West Virginia Board of Risk and Insurance Management
(an Enterprise Fund of the State of West Virginia)

Financial Statements, Required Supplementary Information and Other Supplementary Information

Years Ended June 30, 2021 and 2020

DHG

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Independent Auditors' Report

Board of Directors and Management
West Virginia Board of Risk and Insurance Management
Charleston, WV

Report on the Financial Statements

We have audited the accompanying financial statements of the West Virginia Board of Risk and Insurance Management (BRIM), an enterprise fund of the State of West Virginia, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise BRIM's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BRIM, an enterprise fund of the State of West Virginia, as of June 30, 2021 and 2020, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements of BRIM are intended to present the financial position, and the changes in financial position and cash flows of only that portion of the business type activities of the State of West Virginia that is attributable to the transactions of BRIM. They do not purport to, and do not present fairly the financial position of the State of West Virginia as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 to 9 and the required supplementary information on pages 58 to 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Financial Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise BRIM's basic financial statements. The accompanying schedules on pages 66 through 73 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated October 8, 2021, on our consideration of BRIM's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BRIM's internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

Charleston, WV
October 8, 2021

Management's Discussion and Analysis
(in thousands)

Management's Discussion and Analysis (in thousands)

Overview of the financial statements

Management of the West Virginia Board of Risk and Insurance Management (BRIM) provides this Management's Discussion and Analysis for readers of BRIM's financial statements. This narrative overview of the financial activities of BRIM is for the years ended June 30, 2021, 2020, and 2019. BRIM provides property and casualty insurance to the State of West Virginia (the State) agencies and Senate Bill 3 (SB3) entities, which include boards of education and governmental and nonprofit organizations. In addition, BRIM provides cyber insurance to State agencies and boards of education. BRIM also administers a coal mine subsidence reinsurance program that makes available to the general public dwelling insurance covering damage caused by the collapse of underground coal mines.

As an enterprise fund, BRIM's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for governmental entities. The three basic financial statements presented are as follows:

- *Statement of Net Position -* This statement presents information reflecting BRIM's assets, liabilities and net position and is categorized into current and noncurrent assets and liabilities. For purposes of the financial statements, current assets and liabilities are those assets and liabilities with immediate liquidity or that are collectible or becoming due within 12 months of the statement's date.

  The statement of net position reports a separate financial statement element called *deferred outflows of resources.* This financial statement element represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense) until that time. The statement of net position reports a separate financial statement element called *deferred inflows of resources.* This financial statement element represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time.

- *Statement of Revenues, Expenses and Changes in Net Position -* This statement reflects the operating and nonoperating revenues and expenses for the operating year. Operating revenues primarily consist of premium income with major sources of operating expenses being claims loss and loss adjustment expense and general and administrative expenses. Nonoperating revenues primarily consist of investment income and funds transferred in/out as a result of various legislation.

- *Statement of Cash Flows -* The statement of cash flows is presented on the direct method of reporting, which reflects cash flows from operating, noncapital financing and investing activities. Cash collections and payments are reflected on this statement to arrive at the net increase or decrease in cash and cash equivalents for the year.

(in thousands)

Financial highlights

The following tables summarize the statements of net position and changes in net position as of and for the years ended June 30, 2021, 2020, and 2019:

