(2.0)	0.95	0.95	0.95	0.95	0.95	4.0	4.0	4.0	4.0	4.0
55	88241TLQ1	TEXAS EXCHANGE BANK SSB	1%	0.75	07/30/26	250,000	4.2	2.0	1.0	(1.0)	(2.0)	0.75	0.75	0.75	0.75	0.75	4.1	4.0	4.0	4.0	4.0
56	87165HJ35	SYNCHRONY BANK	1%	1.15	11/19/26	250,000	4.5	2.2	1.1	(1.1)	(2.1)	1.15	1.15	1.15	1.15	1.15	4.3	4.3	4.3	4.3	4.3
57	14042TEB9	CAPITAL ONE BANK USA NA	1%	1.15	11/24/26	250,000	4.5	2.2	1.1	(1.1)	(2.1)	1.15	1.15	1.15	1.15	1.15	4.3	4.3	4.3	4.3	4.3
58	89235MMF5	TOYOTA FINANCIAL SGS BK	1%	1.15	11/30/26	250,000	4.5	2.2	1.1	(1.1)	(2.1)	1.15	1.15	1.15	1.15	1.15	4.3	4.3	4.3	4.3	4.3
Year 5			**4%**	**1.03**		**1,250,000**	**4.4**	**2.1**	**1.1**	**(1.0)**	**(2.1)**	**1.03**	**1.03**	**1.03**	**1.03**	**1.03**	**4.2**	**4.2**	**4.2**	**4.2**	**4.2**
Tot al Portfolio			**100%**	**0.97**		**30,055,610**	**1.2**	**0.6**	**0.3**	**(0.3)**	**(0.6)**	**0.98**	**0.98**	**0.98**	**0.98**	**0.98**	**1.1**	**1.1**	**1.1**	**1.1**	**1.1**

US Treasury Actives Curve | Actions | Table | Export | Settings | Graph Curves

X-Axis Tenor | Y-Axis Mid YTM | Currency None | PCS MULT | Lower Chart History Table

Specific 06/01/21 | Relative Last 1D 1W 1M Modify | Curves & Relative Value



All Tenors | Key Tenors

	Curve Id	1M	2M	3M	6M	1Y	2Y	3Y	5Y	7Y	10Y	20Y	30Y
11	I25 Last	0.853	1.048	1.251	1.764	2.239	2.774	2.962	3.032	3.061	3.024	3.400	3.174
12	I25 06/01/21	0.003	0.008	0.013	0.033	0.043	0.148	0.305	0.805	1.271	1.607	2.210	2.288
13	I25 (Last-06/01/...	85.1	104.1	123.8	173.1	219.6	262.6	265.7	222.7	179.0	141.6	119.0	88.5

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Japan 81 3 4565 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2022 Bloomberg Finance L.P.
SN 1950448 EDT GMT-4:00 H620-6498-160 08-Jun-2022 17:10:03

Set Default | Export | World Interest Rate Probability

Hide Models «

Model	Meeting	%Hike/Cut
North America		
US - Fut	06/15/2022	+206.3% ▲
US - OIS	06/15/2022	+207.3% ▲
CA - OIS	07/13/2022	+244.0% ▲
Europe		
EZ - OIS	06/09/2022	+25.7% ▲
GB - OIS	06/16/2022	+122.6% ▲
SE - OIS	06/30/2022	+188.5% ▲
APAC		
AU - Fut	07/05/2022	+143.1% ▲
NZ - OIS	07/13/2022	+186.0% ▲
JP - OIS	06/17/2022	-5.8% ▼
IN - OIS	08/04/2022	+153.0% ▲

