



SUSD SELF-INSURANCE TRUST BOARD MEETING OCTOBER 28, 2021

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



**Thursday, October 28, 2021
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
3:00 PM**

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 3:00 pm, 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 WITH MASKS, 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

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- A. Call to Order
 - B. Roll Call
 - C. Introduction of Trustees, Staff, and Visitors

3. BUSINESS OF THE MEETING

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- A. Approval of Selection of New Chairperson for FY2022 Trust - ACTION
 - B. Approval of Minutes from June 17, 2021 Meeting - ACTION
 - C. Property/Casualty/Workers Comp Claims Report (ARRT) - INFORMATION
 - D. Medical Claims/Financial Reports - INFORMATION
 - E. Trust Financial Update - INFORMATION
 - F. Future Agenda Items
 - G. 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
October 28, 2021 at 3:00 PM

PURSUANT TO A.R.S. §38-431.02, notice is hereby given to the general public that the Self Insurance Retention Trust Board will hold a Special Meeting on **Thursday, October 28, 2021, at 3:00 pm, 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 with masks on, or by telephonic communication, video, or internet conferencing**. 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
- C. Introduction of Trustees, Staff, and Visitors

INFORMATION/DISCUSSION AND POSSIBLE ACTION

- A. Selection of Chairperson (Trust Document 3.4) – Action
- B. Approval of Trust Minutes from June 17, 2021 Meeting – Action
- C. Property/Casualty/Workers Comp Claims Report (ARRT) – Information
- D. Medical Claims/Financial Reports – Information
- E. SUSD Trust Financial Update – Information
- F. Future Agenda Items
- G. 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: October 25, 2021

Action:

Selection and Approval of Chairperson (Trust Document 3.4)

Submitted by:

Shannon Crosier, Administrator

RECOMMENDATION:

It is recommended that the Self-Insurance Trust Board select and approve a Chairperson for FY22 per 3.4 of the Self-Insurance Trust Agreement.

Action:

Approval of Self-Insurance Trust Meeting Minutes of June 17, 2021

Submitted by:

Shannon Crosier, Administrator

RECOMMENDATION:

It is recommended that the Self-Insurance Trust Board approve the Self-Insurance Trust Meeting Minutes of June 17, 2021.

BACKGROUND:

Minutes were taken at the June 17, 2021 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
June 17, 2021 at 3:00 PM

The meeting was called to order at **3:05** pm on June 17, 2021.

- I. Call to Order – Ms. Erika Coombs, 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, online, or via phone.

II. Roll Call-

Board Trustees in attendance were telephonically and via Teams video, Patty Beckman, Governing Board Member, Shannon Crosier, Trust Board Administrator, Erika Coombs, Chairperson, and Wally Graham Trustee (Joined 3:22 pm).

INFORMATION/DISCUSSION AND POSSIBLE ACTION

- A. Approval of SUSD Self-Insurance Trust Minutes from March 25, 2021 meeting. - Action
No discussion of the Minutes.

Shannon Crosier Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of March 25, 2021. Erika Coombs Seconded the motion. The motion was approved with a vote of 3 – 0.

- B. Approval of Self-Insurance Trust Board Meeting Dates for FY2021-2022. – Action

Shannon Crosier Moved to Approve Self-Insurance Trust Board Meeting Dates for FY2021-2022. Patty Beckman Seconded the motion. The motion was approved with a vote of 3 – 0.

- C. Approval of Property and Casualty Insurance Premium July 1, 2021 – June 30, 2022. – Action

The Arizona Risk Retention Trust has provided rates for the Property and Casualty Insurance Premium. FY2020/2021 annual premium was \$1,910,296 and the new 2021/2022 premium will be \$2,008,533.

Erika Coombs Moved to Approve Property and Casualty Insurance Premium for July 1, 2021- June 30, 2022. Patty Beckman Seconded the motion. The motion was approved with a vote of 3 – 0.

- D. Approval of Worker's Compensation Insurance Premium July 1, 2021 – June 30, 2022.

The Arizona Risk Retention Trust has provided rates for Worker's Compensation Insurance Premium. FY2020/2021 annual premium was \$860,358 and the new 2021/2022 premium will be \$927,441.

Shannon Crosier Moved to Approve Worker's Compensation Insurance Premium for July 1, 2021- June 30, 2022. Patty Beckman Seconded the motion.
The motion was approved with a vote of 4 – 0.

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

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

Claims over the past few years have been trending down and are low for the 2020-2021 School Year.

- Total number of claims processed as of 5/31/2021 = 53
- Total incurred as of 5/31/2021 = \$622,678
- Trust Loyalty Credit (TLC) – 10 %: \$191,030
5%: \$ 95,515

Available credit either 5% or 10%. Final TLC amount to be determined based on adjudication of 2018 Navajo Elementary fire claim.

- COVID-19 Liability Endorsement
 - 2020/2021: TLC will be higher based on loss fund amounts (including COVID liability) not developing. Return will be reflected on the invoice.
 - 2021/2022: Program continuing; contribution is reduced by 50% (or \$75,000). Same year-end adjustment will take place.

2020/2021 Adjusted Elements as of 5/31/2021 - Alliance Rating Retrospective Plan

- Incurred Losses \$282,347 (Budgeted \$630,519)
- ULAE \$ 40,023 (Budgeted \$ 89,376)

A final adjustment based on actual losses and payroll will be conducted in July 2021.

Prepaid Account/TIP Balances for the District as of 5/31/2021:

- Trust Prepaid Account Balance as of 5/31/2021 = \$186,363
- Trust Investment Pool Balance as of 5/31/2021 = \$ 40,636

Alliance 2021/2022 Renewal

- Estimated 2021/2022 Payroll:
 - \$137,821,041
- Estimated 2021/2022 Contribution:
 - 927,440

F. Medical Claims/Financial Reports – Information – Chris Marler presented

COVID-19 Risk Modeling and Tracking thru 5/21/2021.

- 1,423 Total members Tested
- 3,462 Total Claims Tested
- \$193,689 Total Allowed or Paid
- 301 Total members Confirmed (People confirmed with COVID-19)
- 553 Total Claims Confirmed
- \$83,204 Confirmed Allowed or Paid (Treatment excluding testing)

Medical Claims/Financial Reports – Information – Jeremy Larson presented

Jeremy Larson presented financial and health reports from Kairos Health Arizona – High-Cost claimants Overview paid through April 2021.

- High-Cost Claims Total \$1-50K = \$4,352,046
- High-Cost Claims Total \$50K – 100K = \$1,459,855

- High-Cost Claims Total 100K – 150K = \$ 1,340,803
- High-Cost Claims Total ≥ 150K = \$1,017,480

Plan Participation:

- PPO = 27% Participants
- HDHP 1500 = 28% Participants
- HDHP 2800 = 37% Participants
- HDHP 5000 = 08% Participants

G. Trust Financial Update – Information

Shannon Crosier presented the Checking and Investments Accounts for Fiscal Year 2021

- Accounts are growing on average. Total in each of the three accounts are:
 - Medical - \$33,542,749.76
 - Property/Casualty - \$9,655,572.03
 - Workman's Comp - \$8,149,013.38

Tyler Tayrien from Wells Fargo is presenting the Financial Market Investment Update. Three investment accounts as of 5/28/2021:

- Medical- 47 Accounts - 29.7 million (.94% Book Yield)
 - Unrealized Gains \$320,000 without accrued Interest.
- Property and Casualty – 16 Accounts - 9.4 million Portfolio Size (.72 Book Yield)
 - Unrealized Gains \$57,000 without accrued Interest.
- Worker's Compensation- 16 Accounts - 6.6 million (.96 Book Yield)
 - Unrealized Gains \$30,000 without accrued Interest.

H. Minimum and Maximum Insurance Account Balances – Information

Medical Insurance Account:

- Current Balance: \$36,539,755.63
- Review of estimated Medical and Pharmacy for next 10 years based on 7.0% yearly inflation. Estimated average cost of \$17,838,721. Current rate \$13,815,006.
- Kairos recommendation was 1/3 of losses for the year. This amount fluctuates by year, 10 year estimated average is \$6,939,316.
- Chandler Unified is working toward 1 year of premiums.
- Considerations: Medical is Self-Insured, so District is responsible for all medical and pharmacy costs.
- **Recommendation: Minimum Balance \$15,000,000. Maximum Balance 1.5 times yearly premium.**

Property/Casualty Account

- Current Balance: \$9,649,737
- Rate for Fiscal Year 2021-2022 is \$2,013,533
- No contribution from the District for Fiscal Year 2021-2022 or 2022-2023
- **Recommendation: Minimum Balance 1 Year premiums (approximately \$2,000,000). Maximum Balance 2 Years premiums (approximately \$4,000,000)**

Workers Compensation

- Current Balance: 8,139,845.05
- Rate for Fiscal Year 2021-2022 is \$927,441
- **Recommendation: Minimum Balance 1 Year premiums (approximately \$1,000,000). Maximum Balance 2 Years premiums (approximately \$2,000,000).**

Shannon Crosier thanked both Erika Coombs and Wally Graham for serving the on the Self-Insurance Trust Board for the past two years.

I. Future Agenda Items – No future items were added.

J. Adjournment

At **4:28 PM**, Patty Beckman moved to adjourn the meeting. Shannon Crosier seconded the motion.

The motion was approved with a vote of 4 – 0.

Dated this 17th day of June 2021.