	2021	2020	2019	Change 2021 - 2020 Amount	Change 2021 - 2020 Percent	Change 2020 - 2019 Amount	Change 2020 - 2019 Percent
Cash and cash equivalents	**$ 30,131**	$ 42,079	$ 46,278	$ (11,948)	(28.4)%	$ (4,199)	(9.1)%
Advance deposits with carrier/trustee	**251,189**	264,014	224,786	(12,825)	(4.9)	39,228	17.5
Receivables	**2,856**	4,186	4,335	(1,330)	(31.8)	(149)	(3.4)
Total current assets	**284,176**	310,279	275,399	(26,103)	(8.4)	34,880	12.7
Noncurrent investments	**194,840**	164,662	158,696	30,178	18.3	5,966	3.8
Total assets	**479,016**	474,941	434,095	4,075	0.9	40,846	9.4
Total deferred outflows of resources	**553**	299	438	254	84.9	(139)	(31.7)
Estimated unpaid claims and claims adjustment expense	**61,326**	69,336	62,656	(8,010)	(11.6)	6,680	10.7
Unearned premiums	**10,079**	9,664	10,179	415	4.3	(515)	(5.1)
Agent commissions payable	**1,462**	1,486	1,514	(24)	(1.6)	(28)	(1.8)
Accrued expenses	**359**	440	1,038	(81)	(18.4)	(598)	(57.6)
Total current liabilities	**73,226**	80,926	75,387	(7,700)	(9.5)	5,539	7.3
Estimated unpaid claims and claims adjustment expense, net of current portion	**128,270**	135,460	128,322	(7,190)	(5.3)	7,138	5.6
Compensated absences	**172**	150	124	22	14.7	26	21.0
Net pension liability	**533**	214	249	319	149.1	(35)	(14.1)
Net other post-employment benefits liability	**113**	391	470	(278)	(71.1)	(79)	(16.8)
Total noncurrent liabilities	**129,088**	136,215	129,165	(7,127)	(5.2)	7,050	5.5
Total liabilities	**202,314**	217,141	204,552	(14,827)	(6.4)	12,589	6.2
Total deferred inflows of resources	**386**	316	309	70	22.2	7	2.3
Net position:							
Restricted	**80,155**	78,617	72,466	1,539	2.0	6,151	8.5
Unrestricted	**196,714**	179,166	157,206	17,548	9.8	21,960	14.0
Net position	**$ 276,869**	$ 257,783	$ 229,672	$ 19,086	7.4%	$ 28,111	12.2%

	2021	2020	2019	Change 2021 - 2020 Amount	Change 2021 - 2020 Percent	Change 2020 - 2019 Amount	Change 2020 - 2019 Percent
Premiums	**$ 83,238**	$ 82,567	$ 83,301	$ 671	0.8%	$ (734)	(0.9)%
Less excess coverage	**(4,438)**	(6,915)	(6,627)	2,477	(35.8)	(288)	4.3
Net operating revenues	**78,800**	75,652	76,674	3,148	4.2	(1,022)	(1.3)
Claims and claims adjustment expense	**70,259**	65,349	80,169	4,910	7.5	(14,820)	(18.5)
General and administrative	**4,811**	5,034	4,519	(223)	(4.4)	515	11.4
Total operating expenses	**75,070**	70,383	84,688	4,687	6.7	(14,305)	16.9
Operating income (loss)	**3,730**	5,269	(8,014)	(1,539)	(29.2)	13,283	(165.7)
Nonoperating revenues:							
Investment income	**28,845**	22,818	21,044	6,027	26.4	1,774	8.4
Legislative appropriation to the State	**(13,500)**	-	-	(13,500)	100.0	-	100.0
OPEB nonoperating income	**11**	24	30	(13)	(54.2)	(6)	(20.0)
Total nonoperating revenues, net	**15,356**	22,842	21,074	(7,486)	(32.8)	1,768	8.4
Changes in net position	**19,086**	28,111	13,060	(9,025)	(32.1)	15,051	115.2
Total net position - beginning	**257,783**	229,672	216,612	28,111	12.2	13,060	6.0
Total net position - end	**$ 276,869**	$ 257,783	$ 229,672	$ 19,086	7.4%	$ 28,111	12.2%
Total revenues	**$ 94,156**	$ 98,494	$ 97,748	$ (4,338)	(4.4)%	$ 746	0.8%
Total expenses	**$ 75,070**	$ 70,383	$ 84,688	$ 4,687	6.7%	$ (14,305)	(16.9)%