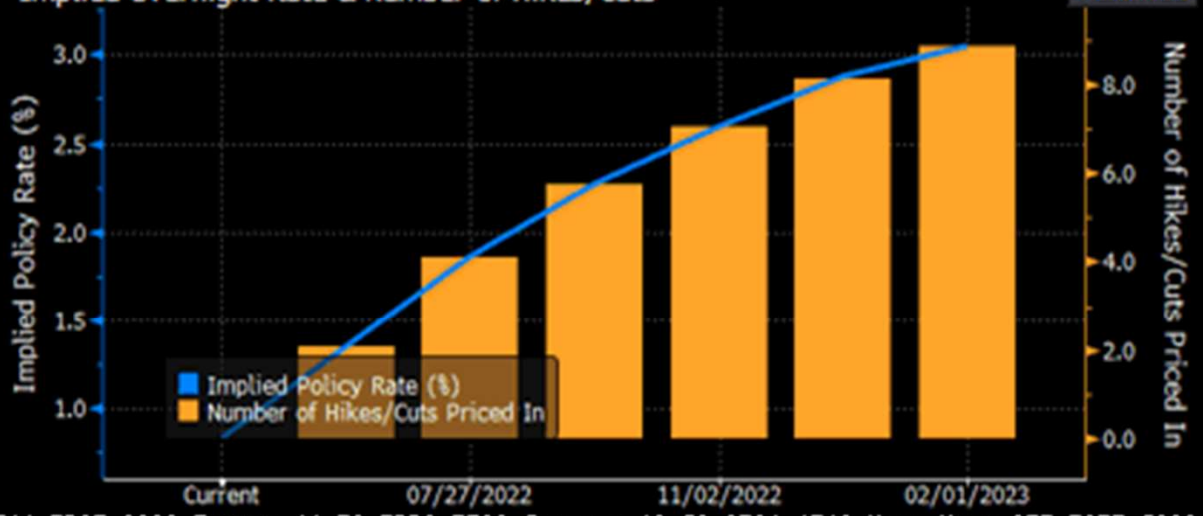
Enable Overrides

Region: United States »
Target Rate 1.00
Effective Rate 0.83

Instrument: Fed Funds Futures »
Pricing Date 06/08/2022
Cur. Imp. O/N Rate 0.631

Meeting	#Hikes/Cuts	%Hike/Cut	Imp. Rate Δ	Implied Rate	A.R.M.
06/15/2022	+2.063	+206.3%	+0.516	1.347	0.250
07/27/2022	+4.106	+204.4%	+1.027	1.858	0.250
09/21/2022	+5.746	+164.0%	+1.437	2.267	0.250
11/02/2022	+7.045	+129.9%	+1.761	2.592	0.250
12/14/2022	+8.146	+110.1%	+2.037	2.868	0.250
02/01/2023	+8.862	+71.6%	+2.215	3.046	0.250

Implied Overnight Rate & Number of Hikes/Cuts — Maximize



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Assumptions

1. Calculation engine is ZM for all asset classes except for Money Market Funds. Money Market Fund information is provided by Crane Data.

2. Money Market Funds assume a book price of par ($100.00).

3. All data provided by Bloomberg LLC., IDC Pricing Service, Crane Data and Wells Fargo Securities.

4. Cash flows are generated by Yield Book, Intex, Bloomberg or ZM depending on sector and structure:
   - **ZM** – Non-prepay bullet structures including municipals, corporates, agencies, SSA, teasuries, CDs and commercial paper.
   - **Yield Book** = Mortgage products, including MBS passthroughs, CMOs, ARMs, agency CMBS and floating rate structures.
   - **Intex** – Structured products, including ABS, CLOs and non-agency RMBS and CMBS.
   - Analysis assumes all scheduled and unscheduled principal cash flows provided directly by Third Party systems (Yield Book) flow into the Maturity bucket on the Cash Flow Projections page.

5. Ratings data are provided by Moody's, S&P and Fitch. Aggregate ratings are based on a proprietary scale.

6. Projected Call Report - Assumes OAS is held constant with market price based yield-to-worst call logic. Sorted by projected calls in the base case scenario. Base Case scenario assumes no rate changes.

7. Client provided market prices are used for the analysis. In the absence of client market data, BVAL and/or IDC pricing is used.

8. Historical Analysis is a combination of previously run Bond Edge Reports and ZM Financial. This page will be updated over time as reports are requested.

9. Yield on tax-exempt municipals are calculated using a 21% tax rate or as directed by client.

10. 12 Month Horizon Analysis assumes 12 month horizon with a reinvestment rate of 1M LIBOR. Rate shocks are gradual over the horizon and parrallel shifts to the curve.

11. Prepayment, default and severity assumptions used:
    - Bonds run through Yield Book – Yield Book Long Term Projected CPR
    - GN CMBS – 15 CPJ
    - FN/FH CMBS - 0 CPY
    - Conduit CMBS - 0 CPY, CDR and SEV
    - ABS Student – 6 CPR
    - ABS Card - Historical MPR
    - ABS Auto - 1.3 ABS
    - SBAs & NGNs – 10 CPR
    - Non-agency CMOs – Yield Book if available otherwise 6mo historical VPR, CDR and SEV taken from Bloomberg.

12. Money Market Fund Profiles
    - AUM Flows: Total fund MoM flows
    - Share Class: Total share class MoM flows

13. Yield Curve Shock Scenarios: instantaneous rate shocks to the static curve held constant over the life of the securities, utilizing Intex for structured products (when applicable) and Yield Book for other amortizing securities.
    - Standard scenarios: parallel shifts of -100,-50,-25,0,+25,+50,+100,+200,+300, Bear Flat, Bull Steep, Bull Flat, Bear Steep.
    - Customized scenarios at the request of client or as determined by WFS Portfolio Strategy

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