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 – Kendra Callaghan

Scottsdale Unified School District Trust Board Meeting

Trust and Alliance

October 28, 2021



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

Scottsdale USD Governing Board

Scottsdale USD 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



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

Coverages provided:

- Workers' Compensation
- Employer's Liability

12

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



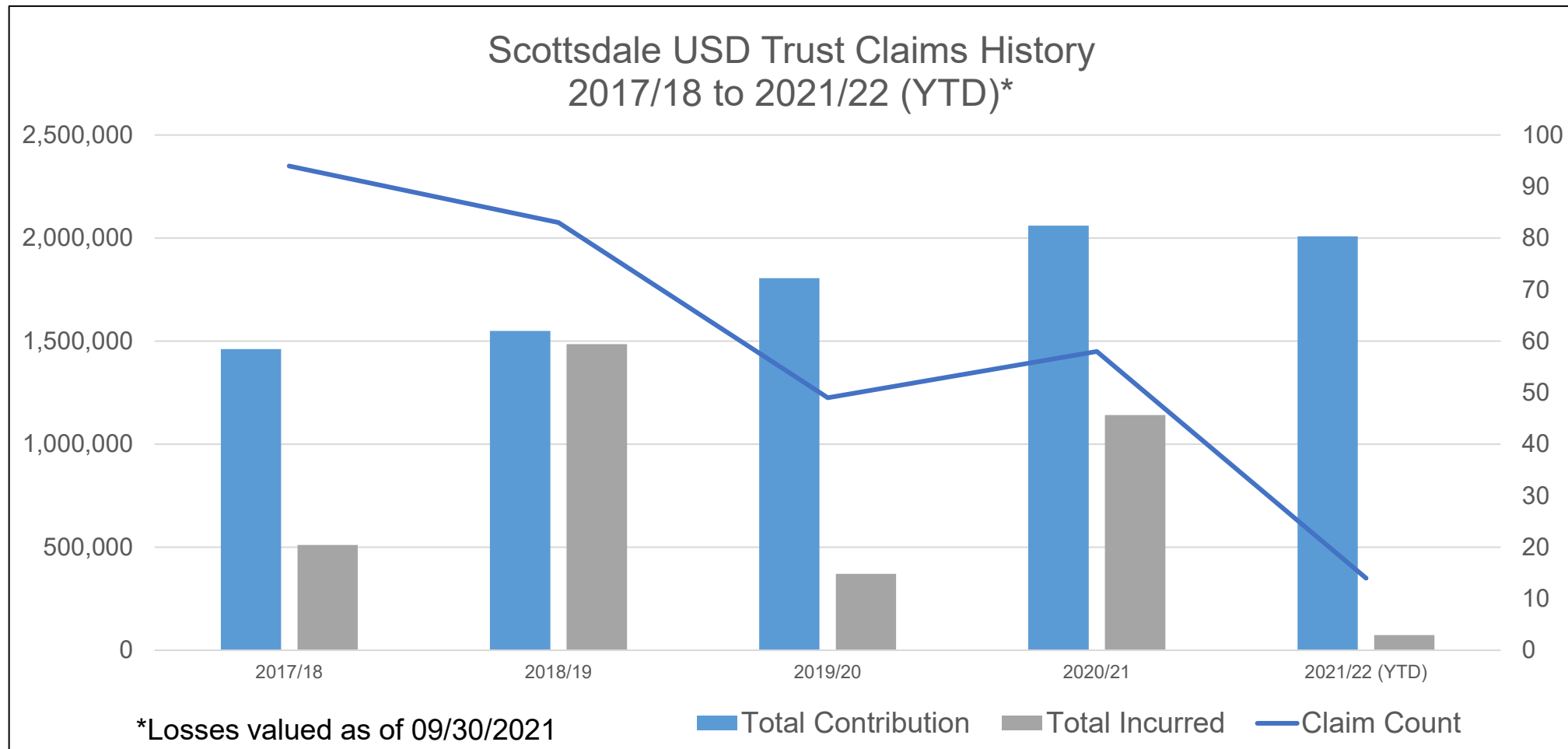
Health benefits coverage A.R.S. 11-952.01(C)

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



Trust Claims Summary for 2021/2022

- Total number of claims processed as of 9/30/2021: 14
- Total incurred as of 9/30/2021: \$73,323



Trust Loyalty Credit: District History

Year	Amount Earned
2020/2021	\$191,030
2019/2020	\$72,236
2018/2019	\$77,481
2017/2018	\$102,262
2016/2017	\$93,137
5-Year Total	\$536,146



Trust Loyalty Credit: 2021/2022

- Opportunity to earn 5% back
 - Tier 1: 2%
 - Tier 2: 3%



Trust Loyalty Credit: 2021/2022

- Prerequisites:
 - Participate in core coverages
 - Membership for 3 consecutive years
 - Timely payment of annual contribution
 - Continued membership for 2022/2023



Trust Loyalty Credit: 2021/2022

- Tier 1: 2%
 - 3-year loss ratio of 80% or less



Trust Loyalty Credit: 2021/2022

- Tier 2: 3%
 - Viewing of Vector Solutions, K12 edition by 20% of district's full-time equivalent employees
 - Attending transportation Leadership in Training
 - Submission of the district's emergency operations plan for review and follow-up
 - Attending one of the Risk Management Summit events



Trust Loyalty Credit: 2021/2022

- Tier 2: 3% (cont.)
 - Conducting a cyber-phishing and training campaign
 - Providing proof of an air gap backup (to protect against ransomware)
 - Attending all of the Trust property-related webinars
 - Participating in either the June 2021 or October 2021 Trust Leadership Academy



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 Contribution History

Year	Rating Model	Contribution
2021/2022	Retrospectively Rated	*\$927,441
2020/2021	Retrospectively Rated	*\$648,060
2019/2020	Retrospectively Rated	*\$437,563
2018/2019	Guaranteed Cost	\$958,573
2017/2018	Guaranteed Cost	\$877,064
2016/2017	Guaranteed Cost	\$873,457

*Estimated contribution. Loss elements are adjusted for 5 years



Alliance Rating Retrospective Plan

2021/2022 retrospective rating program contribution

• Incurred Losses*	\$665,157
• Unallocated Loss Adjustment Expense*	\$112,559
• Administrative Expense	\$75,500
• Excess Insurance and Tax Expense	\$56,997
• <u>Contribution to Net Position</u>	<u>\$17,228</u>
• Total	\$927,441

*Loss rated at 90%



Alliance Rating Retrospective Plan

2021/2022 adjusted elements as of 09/30/2021:

- Incurred Losses \$174,454 (budgeted \$665,157)
- ULAE \$29,521 (budgeted \$112,559)

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.



PPA/TIP Balances

- Trust Prepaid Account Balance as of 09/30/2021
 - \$159,847
- Trust Investment Pool Balance as of 09/30/2021
 - \$40,638



CONTACT INFO

Ashley Perkins

aperkins@the-trust.org

602.845.6100



Information/Discussion:

Kairos Health of Arizona Report

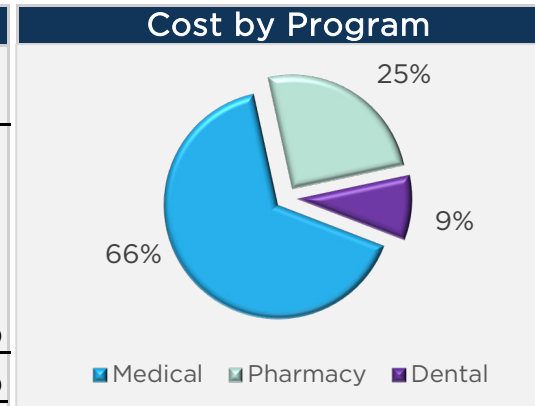
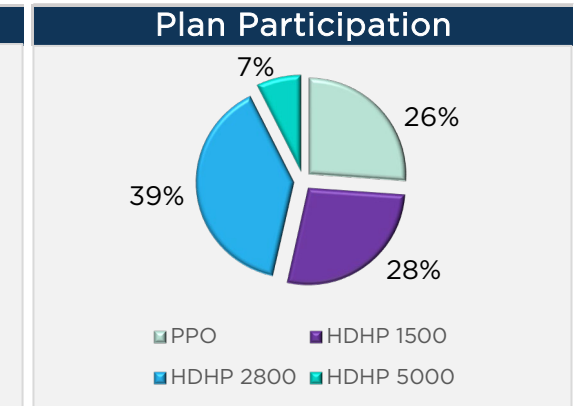
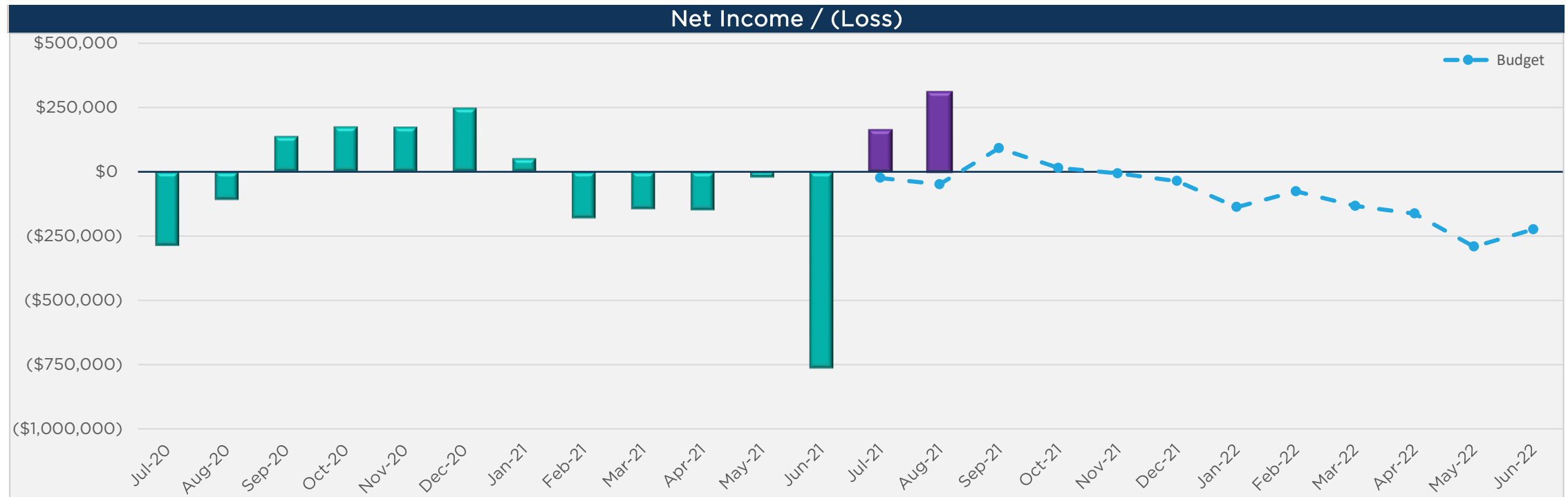
Submitted by:

Shannon Crosier, Administrator

BACKGROUND:

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

Financial Performance			
	YTD Actual	YTD Budget	Favorable/ (Unfavorable)
Gross Contributions	\$ 2,776,247	\$ 2,662,179	4%
Less: Cost of Excess Insurance	(146,962)	(149,007)	1%
Less: Cost of Ancillary Insurance	(198,544)	(206,600)	4%
Less: Loss Expense	(1,882,424)	(2,300,501)	18%
Less: Administration & Other	(74,309)	(78,604)	5%
Non-Operating Revenue (Loss) ⁴	(256)	-	(100%)
Net Income (Loss)	\$ 473,752	\$ (72,533)	(753%)



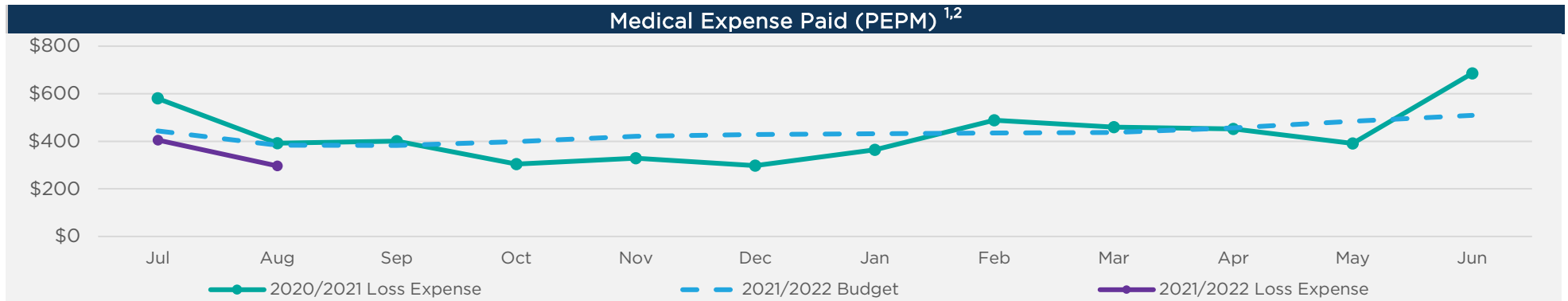
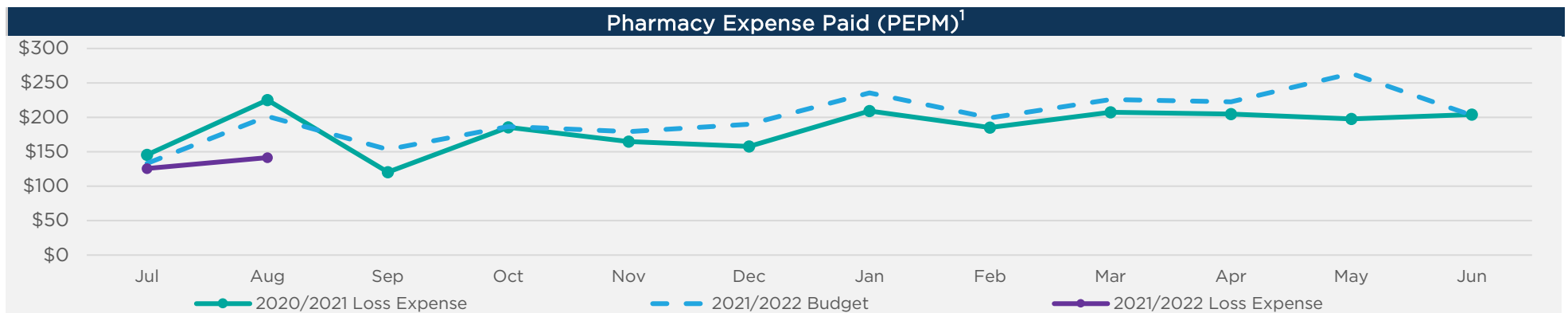
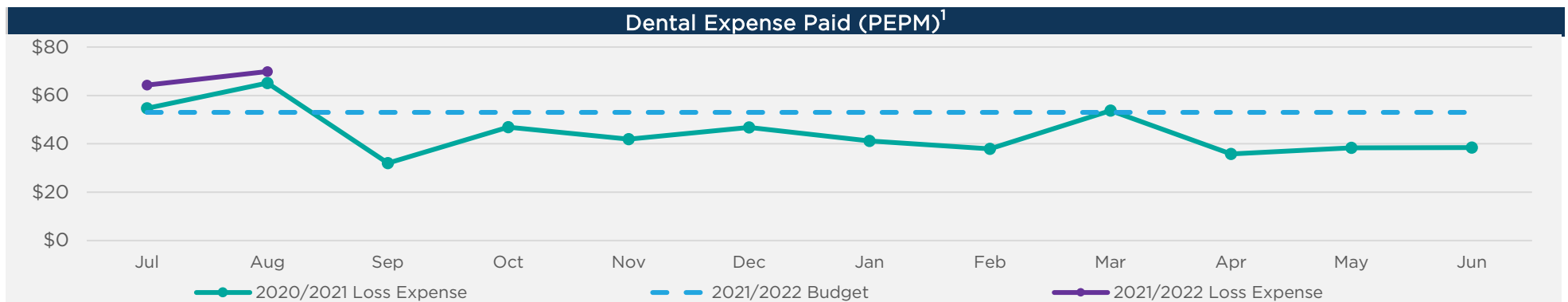
Loss Ratio ¹	Expense Ratio ²	Combined Ratio ³	YTD Increase in Net Position	Net Position	YTD Net Investment Income (Loss)	Employees	Lives
77.4%	3.1%	80.5%	\$473,752	-\$456,851	(\$256)	1,804	2,525

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.



¹ Loss expense and budget excludes IBNR and Rx rebates.

² Figures do not include stop loss recoveries.

SCOTTSDALE UNIFIED SCHOOL DISTRICT

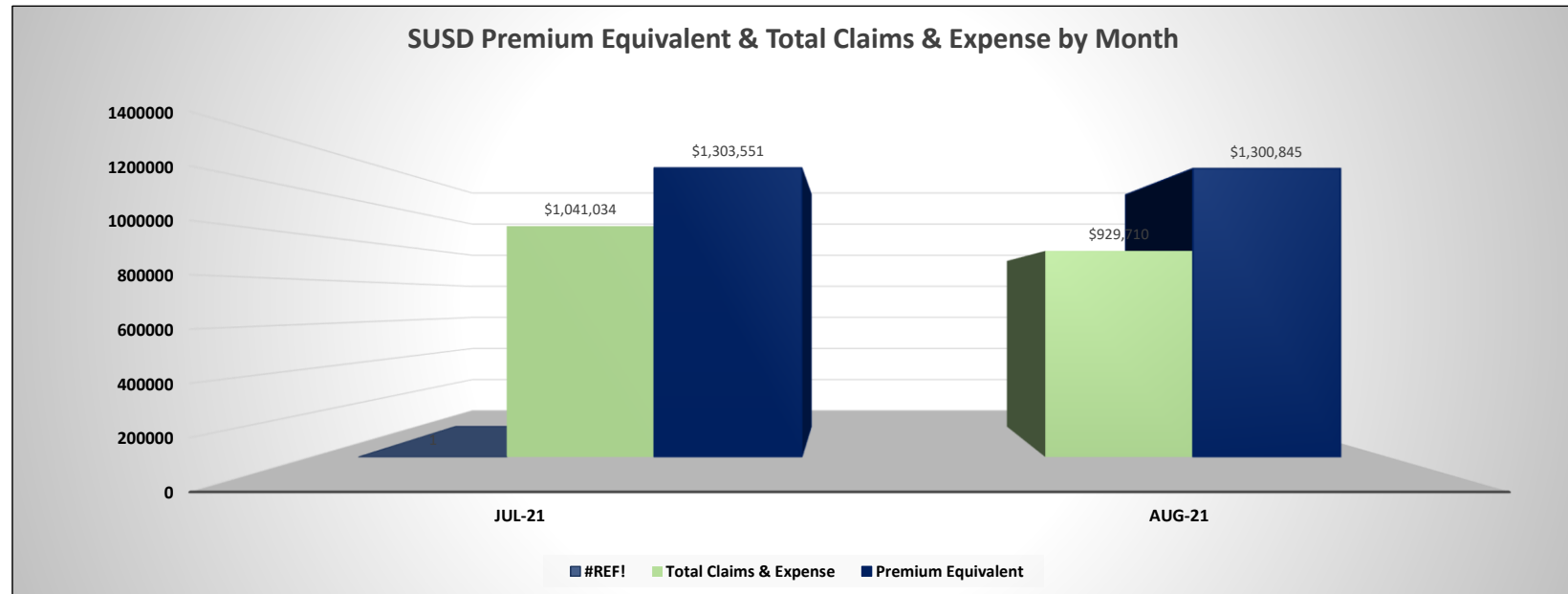
Paid Claims Report (July 2021 - August 2021)

Month	Employees	Members	Medical Claims	Pharmacy	Stop Loss Recovered 20-21	Stop Loss Recovered 21-22	Admin & Stop Loss Expense	Total Claims & Expense	Total Claims & Expenses PEPM	Premium Equivalent	Medical Expense Loss Ratio	Surplus / Loss
Jul-21	1,897	2,591	\$834,131	\$189,013	-\$108,832	\$0	\$126,722	\$1,041,034	\$548.78	\$1,303,551	79.9%	\$262,517
Aug-21	1,894	2,569	\$532,161	\$268,577	\$0	\$0	\$128,972	\$929,710	\$490.87	\$1,300,845	71.5%	\$371,135