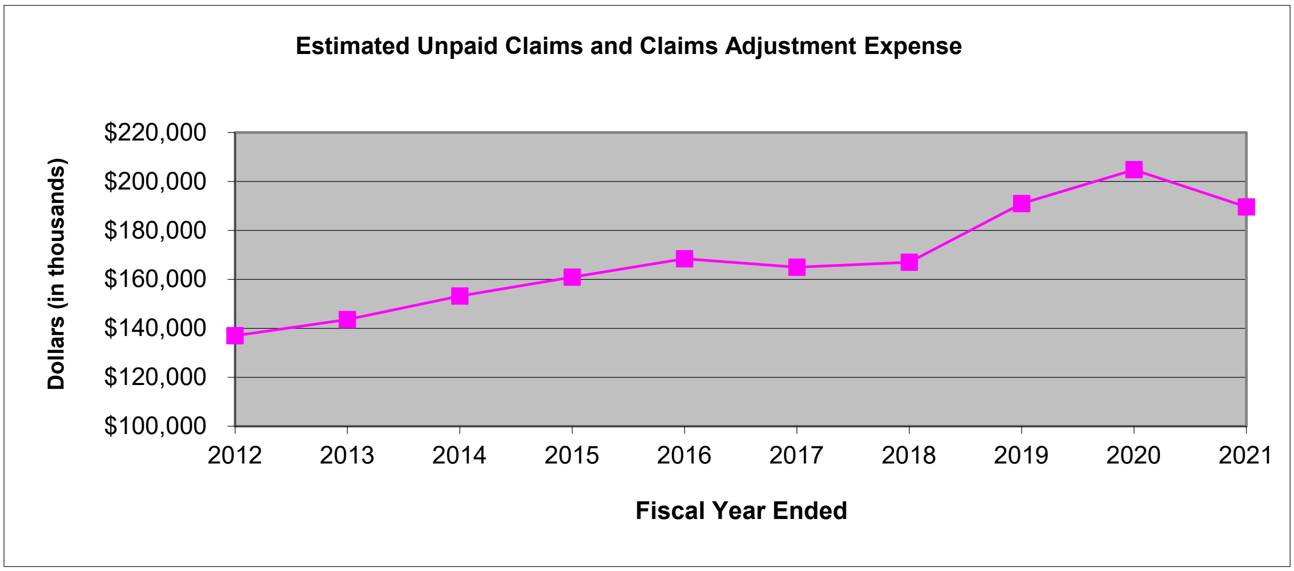
- Total assets increased by $4,075 in 2021 and increased by $40,846 in 2020. The increase in 2021 is the result of an improvement of returns on noncurrent investments that were partially offset by a decrease in advance deposits and a decrease in cash and cash equivalents. Additional cash was held in 2020 and increased deposits were made to the trustee. The increase in noncurrent assets can be attributed to investment returns during the year.
- Total liabilities decreased by $14,827 in 2021 and increased by $12,589 in 2020. Decreases in unpaid claims, accrued expenses and other liabilities are the components of this decrease for the current year. The impact of a number of large claims related to several earlier years for one insured were paid out in 2021, resulting in the decrease. The coronavirus (COVID-19) pandemic had an impact on the increase in outstanding reserves in 2020. Claims settlement activity slowed in the fourth quarter and the litigation of claims was delayed due to the courts being closed since mid-March. In 2020, an increase in the estimated incurred but not recorded claims total resulted in outstanding claims liabilities increasing versus 2019.
- The improvements in total net position of $19,086 in 2021 and $28,111 in 2020 were due to several factors. While premium revenue increased slightly in 2021 and our reinsurance expense decreased $2,477 resulting in an increase in an improvement to operating income for the year, claims and claims adjustment expense increased resulting in an overall smaller operating income. Investment income of $28,845 was driven by our equity investments and added to the operating income. This gain was offset in part by a transfer from the mine subsidence fund of $13,500 which was mandated by House Bill 2804 passed by the WV Legislature. The combination of these changes resulted in the change of net position of $19,086 for 2021. The increase in net position in 2020 was due to positive investment income offsetting an operating loss. Investment income of $22,818 was more than 2019. Deferred inflows and deferred outflows increased from 2020 to 2021 due to changes in pension activity for the year. In 2020 there was an increase in deferred inflows and a decrease in deferred outflows. Also included within the net position category are restricted positions of $80,155 in 2021, $78,617 in 2020, and $72,466 in 2019. This is comprised of funds that provide mine subsidence coverage to the general public per West Virginia Code.
- Total net operating revenues increased by $3,148 and decreased by $1,022 in 2020. The increase in projected claims losses in recent years has required BRIM to implement small increases in premium rates to policyholders.
- Claims and claims adjustment expense increased by $4,910 for 2021. Approximately $2.1 million of this increase resulted from the change in BOE excess liability coverage being self-funded beginning in 2021. Net claims and claims adjustment expense decreased by $14,820 in 2020. The coronavirus (COVID-19) pandemic slowed claims payment activity in the fourth quarter of 2020 with overall claims payment activity down $4,661. Claims expense also benefited from favorable claims development of several prior years resulting in a favorable impact of $7,331 and 4,460 for 2021 and 202 respectively. Net nonoperating revenues decreased by $7,486 in 2021 and increased by $1,768 in 2020. This decrease for 2021 was the result of the $13,500 transferred from them mine subsidence fund to the state general revenue fund because of House Bill 2804. Year over year investment returns for 2021 improved by $6,027 and improved by $1,774 for 2020.
- Total revenues and total expenses from 2021 to 2020 and from 2020 to 2019 have fluctuated due to alterations in premium rates, the changes in the retained loss estimates and the variations in annual investment market returns. See the analysis of these individual components, as previously discussed, for additional information.

