

**MINUTES OF THE SELF-INSURANCE TRUST BOARD MEETING
SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
Ed Center, Room - Old Main, 7575 E. Main St., Scottsdale, AZ 85251
May 28, 2026, at 4:00 PM**

The Self-Insurance Trust meeting was called to order at **4:04** pm on May 28, 2026.

I. Call to Order – Shannon Crosier, Trust Board Administrator called the meeting to order.

II. Roll Call-

The Board Trustees in attendance were, Shannon Crosier, Trust Board Administrator, Mike Sharkey Trustee and Governing Board Vice President, & Kathy Steadman.

A quorum was present.

Absent: John Carey Trustee, Craig Hazeltine Trustee

Approval of Agenda- Kathy Steadman moved to approve the agenda as presented, Mike Sharkey seconded the motion. The motion was approved with a vote of 3-0.

Public Comments – There were no public comments

INFORMATION/DISCUSSION AND POSSIBLE ACTION

- A. Approval of SUSD Self-Insurance Trust Minutes of March 12, 2026, Meeting. - Action
No discussion, Minutes stand as submitted.

Mike Sharkey Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of March 12, 2026. Kathy Steadman Seconded the motion. The motion was approved with a vote of 3 - 0.

- B. Approval of Proposed Self-Insurance Trust Board Meeting Dates 2026-2027 – Action

Kathy Steadman Moved to Approve the Proposed Self-Insurance Trust Board Meeting Dates for 2026-2027. Mike Sharkey Seconded the motion. The motion was approved with a vote of 3 - 0.

- C. Approval of Worker's Compensation Premium July 1, 2026 – June 30, 2027, CAF – Action
Jessica Schuler presented the information for the Worker's Compensation Premium.

Mike Sharkey Moved to Approve Worker's Compensation Premium FY26/27. Shannon Crosier Seconded the motion. The motion was approved with a vote of 3-0.

- D. Approval of Property and Casualty Premium July 1, 2026 – June 30, 2027, PAF – Action
Jessica Schuler presented the information for the Property and Casualty Premium.

Mike Sharkey Moved to Approve Property and Casualty Premium FY26/27. Shannon Crosier Seconded the motion. The motion was approved with a vote of 3-0.

- E. Property/Casualty/Workers Comp Claims Report (ARRT) – Information
Jessica Schuler from the Trust presented financial reports concerning Property/Casualty and Worker's Compensation.

25/26 Property and Liability Premium: \$ 2,877,769
25/26 Workers' Compensation Premium: \$ 877,348 (Est)
25/26 Health Benefits Premium: \$ 20,516,418 (Est)

- Total number of claims processed as of 4/30/2026: 76.
- Total incurred as of 4/30/2026: \$3,017,865

2026/2027 Trust Renewal Updates

- General/Professional Liability ~10.33%
- Auto Liability ~4.43%
- Property ~2.06%
- Cyber Liability ~3%

2026/2027 Trust Renewal Updates

- Trust Loyalty Credit (3%)
 - District is on track to receive approximately \$ 86,333
- 2026/2027 contribution estimate \$3,124,423
- 2025/2026 contribution: \$2,877,769
- 8.57% increase
- June 30: 26/27 renewal forms due to the Trust

2025/2026 Alliance Rating Retrospective Plan	Estimate	Actual (as of 4/30/26)
◦ Incurred Losses*	\$611,089	401,977
◦ Unallocated Loss Adjustment Expense*	\$132,017	86,805
◦ Administrative Expense	\$ 68,288	68,236
◦ Excess Insurance and Tax Expense	\$ 47,331	47,378
◦ Contribution to Net Position*	<u>\$ 18,358</u>	<u>18,623</u>
◦ Total	\$877,348	\$622,919

*Based on actual payroll, to be reported in July 2026 *Loss rated at 90%

Alliance Rating Retrospective Plan

- As of 4/30/2026, the district is trending at 71% 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 2026.

Alliance Contribution History

Year	Rating Model	Contribution Valued as of 4/30/2026	Retro Contribution: Original Estimate
2025/2026	Retrospectively Rated	*622,919	877,348
2024/2025	Retrospectively Rated	*1,313,814	969,937
2023/2024	Retrospectively Rated	*760,946	913,306
2022/2023	Retrospectively Rated	*761,868	914,446
2021/2022	Retrospectively Rated	*876,697	927,440
2020/2021	Retrospectively Rated	643,014	860,358
2019/2020	Guaranteed Cost	433,325	839,973
2018/2019	Guaranteed Cost	958,573	N/A

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

PPA/TIP Balance

- Trust Prepaid Account Balance as of 3/31/2026 - \$ 206,000
- Trust Investment Pool Balance as of 3/31/2026 - \$ 47,497

F. Medical Claims/Financial Reports – Information 7/1/2025 – 1/31/2026

Josh Landis and Elizabeth Vesely presented financial and health reports from Kairos Health Arizona Plan Overview