Average/Total	1,896	2,580	\$1,366,292	\$457,590	-\$108,832	\$0	\$255,694	\$1,970,744	\$519.85	\$2,604,396	75.7%	\$633,652
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SCOTTSDALE UNIFIED SCHOOL DISTRICT

Paid Claims Report (July 2021 - August 2021)



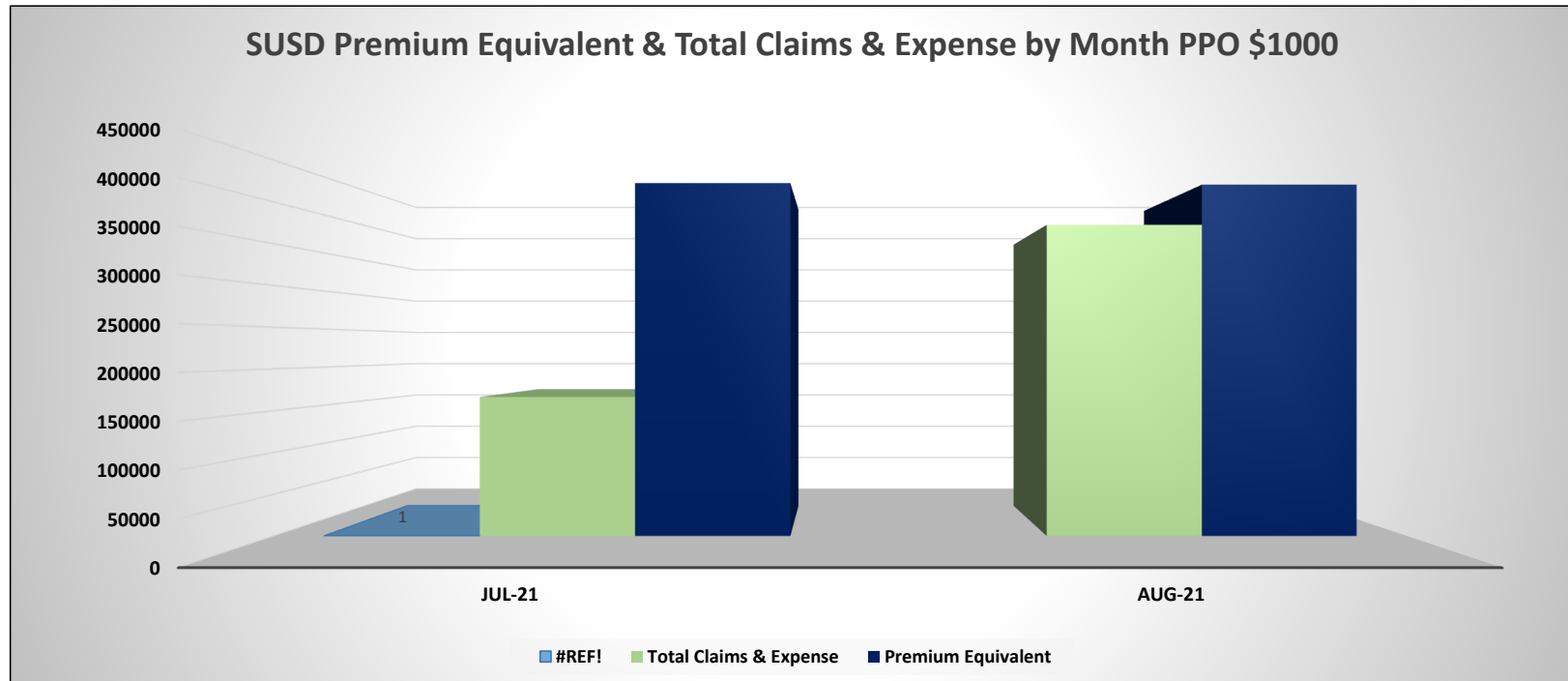
SCOTTSDALE UNIFIED SCHOOL DISTRICT
Paid Claims Report (July 2021 - August 2021)
PPO \$1,000 Plan

Month	Employees	Members	Medical Claims	Pharmacy	Admin & Stop Loss Expense	Total Claims & Expense	Total Claims & Expenses PEPM	Premium Equivalent	Medical Expense Loss Ratio	*Surplus / Loss
Jul-21	508	675	\$38,985	\$94,307	\$33,013	\$166,305	\$327.37	\$422,660	39.3%	\$256,355
Aug-21	507	673	\$217,189	\$121,656	\$33,787	\$372,632	\$734.97	\$420,813	88.6%	\$48,181

**Surplus/Loss doesn't not include stop loss recovered amounts*

Average/Total	508	674	\$256,175	\$215,963	\$66,800	\$538,938	\$530.97	\$843,473	63.9%	\$304,535
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SCOTTSDALE UNIFIED SCHOOL DISTRICT
Paid Claims Report (July 2021 - August 2021)
PPO \$1,000 Plan



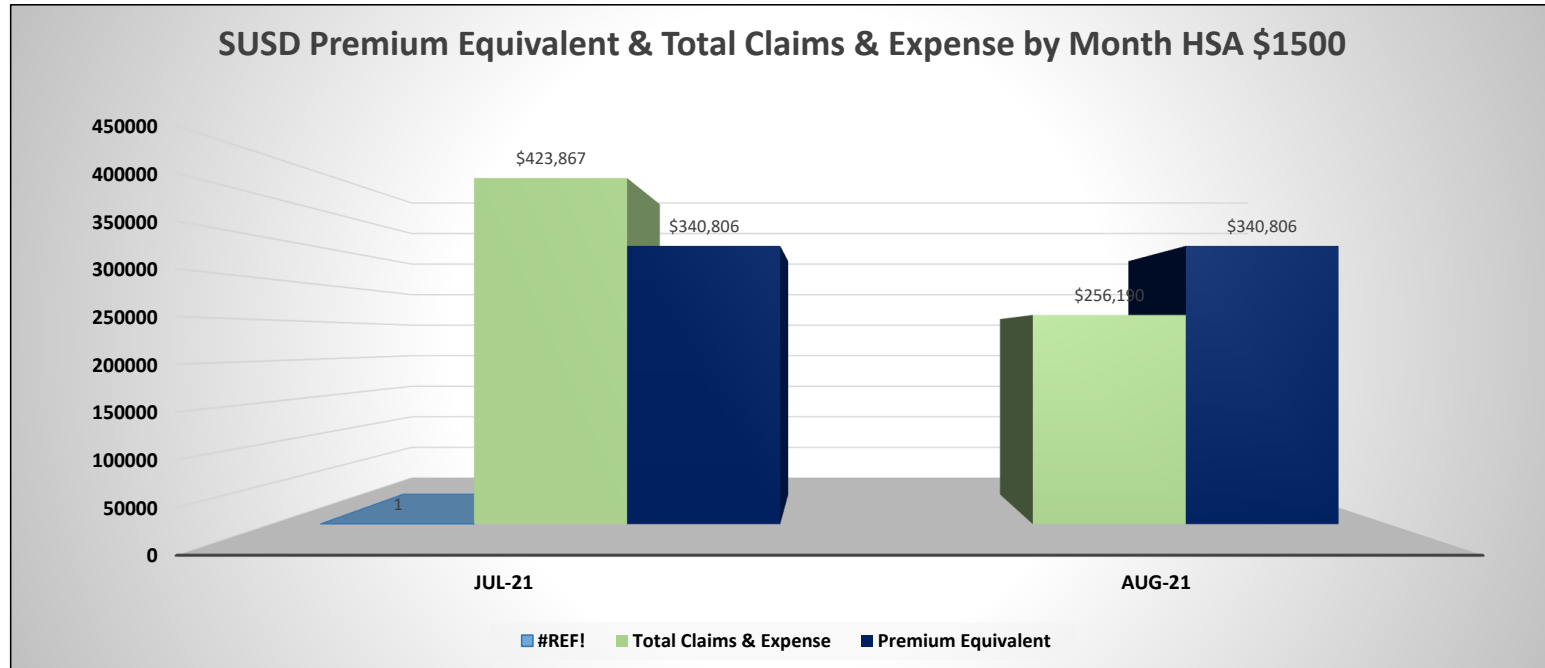
SCOTTSDALE UNIFIED SCHOOL DISTRICT
Paid Claims Report (July 2021 - August 2021)
HSA \$1,500 Plan

Month	Employees	Members	Medical Claims	Pharmacy	Admin & Stop Loss Expense	Total Claims & Expense	Total Claims & Expenses PEPM	Premium Equivalent	Medical Expense Loss Ratio	*Surplus / Loss
Jul-21	535	601	\$333,874	\$60,599	\$29,394	\$423,867	\$792.27	\$340,806	124.4%	-\$83,061
Aug-21	535	601	\$108,900	\$117,118	\$30,172	\$256,190	\$478.86	\$340,806	75.2%	\$84,616

**Surplus/Loss doesn't include stop loss recovered amounts*

Average/Total	535	601	\$442,774	\$177,716	\$59,566	\$680,056	\$635.57	\$681,612	99.8%	\$1,556
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SCOTTSDALE UNIFIED SCHOOL DISTRICT
Paid Claims Report (July 2021 - August 2021)
HSA \$1,500 Plan