Overall analysis

The overall net position of BRIM improved 7.4% from the prior year compared with an increase of 12.2% from 2019 to 2020. Reserves decreased in 2021 and investment earnings increased. The effect of the slight increase in premium revenue and better investment returns along with positive operating income resulted in an overall increase in net position for the year. Total net position at June 30, 2021 was $276,869 BRIM continues to improve its financial position and maintain a sound rating plan.

Unpaid Claims Liability

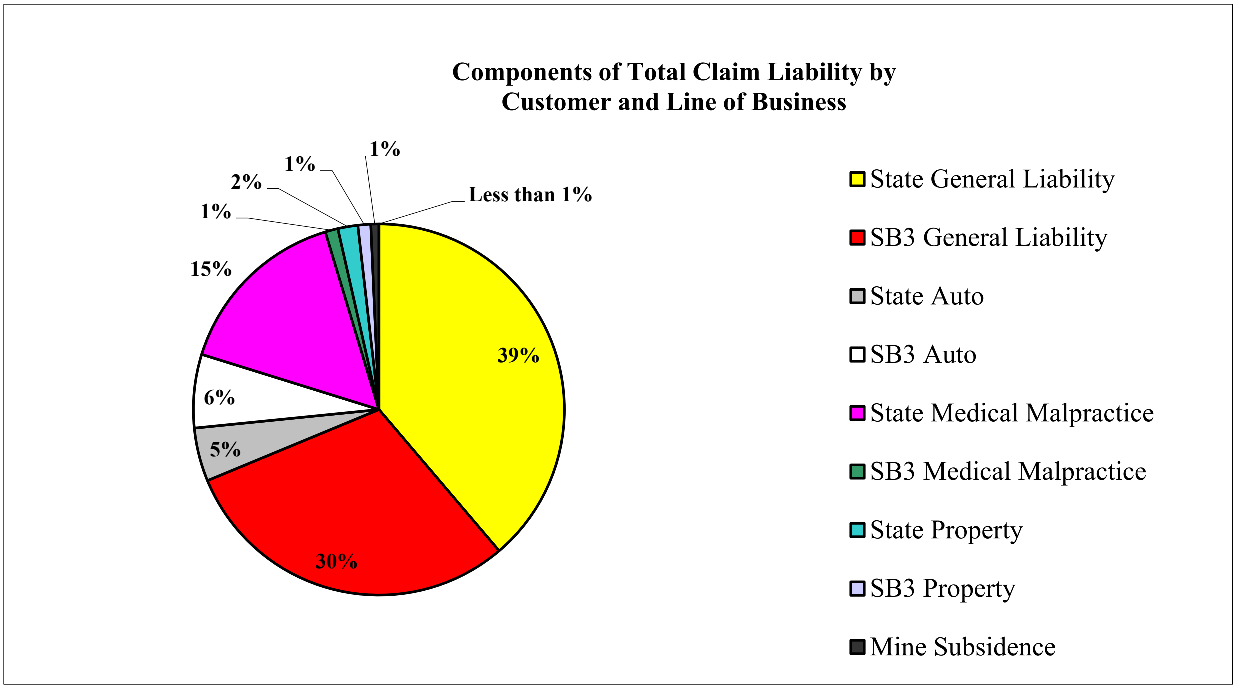
BRIM's most significant number on its statements of net position is the liability for estimated unpaid claims and claims adjustment expense. This liability consists of two parts: claims of which BRIM is aware that have been reserved and incurred but not reported (IBNR) claims, which are projected by an independent actuary. For 2021, year over year actual reserves decreased by $10,700 while the projected IBNR total decreased by $4,442. Favorable claims development for the current year and several prior years' reserves resulted in the combined decrease in 2021 of $15,200. From fiscal year 2020 to 2021, the liability for unpaid claims decreased from $204,796 to $189,596, respectively. The chart below shows the estimated unpaid claims and claims adjustment expense liability for fiscal years 2012 through 2021.