- 1,729 Employees prior 1,815
- 2,269 Participants prior 2,412
- 41 Average Age prior 43
- 1.3 Average Family Size Prior 1.3
- 64% Female and 36% Male
- Medical Plan Spend 13% increase over 24/25
- Pharmacy Spend 12% increase from 24/25

Top 5 Providers: Honor Health, Mayo Clinic Arizona, Alabama Infusion, Banner University Medical Center, Banner Desert Medical,

- #1 Condition – Cancer 25/26 \$1,342,377 and 24/25 at \$941,848

Top 5 Conditions

- Cancer, Neurological disorders, Health Status/Encounters, Musculoskeletal disorders, Gastrointestinal Disorders

Plan Cost & Network Utilization

- 2025-2026: \$629 PMPM
- 2024-2025 \$520/ Benchmark: \$584

Prescription Spend

- Top 5 Traditional: Neuromuscular, Immunomodulatory Agent, Diabetes (2), Immunosuppressant
- Top 5 Drugs: Spinraza, Pomalyst, Mounjaro, Skyrizi on body, Ozempic

Large Claimants – 25/26 - 55% over \$50K

- Vascular Cancer, Neurological Disorder (3), Brain Cancer, Renal/Urologic Disorder, Cardiac, Ovarian Cancer, Trauma/Accidents

Preventive Screenings

- Colorectal Cancer Screen 45+ 5 Point Increase
- Cervical Cancer Screen 21+ 1 Point Decrease
- Flu Vaccine 1 Point Decrease
- Mammography Screen 40+ 2 Point Increase
- EAP Utilization – ComPsych Service – 123 total member engagement (7/1/25-4/30/26)
 - Counseling/Behavioral Health:
 - Family source
 - Financial Connect
 - Health and Well-Being
 - Legal Connect
- Aware Health Telehealth Physical Therapy – 125 SUSL members have used Aware Health, totaling 743 visits.
 - Prior to Using Aware Health – 55 members considered surgery, 49 members considered imaging, 94 considered in-person physical therapy.
 - By choosing Aware Health, an estimated: \$570,453 was avoided in surgery costs, \$12,000 was avoided in imaging costs, \$44,681 was avoided in-person physical therapy costs.
 - Estimated YTD Savings Impact = \$627,134
- Customer Service – 36 Total Participants Assisted
 - Enrollment 1
 - COBRA 3
 - Claims 1
 - ID Cards 3
 - Benefits 14
 - Nurse Navigator 7

Executive Summary

○ Highlights

- Medical claim spend has increased by 13%
- Pharmacy claims show a 12% increase
- Cancer related claims have reduced by \$1.1M over last plan year.
- Updates -All Kairos vendors have been notified of SUSD termination 6/30/2026.

G. Trust Financial Update – Information

Shannon Crosier presented the Checking and Investments Accounts for Fiscal Year 2025-2026 as of April 30, 2026

- Total Ending Balance in each of the three Checking accounts as of April 30, 2026:

○ Medical	\$ 20,949,537.61
○ Property/Casualty	\$ 2,764,439.00
○ Workman's Comp	\$ (108,534.52)
○ TOTAL	\$ 23,605,442.09

- Total in each of the three Investment accounts as of April 30, 2026:

○ Medical	\$ 408,157.95
○ Property/Casualty	\$ (1,266,229.60)
○ Workman's Comp	\$ 2,924.40
○ TOTAL	\$ (855,147.25)

- Total All Accounts as of April 30, 2026:

○ Medical	\$ 21,357,695.56
○ Property/Casualty	\$ 1,498,209.40
○ Worker's Comp.	\$ (105,610.12)
○ TOTAL	\$ 22,750,294.84

Tyler Tayrien from Wells Fargo presented the Financial Market Investment Update.

Three investment accounts as of 4/30/2026

- Medical - 18 Securities/Accounts – 17,961 million (3.52% Book Yield & Market Yield 3.76%)
 - Unrealized Loss (\$27) without accrued Interest.
 - Cash Flow 12,790,000
- Property and Casualty – 1 Securities/Accounts – 1.583 million Portfolio Size (3.56% Book Yield & Market Yield 3.56%)
 - Unrealized 0 without accrued Interest.
 - Cash Flow \$1,583,000
- Worker's Compensation - 2 Securities/Accounts – 7,354 million (3.68% Book Yield & Market Yield 3.66%)
 - Unrealized Gain 1 without accrued Interest.
 - Cash Flow \$7,442,000

H. Future Agenda Items – No items discussed.

I. Dates of Upcoming Meetings – (Pending Board Approval) – September 17, 2026, December 10, 2026, March 4, 2027, June 3, 2027

I. Adjournment –

At 4:51 pm, Mike Sharkey Moved to adjourn the meeting. Shannon Crosier Seconded the motion. The motion was approved with a vote of 3 – 0.

Dated this 28th day of May 2026.