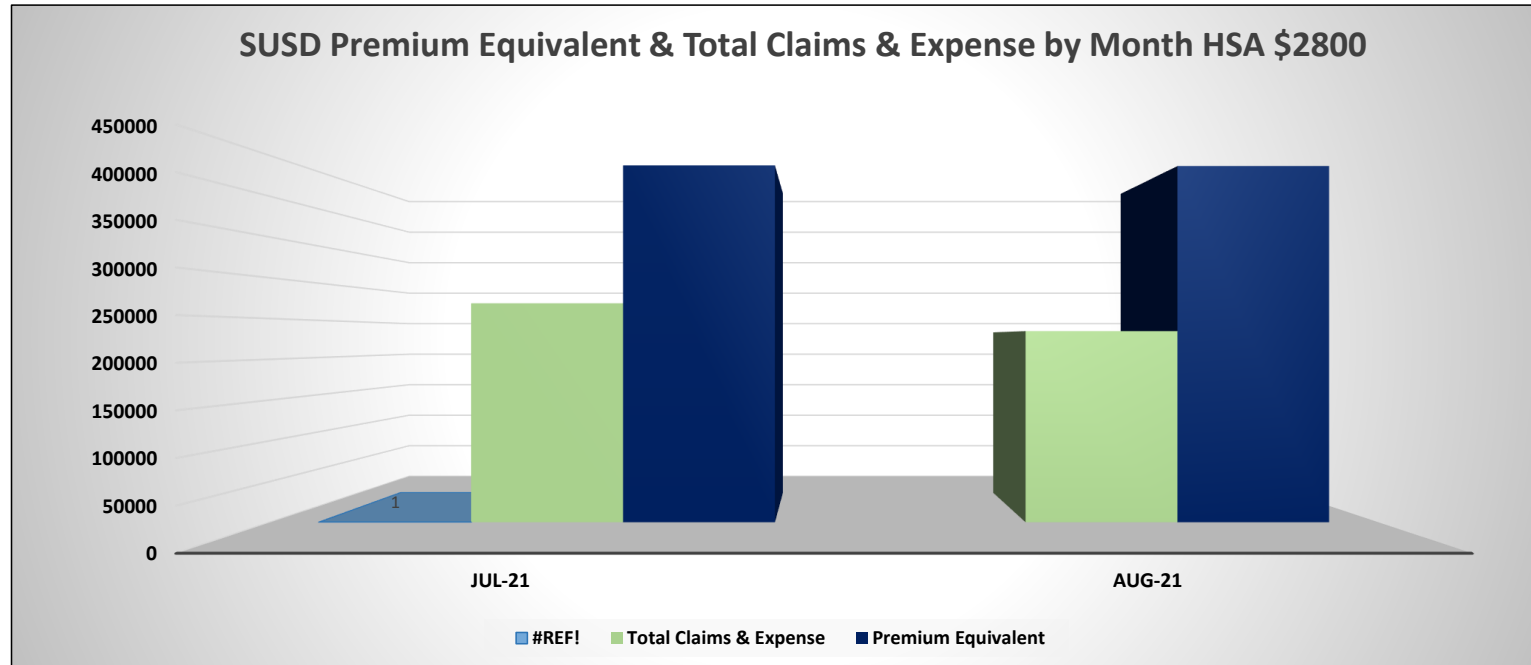
SCOTTSDALE UNIFIED SCHOOL DISTRICT
Paid Claims Report (July 2021 - August 2021)
HSA \$2,800 Plan

Month	Employees	Members	Medical Claims	Pharmacy	Admin & Stop Loss Expense	Total Claims & Expense	Total Claims & Expenses PEPM	Premium Equivalent	Medical Expense Loss Ratio	*Surplus / Loss
Jul-21	710	961	\$198,078	\$23,600	\$47,001	\$268,679	\$378.42	\$437,981	61.3%	\$169,302
Aug-21	708	965	\$165,173	\$20,983	\$48,446	\$234,602	\$331.36	\$437,122	53.7%	\$202,520

**Surplus/Loss doesn't include stop loss recovered amounts*

Average/Total	709	963	\$363,251	\$44,583	\$95,447	\$503,282	\$354.92	\$875,103	57.5%	\$371,821
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SCOTTSDALE UNIFIED SCHOOL DISTRICT
Paid Claims Report (July 2021 - August 2021)
HSA \$2,800 Plan



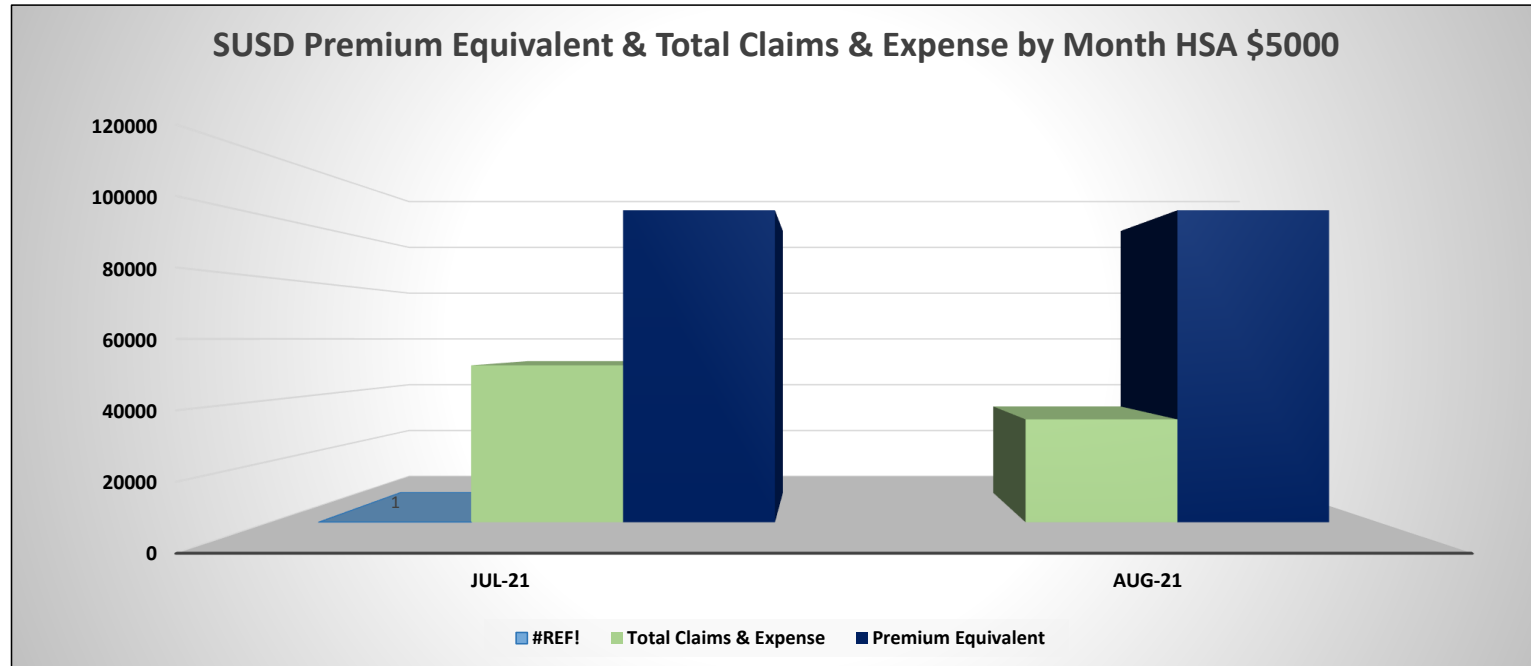
SCOTTSDALE UNIFIED SCHOOL DISTRICT
Paid Claims Report (July 2021 - August 2021)
HSA \$5,000 Plan

Month	Employees	Members	Medical Claims	Pharmacy	Admin & Stop Loss Expense	Total Claims & Expense	Total Claims & Expenses PEPM	Premium Equivalent	Medical Expense Loss Ratio	*Surplus / Loss
Jul-21	144	327	\$27,538	\$13,125	\$10,686	\$51,349	\$356.59	\$102,104	50.3%	\$50,755
Aug-21	144	327	\$16,529	\$6,203	\$10,935	\$33,667	\$233.80	\$102,104	33.0%	\$68,437

**Surplus/Loss doesn't include stop loss recovered amounts*

Average/Total	144	327	\$44,067	\$19,328	\$21,621	\$85,016	\$295.20	\$204,208	41.6%	\$119,192
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SCOTTSDALE UNIFIED SCHOOL DISTRICT
Paid Claims Report (July 2021 - August 2021)
HSA \$5,000 Plan



Large Claimant Report

Kairos Health AZ, Inc. - Scottsdale USD Claims Paid Through Month: August 2021

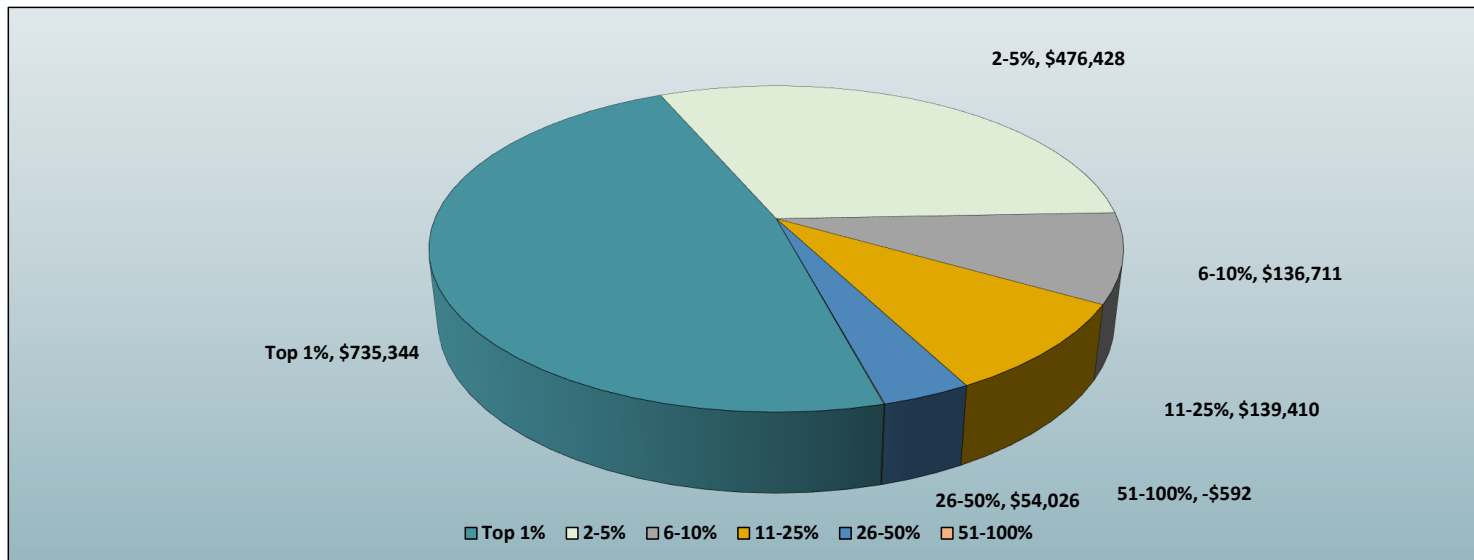
Large Claims Threshold: \$50,000

[Current Policy Period - Claims Incurred 7/1/2021 - 6/30/2022](#)