Results by Line of Business for BRIM

BRIM's lines of business are comprised of the State (state agencies), SB3 (for nonprofits, boards of education and other governmental units) and mine subsidence (for home and business owners).

The following chart shows the breakdown by customer and line of business of the total estimated claim liability number, which is $189,596. As demonstrated in the chart, the largest claim volume for BRIM relates to general liability for the State agencies and SB3 programs and the State agencies' medical malpractice coverage.



There is no long-term debt activity.

Economic factors and next year's rates

<u>Management's Plan to Maintain Net Position by Line of Business</u>

BRIM has had no deficiency in net position for the programs it has overseen for several years. Previously, however, a deficiency arose, primarily due to adverse claim development in the general liability and medical malpractice lines of business for the State and SB3. The following paragraphs describe the essential plans that BRIM continues to follow to ensure that all lines of business remain fiscally solvent and that the individual programs are financially sound.

<u>Risk Management</u>

BRIM continues pursuing an aggressive risk management plan to help identify the risks underlying the adverse losses that occurred in earlier years. Processes are in place to allow for better organization and for proper documentation of activities. BRIM has been working on ways to increase and improve communications, both within the agency and with its customers, and has been promoting interaction within the agency with regard to loss control utilization. In conjunction with the underwriting department, a system of credits and surcharges is in place, based on loss control efforts and cooperation, or lack thereof, on the part of BRIM's insurers.

Investment Returns

Investment income increased this fiscal year due to better than expected equity returns. This follows positive returns in 2020, which were higher than the returns in 2019. In 2021 market conditions were much more favorable for stocks than fixed income investments. 2020's increase from the returns of 2019 was due primarily to fixed income losses offsetting the returns in equities markets. All BRIM funds held by the West Virginia Investment Management Board (WVIMB) inure to the benefit of program participants. BRIM reinvests the investment earnings on funds held by the WVIMB and occasionally withdraws monies from these funds, as needed, for operating and short-term cash requirements. BRIM had no withdrawals from the WVIMB in 2021 or 2020.

Premium Determination Process

BRIM has properly maintained premiums across all lines of business for the past several years based on relevant exposure data, claims loss history and investment returns. Charging proper premiums, consistent with the commercial industry, has enabled BRIM to adequately cover losses. Adverse claims development for several prior years resulted in a significant addition to prior years' reserves in 2021, increasing retained reserves and negatively impacting operating results but not as much as in 2020. Fiscal years 2020 saw negative operating income due to an increase in claims and claims adjustment expense over 2019. The fiscal year 2019 saw positive net operating results that benefited from prior years' reserve releases.