Status	Term Date	Plan Name	Care Management	Diagnosis Description	Medical Claims	Blue Card Fees	Rx Claims	Total Paid Amount
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SCOTTSDALE UNIFIED SCHOOL DISTRICT
High Cost Claimants Overview
Paid through August 2021

High Cost Claimant	Claimants	Claimants %	Paid	Paid %	Paid/Claimant
Top 1%	26	1.0%	\$735,344	47.7%	\$28,282.48
2-5%	102	4.0%	\$476,428	30.9%	\$4,670.86
6-10%	129	5.0%	\$136,711	8.9%	\$1,059.78
11-25%	385	15.0%	\$139,410	9.0%	\$362.10
26-50%	643	25.0%	\$54,026	3.5%	\$84.02
51-100%	1,284	50.0%	-\$592	0.0%	-\$0.46
Summary	2,569	100.0%	\$1,541,328	100.0%	\$599.97



Information:

SUSD 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 (July 2020 – June 2021). Wells Fargo will then follow up with a financial market forecast.

Self-Insurance Trust Balances

Fiscal Year 2020-2021

As of June 30, 2021

	Medical Insurance	Checking 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	\$ 25,613,046.50	\$ 2,125,044.30	\$ 1,354,049.23	\$ 29,092,140.03
Expenditures YTD	\$ 28,059,099.78	\$ 2,186,112.40	\$ 956,008.92	\$ 31,201,221.10
Ending Balance	\$ 2,050,845.18	\$ 189,738.80	\$ 1,547,117.99	\$ 3,787,701.97

	Medical Insurance	Investment Accounts 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	\$ (77,538.30)	\$ (58,876.32)	\$ 6,697,046.64
Interest	\$ 275,850.74	\$ 116,447.17	\$ 84,702.06	\$ 476,999.97
Mutal Funds Dividends	\$ 438.01	\$ 325.91	\$ 136.62	\$ 900.54
Ending Balance	\$ 30,104,127.16	\$ 9,453,991.78	\$ 6,718,620.97	\$ 46,276,739.91
Total All Accounts	\$ 32,154,972.34	\$ 9,643,730.58	\$ 8,265,738.96	\$ 50,064,441.88

Year-Over-Year Balance Change	\$ 4,663,696.73	\$ (21,833.32)	\$ 424,002.67	\$ 5,065,866.08
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Self-Insurance Trust Balances

Fiscal Year 2021-2022

As of September 30, 2021

	Medical Insurance	Checking Property/Casualty	Workmans Comp	Total
Beginning Balance (July 1, 2021)	\$ 2,050,845.18	\$ 189,738.80	\$ 1,547,117.99	\$ 3,787,701.97
Revenue YTD	\$ 12,642,509.77	\$ 1,600,000.00	\$ 194,843.50	\$ 14,437,353.27
Expenditures YTD	\$ 2,904,257.51	\$ 1,667,503.00	\$ 927,441.00	\$ 5,499,201.51
Ending Balance	\$ 11,789,097.44	\$ 122,235.80	\$ 814,520.49	\$ 12,725,853.73

	Medical Insurance	Investment Accounts Property/Casualty	Workmans Comp	Total
Beginning Balance (July 1, 2021)	\$ 30,104,127.16	\$ 9,453,991.78	\$ 6,718,620.97	\$ 46,276,739.91
Deposits & Withdraws	\$ (83,236.42)	\$ (1,625,499.18)	\$ (24,691.20)	\$ (1,733,426.80)
Interest	\$ 55,904.41	\$ 33,904.79	\$ 25,343.50	\$ 115,152.70
Mutal Funds Dividends	\$ 28.71	\$ 56.39	\$ 58.41	\$ 143.51
Ending Balance	\$ 30,076,823.86	\$ 7,862,453.78	\$ 6,719,331.68	\$ 44,658,609.32
Total All Accounts	\$ 41,865,921.30	\$ 7,984,689.58	\$ 7,533,852.17	\$ 57,384,463.05

Year-Over-Year Balance Change	\$ 9,710,948.96	\$ (1,659,041.00)	\$ (731,886.79)	\$ 7,320,021.17
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Scottsdale USD Medical

Analysis Date: 10/6/2021
Portfolio as of: 9/30/2021
Market Data as of: 9/30/2021

Tyler Tayrien

602-378-4006

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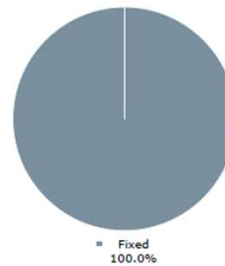
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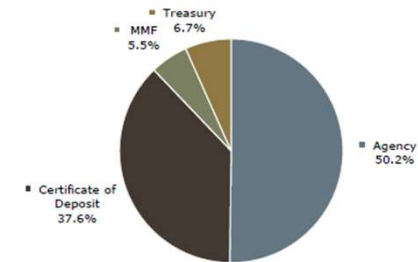
Portfolio Summary

Portfolio Snapshot	
Number of Positions	53
Par (\$000)	29,883
Book Value (\$000)	29,887
Mkt Value w/o Accrd (\$000)	30,077
Unrlzd Gain / Loss (\$000)	190
Coupon	0.88
Characteristics	
Book Yield	0.87
Market Yield	0.23
Wgt Avg Maturity	1.4
Average Life	1.1
Effective Duration	1.1
Effective Convexity	(0.3)
12M Projected Cash Flow (\$000)	
Overnight Funds Principal	1,635
Overnight Funds Interest	0
Term Securities Principal	16,000
Term Securities Interest	219
Total Cash Flow	17,854

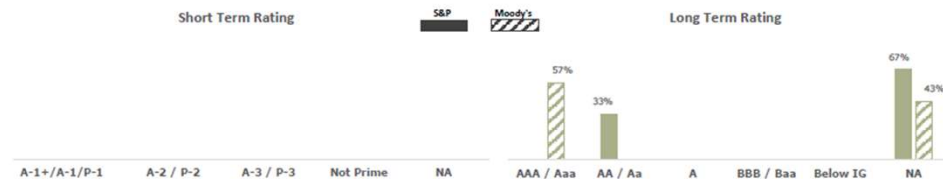
Coupon Structure



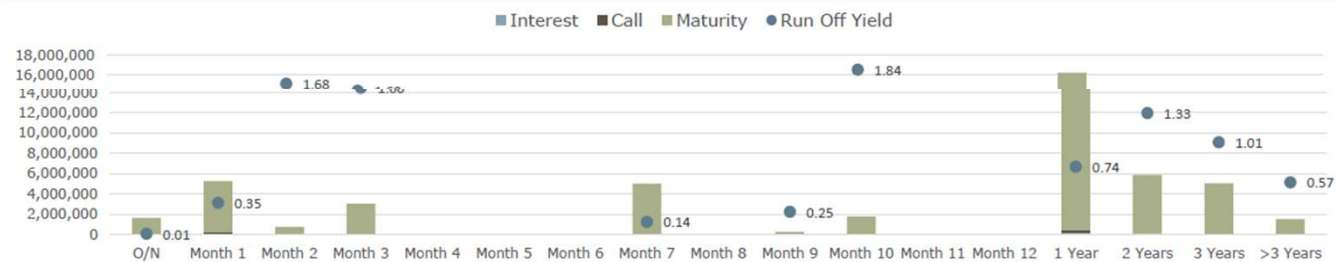
Portfolio Allocation



Credit Exposure



Cash Flow Projections*



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

Cash Flow Projections

Time Period	Date	Interest (\$)	Call (\$)	Maturity (\$)	Run Off Yield (%)	Monthly Total (\$)	Cumulative Total (\$)
O/N		0	0	1,635,184	0.01	1,635,184	1,635,184
	Oct-21	16,838	250,000	5,000,000	0.35	5,266,838	6,902,022
	Nov-21	10,875	0	750,000	1.68	760,875	7,662,896
	Dec-21	52,231	0	3,000,000	1.60	3,052,231	10,715,127
	Jan-22	29,718	0	0	0.00	29,718	10,744,846
	Feb-22	10,843	0	0	0.00	10,843	10,755,689
	Mar-22	6,468	0	0	0.00	6,468	10,762,157
	Apr-22	9,781	0	5,000,000	0.14	5,009,781	15,771,938
	May-22	6,281	0	0	0.00	6,281	15,778,219
	Jun-22	28,531	0	250,000	0.25	278,531	16,056,750
	Jul-22	29,718	0	1,750,000	1.84	1,779,718	17,836,468
	Aug-22	10,843	0	0	0.00	10,843	17,847,311
Year 1	Sep-22	6,468	0	0	0.00	6,468	17,853,780
	Oct-22	6,281	0	0	0.00	6,281	17,860,061
	Nov-22	6,281	0	0	0.00	6,281	17,866,341
	Dec-22	28,219	0	1,750,000	1.32	1,778,219	19,644,561
	Jan-23	11,187	0	0	0.00	11,187	19,655,748
	Feb-23	8,687	0	0	0.00	8,687	19,664,435
	Mar-23	4,313	0	500,000	0.65	504,313	20,168,748
	Apr-23	3,781	0	0	0.00	3,781	20,172,529
	May-23	3,781	0	0	0.00	3,781	20,176,309
	Jun-23	25,593	0	2,000,000	1.87	2,025,593	22,201,903
	Jul-23	10,843	0	1,000,000	1.01	1,010,843	23,212,746
	Aug-23	8,260	0	500,000	0.85	508,260	23,721,006
Year 2	Sep-23	3,656	0	0	0.00	3,656	23,724,662
	Oct-23	3,656	0	0	0.00	3,656	23,728,318
	Nov-23	3,670	0	250,000	2.11	253,670	23,981,988
	Dec-23	3,781	0	750,000	0.20	753,781	24,735,769
	Jan-24	7,093	0	0	0.00	7,093	24,742,862
	Feb-24	5,906	0	1,000,000	0.91	1,005,906	25,748,768
	Mar-24	2,791	0	0	0.00	2,791	25,751,559
	Apr-24	2,791	0	0	0.00	2,791	25,754,351
	May-24	2,791	0	0	0.00	2,791	25,757,142
	Jun-24	2,781	0	1,249,000	0.40	1,251,781	27,008,923
	Jul-24	6,312	0	500,000	2.13	506,312	27,515,235
	Aug-24	2,448	0	0	0.00	2,448	27,517,683
Year 3	Sep-24	1,951	0	1,249,000	1.25	1,250,951	28,768,633

Wells Fargo Securities

Cash Flow Projections - Continued

Time Period	Date	Interest (\$)	Call (\$)	Maturity (\$)	Run Off Yield (%)	Monthly Total (\$)	Cumulative Total (\$)
	Oct-24	438	0	0	0.00	438	28,769,071
	Nov-24	438	0	0	0.00	438	28,769,508
	Dec-24	438	0	0	0.00	438	28,769,946
	Jan-25	1,625	0	0	0.00	1,625	28,771,571
	Feb-25	938	0	500,000	0.35	500,938	29,272,508
	Mar-25	375	0	0	0.00	375	29,272,883
	Apr-25	375	0	0	0.00	375	29,273,258
	May-25	375	0	0	0.00	375	29,273,633
	Jun-25	375	0	0	0.00	375	29,274,008
	Jul-25	1,673	0	250,000	0.55	251,673	29,525,682
	Aug-25	260	0	0	0.00	260	29,525,942
Year 4	Sep-25	260	0	0	0.00	260	29,526,203
	Oct-25	260	0	0	0.00	260	29,526,463
	Nov-25	260	0	0	0.00	260	29,526,723
	Dec-25	260	0	0	0.00	260	29,526,984
	Jan-26	1,448	0	0	0.00	1,448	29,528,432
	Feb-26	260	0	0	0.00	260	29,528,692
	Mar-26	260	0	250,000	0.50	250,260	29,778,953
	Apr-26	156	0	0	0.00	156	29,779,109
	May-26	156	0	0	0.00	156	29,779,265
	Jun-26	156	0	0	0.00	156	29,779,421
	Jul-26	1,344	0	500,000	0.85	501,344	30,280,765
	Aug-26	0	0	0	0.00	0	30,280,765
Year 5	Sep-26	0	0	0	0.00	0	30,280,765

Wells Fargo Securities



Scottsdale USD Property & Casualty

Analysis Date: 10/6/2021
Portfolio as of: 9/30/2021
Market Data as of: 9/30/2021

Tyler Tayrien

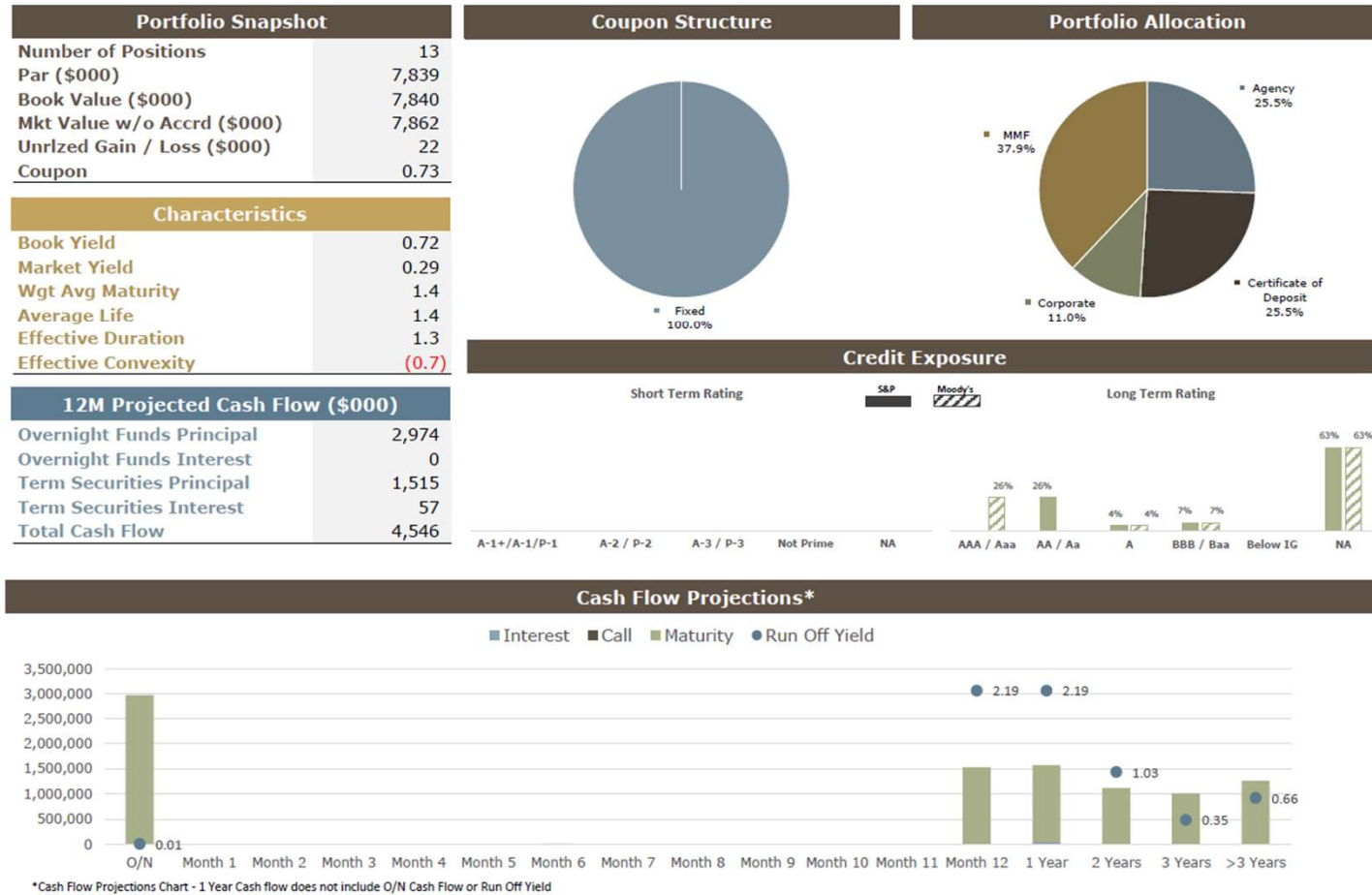
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Portfolio Summary



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

Cash Flow Projections

Time Period	Date	Interest (\$)	Call (\$)	Maturity (\$)	Run Off Yield (%)	Monthly Total (\$)	Cumulative Total (\$)
O/N		1	0	2,974,495	0.01	2,974,495	2,974,495
	Oct-21	292	0	0	0.00	292	2,974,787
	Nov-21	5,510	0	0	0.00	5,510	2,980,298
	Dec-21	4,042	0	0	0.00	4,042	2,984,339
	Jan-22	292	0	0	0.00	292	2,984,631
	Feb-22	1,354	0	0	0.00	1,354	2,985,985
	Mar-22	16,903	0	0	0.00	16,903	3,002,888
	Apr-22	292	0	0	0.00	292	3,003,180
	May-22	5,510	0	0	0.00	5,510	3,008,690
	Jun-22	4,042	0	0	0.00	4,042	3,012,732
	Jul-22	292	0	0	0.00	292	3,013,023
	Aug-22	1,354	0	0	0.00	1,354	3,014,378
Year 1	Sep-22	16,903	0	1,515,000	2.19	1,531,903	4,546,280
	Oct-22	292	0	0	0.00	292	4,546,572
	Nov-22	5,510	0	350,000	2.72	355,510	4,902,083
	Dec-22	4,042	0	0	0.00	4,042	4,906,124
	Jan-23	292	0	0	0.00	292	4,906,416
	Feb-23	1,354	0	250,000	0.30	251,354	5,157,770
	Mar-23	292	0	0	0.00	292	5,158,062
	Apr-23	292	0	0	0.00	292	5,158,353
	May-23	479	0	0	0.00	479	5,158,833
	Jun-23	4,042	0	0	0.00	4,042	5,162,874
	Jul-23	292	0	0	0.00	292	5,163,166
	Aug-23	978	0	500,000	0.20	500,978	5,664,144
Year 2	Sep-23	208	0	0	0.00	208	5,664,352
	Oct-23	208	0	0	0.00	208	5,664,560
	Nov-23	396	0	0	0.00	396	5,664,956
	Dec-23	3,958	0	0	0.00	3,958	5,668,915
	Jan-24	208	0	0	0.00	208	5,669,123
	Feb-24	896	0	0	0.00	896	5,670,019
	Mar-24	208	0	0	0.00	208	5,670,227
	Apr-24	208	0	0	0.00	208	5,670,435
	May-24	396	0	0	0.00	396	5,670,831
	Jun-24	3,958	0	0	0.00	3,958	5,674,790
	Jul-24	213	0	250,000	0.35	250,213	5,925,003
	Aug-24	828	0	750,000	0.35	750,828	6,675,830
Year 3	Sep-24	0	0	0	0.00	0	6,675,830