In addition, BRIM adopted a net assets reserve policy in 2014. The policy calculates a ratio of premiums to net position for comparison to a selected group of organizations with similar insurance operations. A range was established to assist BRIM's board in assessing BRIM's overall financial condition.

Economic conditions and other matters

As of March 2020, globally all sectors of industry were affected by the health crisis caused by the coronavirus (COVID-19), a respiratory disease declared to be a pandemic by the World Health Organization. This continued in FY21. Companies have undertaken and are generally in the process of making a diverse range of operational adjustments in response to the effects of COVID-19. Many states issued Stay-At-Home Orders, closed public spaces, and medical facilities delayed non-emergency procedures. Each of these steps were implemented as a measure of public safety and to prevent the healthcare sector from being overwhelmed with more patients than capacity would allow. The of COVID-19 virus continues to disrupt the economy although not as greatly as FY20.

Requests for information

This financial report is designed to provide BRIM's customers, governing officials, legislators, citizens and taxpayers with a general overview of BRIM's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Office of the Chief Financial Officer at (304) 766-2646.

Basic Financial Statements
(in thousands)

West Virginia Board of Risk and Insurance Management
Statements of Net Position
June 30, 2021 and 2020
(in thousands)

	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ **18,911**	$ 21,271
Advance deposits with insurance company and trustee	**251,189**	264,014
Receivables	**1,672**	3,052
Restricted cash and cash equivalents	**11,220**	20,808
Restricted receivables:		
Premiums due from other entities	**1,184**	1,134
Total current assets	**284,176**	310,279
Noncurrent assets:		
Equity position in investment pools	**123,512**	104,382
Restricted investments	**71,328**	60,280
Total noncurrent assets	**194,840**	164,662
Total assets	**479,016**	474,941
DEFERRED OUTFLOWS OF RESOURCES		
Pension	**438**	215
Other post-employment benefits	**115**	84
Total deferred outflows of resources	**553**	299
LIABILITIES		
Current liabilities:		
Estimated unpaid claims and claims adjustment expense	**61,326**	69,336
Unearned premiums	**10,079**	9,664
Agent commissions payable	**1,462**	1,486
Accrued expenses and other liabilities	**359**	440
Total current liabilities	**73,226**	80,926
Estimated unpaid claims and claims adjustment expense, net of current portion	**128,270**	135,460
Compensated absences	**172**	150
Net pension liability	**533**	214
Net post-employment benefits liability	**113**	391
Total noncurrent liabilities	**129,088**	136,215
Total liabilities	**202,314**	217,141
DEFERRED INFLOWS OF RESOURCES		
Pension	**35**	145
Other post-employment benefits	**351**	171
Total deferred inflows of resources	**386**	316
NET POSITION		
Restricted by State code for mine subsidence coverage	**80,155**	78,617
Unrestricted	**196,714**	179,166
Net position	$ **276,869**	$ 257,783

See accompanying notes.

West Virginia Board of Risk and Insurance Management
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2021 and 2020
(in thousands)

	2021	2020
Operating revenues:		
Premiums	**$ 83,238**	$ 82,567
Less excess coverage/reinsurance premiums	**(4,438)**	(6,915)
Net operating revenues	**78,800**	75,652
Operating expenses:		
Claims and claims adjustment expense	**70,259**	65,349
General and administrative	**4,811**	5,034
Total operating expenses	**75,070**	70,383
Operating income	**3,730**	5,269
Nonoperating revenues (expenses):		
Investment income	**28,845**	22,818
Legislative appropriation to State of West Virginia	**(13,500)**	-
OPEB nonoperating income	**11**	24
Net nonoperating revenues	**15,356**	22,842
Increase in net position	**19,086**	28,111
Total net position, beginning of year	**257,783**	229,672
Total net position, end of year	**$ 276,869**	$ 257,783

See accompanying notes.