Wells Fargo Securities

Cash Flow Projections - Continued

Time Period	Date	Interest (\$)	Call (\$)	Maturity (\$)	Run Off Yield (%)	Monthly Total (\$)	Cumulative Total (\$)
	Oct-24	0	0	0	0.00	0	6,675,830
	Nov-24	188	0	250,000	0.30	250,188	6,926,018
	Dec-24	3,750	0	0	0.00	3,750	6,929,768
	Jan-25	0	0	0	0.00	0	6,929,768
	Feb-25	0	0	0	0.00	0	6,929,768
	Mar-25	0	0	0	0.00	0	6,929,768
	Apr-25	0	0	0	0.00	0	6,929,768
	May-25	0	0	0	0.00	0	6,929,768
	Jun-25	3,750	0	0	0.00	3,750	6,933,518
	Jul-25	0	0	0	0.00	0	6,933,518
	Aug-25	0	0	0	0.00	0	6,933,518
Year 4	Sep-25	0	0	0	0.00	0	6,933,518
	Oct-25	0	0	0	0.00	0	6,933,518
	Nov-25	3,125	0	1,000,000	0.75	1,003,125	7,936,643
	Dec-25	0	0	0	0.00	0	7,936,643
	Jan-26	0	0	0	0.00	0	7,936,643
	Feb-26	0	0	0	0.00	0	7,936,643
	Mar-26	0	0	0	0.00	0	7,936,643
	Apr-26	0	0	0	0.00	0	7,936,643
	May-26	0	0	0	0.00	0	7,936,643
	Jun-26	0	0	0	0.00	0	7,936,643
	Jul-26	0	0	0	0.00	0	7,936,643
	Aug-26	0	0	0	0.00	0	7,936,643
Year 5	Sep-26	0	0	0	0.00	0	7,936,643

Wells Fargo Securities



Scottsdale USD Workers Compensation

Analysis Date: 10/6/2021
Portfolio as of: 9/30/2021
Market Data as of: 9/30/2021

Tyler Tayrien

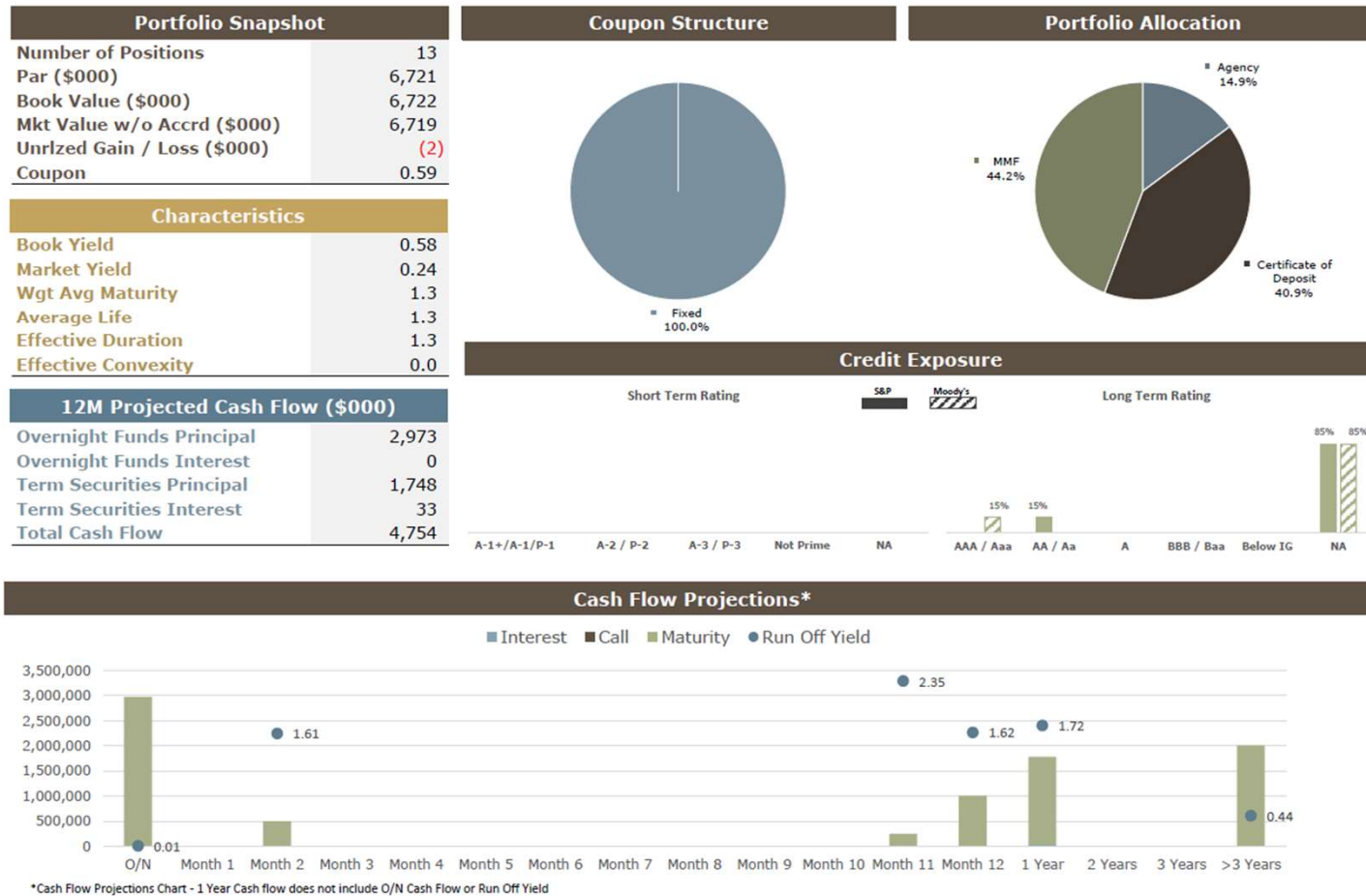
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Portfolio Summary



Cash Flow Projections

Time Period	Date	Interest (\$)	Call (\$)	Maturity (\$)	Run Off Yield (%)	Monthly Total (\$)	Cumulative Total (\$)
O/N		1	0	2,972,749	0.01	2,972,750	2,972,750
	Oct-21	1,302	0	0	0.00	1,302	2,974,052
	Nov-21	1,280	0	500,000	1.61	501,280	3,475,332
	Dec-21	635	0	0	0.00	635	3,475,968
	Jan-22	635	0	0	0.00	635	3,476,603
	Feb-22	4,112	0	0	0.00	4,112	3,480,715
	Mar-22	9,135	0	0	0.00	9,135	3,489,850
	Apr-22	635	0	0	0.00	635	3,490,486
	May-22	635	0	0	0.00	635	3,491,121
	Jun-22	635	0	0	0.00	635	3,491,757
	Jul-22	635	0	0	0.00	635	3,492,392
	Aug-22	4,112	0	248,000	2.35	252,112	3,744,504
Year 1	Sep-22	9,135	0	1,000,000	1.62	1,009,135	4,753,639
	Oct-22	635	0	0	0.00	635	4,754,275
	Nov-22	635	0	0	0.00	635	4,754,910
	Dec-22	635	0	0	0.00	635	4,755,546
	Jan-23	635	0	0	0.00	635	4,756,181
	Feb-23	1,198	0	0	0.00	1,198	4,757,379
	Mar-23	635	0	0	0.00	635	4,758,014
	Apr-23	635	0	0	0.00	635	4,758,650
	May-23	635	0	0	0.00	635	4,759,285
	Jun-23	635	0	0	0.00	635	4,759,921
	Jul-23	635	0	0	0.00	635	4,760,556
	Aug-23	1,198	0	0	0.00	1,198	4,761,754
Year 2	Sep-23	635	0	0	0.00	635	4,762,389
	Oct-23	635	0	0	0.00	635	4,763,025
	Nov-23	635	0	0	0.00	635	4,763,660
	Dec-23	635	0	0	0.00	635	4,764,296
	Jan-24	635	0	0	0.00	635	4,764,931
	Feb-24	1,198	0	0	0.00	1,198	4,766,129
	Mar-24	635	0	0	0.00	635	4,766,764
	Apr-24	635	0	0	0.00	635	4,767,400
	May-24	635	0	0	0.00	635	4,768,035
	Jun-24	635	0	0	0.00	635	4,768,671
	Jul-24	635	0	0	0.00	635	4,769,306
	Aug-24	1,198	0	0	0.00	1,198	4,770,504
Year 3	Sep-24	635	0	0	0.00	635	4,771,139

Wells Fargo Securities

Cash Flow Projections - Continued

Time Period	Date	Interest (\$)	Call (\$)	Maturity (\$)	Run Off Yield (%)	Monthly Total (\$)	Cumulative Total (\$)
	Oct-24	635	0	0	0.00	635	4,771,775
	Nov-24	635	0	0	0.00	635	4,772,410
	Dec-24	635	0	0	0.00	635	4,773,046
	Jan-25	635	0	0	0.00	635	4,773,681
	Feb-25	1,198	0	0	0.00	1,198	4,774,879
	Mar-25	635	0	0	0.00	635	4,775,514
	Apr-25	635	0	0	0.00	635	4,776,150
	May-25	635	0	0	0.00	635	4,776,785
	Jun-25	635	0	0	0.00	635	4,777,421
	Jul-25	635	0	250,000	0.40	250,635	5,028,056
	Aug-25	1,115	0	1,750,000	0.44	1,751,115	6,779,171
Year 4	Sep-25	0	0	0	0.00	0	6,779,171

Wells Fargo Securities

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, treasuries, 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 parallel 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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