West Virginia Board of Risk and Insurance Management
Statements of Cash Flows
Years Ended June 30, 2021 and 2020
(in thousands)

	2021	2020
Operating activities:		
Receipts from customers	$ 80,544	$ 75,286
Payments to employees	(2,066)	(1,987)
Payments to suppliers	(2,960)	(3,591)
Payments to claimants	(85,459)	(51,531)
Deposits to advance deposit with insurance company and trustee	(73,026)	(88,747)
Withdrawals from advance deposit with insurance company and trustee	85,852	49,519
Net cash provided by (used in) operating activities	2,885	(21,051)
Noncapital financing activities		
Legislative appropriation to the State of West Virginia	(13,500)	-
Net cash used in noncapital financing activities	(13,500)	-
Investing activities:		
Purchase of investments	(39,517)	(21,222)
Sale of investments	39,515	21,119
Net investment earnings	(1,331)	16,955
Net cash (used in) provided by investing activities	(1,333)	16,852
Net decrease in cash and cash equivalents	(11,948)	(4,199)
Cash and cash equivalents, beginning of year	42,079	46,278
Cash and cash equivalents, end of year	$ 30,131	$ 42,079
Cash and cash equivalents consist of:		
Cash and cash equivalents	$ 18,911	$ 21,271
Restricted cash and cash equivalents	11,220	20,808
	$ 30,131	$ 42,079

See accompanying notes.

(in thousands)

	2021	2020
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income	**$ 3,730**	$ 5,269
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Pension and OPEB expense	**62**	247
Decrease (increase) in advanced deposits	**12,825**	(39,228)
Decrease in premiums receivable, net	**1,330**	149
(Decrease) increase in estimated liability for unpaid claims and claims adjustment expense	**(15,200)**	13,818
Decrease in other liabilities	**(83)**	(600)
Increase (decrease) in unearned premiums	**415**	(515)
Deferred outflows of resources - pension and OPEB contributions	**(194)**	(191)
Total adjustments	**(845)**	(26,320)
Net cash provided by (used in) operating activities	**$ 2,885**	$ (21,051)
Noncash activities:		
Increase in fair value of investments	**$ 30,176**	$ 5,863

See accompanying notes.

Notes to Financial Statements
(in thousands)

Notes to Financial Statements (in thousands)

1. General *(Amounts Referenced in this Note Related to Insurance Coverages are Actual Dollars)*

The West Virginia Board of Risk and Insurance Management (BRIM) was established in 1957 to provide for the development of the State of West Virginia's (the State and primary government) property and liability self-insurance program. Approximately 160 State agencies participate in the program. Beginning in 1980, county boards of education were authorized to participate in the liability portion of this program, with 55 county boards currently participating in the program. In fiscal year 1987, Senate Bill 3 (SB3) was enacted, allowing local governmental entities and nonprofit organizations to participate in the entire program. There are approximately 970 such entities participating in the program. In 1982, legislation was also enacted requiring BRIM to establish and administer a coal mine subsidence reinsurance program that makes available to the general public dwelling insurance covering damage up to a specific maximum caused by the collapse of underground coal mines.

BRIM operates under the authority granted by the Legislature in Chapter 29, Article 12, and Chapter 33, Article 30 of the West Virginia Code and the provisions of Executive Order 12-86. BRIM is an agency of the State operating within the Department of Administration and is governed by a five-person board of directors appointed by the Governor. Accordingly, BRIM is reported as an enterprise fund of the State, operating as a single business segment and is included in the State's Comprehensive Annual Financial Report.

BRIM uses a "modified" paid retrospective rating plan for its liability insurance program. Under the current plan, BRIM annually pays a "premium" deposit into a trust fund in the amount of the estimated losses for the current policy year. As claims are reported, they are paid from the trust funds established by the "premium" deposit. When paid losses exceed the amount of the "premium" deposit, including earnings, BRIM pays into the trust account an additional "premium" deposit estimated to be sufficient to fund any estimated remaining claims and claims adjustment expenses expected to be paid during the ensuing 12-month period. These payments are calculated through retrospective rating adjustments made subsequent to the current policy year. Therefore, the "premiums" paid by BRIM are advance deposits and BRIM is not indemnified by the insurance company for any losses. Under this plan, the insurance company is compensated for its claim-handling services by a fixed fee negotiated on a yearly basis.

From January 1, 1971 through June 30, 1976, the liability coverage provided by BRIM was limited to $25 thousand per occurrence on general liability, automobile liability and medical malpractice claims. From July 1, 1976 through June 30, 1980, the liability coverage provided by BRIM was limited to $100 thousand per occurrence. From July 1, 1982 through June 30, 1985, the liability coverage provided by BRIM was limited to $6 million per occurrence. Since July 1, 1985, the liability coverage provided by BRIM is limited to a $1 million indemnity per occurrence. Effective July 1, 2020 SB508 required BRIM to provide insurance coverage of $1.25 million to county boards of education. In addition, the county boards of education are provided excess coverage up to $5 million in excess of the underlying $1.25 million limit. These limits only apply to incur indemnity claim losses. BRIM pays all allocated loss adjustment expenses, which are the costs incurred in the reporting, investigation, adjustment, defense and settlement of claims that are attributable to a specific, individual claim.

Prior to July 1, 1990, BRIM retained the first $25 thousand of loss per event on property insurance claims. Losses in excess of $25 thousand per event were also retained within an annual aggregate limit. From July 1, 1990 through June 30, 1991, the exposure retained by BRIM was $1 million per event. From July 1, 1991 through June 30, 1996, the exposure retained by BRIM was $2 million per event. Since July 1, 1996, the exposure retained by BRIM is $1 million per event. BRIM has obtained excess coverage, through insurance companies, covering losses in excess of $1 million, up to $400 million per occurrence, subject to various sublimits for particular types of claims as specified in the policy. With the passage of House Bill 532 in March 2015, BRIM is required to retain the first $1.5 million of medical malpractice liability for the state's medical schools and their related practice plans beginning July 1, 2015. The retained limit of $1.5 million is indexed for inflation each year. On July 1, 2021, 2020 and 2019, the retained limit increased slightly.

In 1985, the coal mine subsidence program was legislatively expanded to include all types of building structures, and the maximum amount of insurance available was increased from $50 thousand to $75 thousand per structure. Additional legislation passed in March 2016 further expanded the amount of insurance available beginning October 1, 2016, from $75,000 up to $200,000 per structure. In March 2021, the West Virginia Legislature passed HB204 that transferred $13.5 million from the Mine Subsidence Fund to the State General Revenue Fund to be available for appropriation during the fiscal year ending June 30, 2021. This transfer is listed as “Legislative appropriation” in the “Statement of Revenue, Expenses and Changes in Net Position”.

In December 2001, the West Virginia Legislature passed House Bill 601, which authorized BRIM to provide medical malpractice and general liability coverage to private health care providers (the House Bill 601 Program). On July 1, 2004, all physicians novated to the newly formed West Virginia Physicians' Mutual Insurance Company (WVPMIC). BRIM maintained the hospital and facilities in the House Bill 601 Program that did not novate to WVPMIC. However, all policies were terminated as of June 30, 2004, and the program was in runoff mode only for existing claims and for any claims that may be submitted on any tail policies that were purchased. In 2015, BRIM transferred potential claims/IBNR run-off to a third-party for $750. In July 2016, the remaining balance of the House Bill 601 funds of $2.8 million were transferred to the Patient Injury Compensation Fund, which is discussed in the following paragraph.

In March 2004, the West Virginia Legislature passed House Bill 4740, creating a Patient Injury Compensation Fund. The purpose of this fund is to provide fair and reasonable compensation to claimants in medical malpractice actions for any portion of economic damages awarded that is uncollectible as a result of previously enacted tort reforms. This fund provides relief to claimants whose damages were limited because of caps for trauma care or as a result of joint and several liabilities. The capitalization of the fund comes from the State's tobacco settlement fund. The activity for this fund is not reflected in BRIM's financial statements. BRIM serves as third-party administrator for this fund and, accordingly, the activity for this fund is reflected in the State's financial statements. Senate Bill 602 passed in March 2016 and closed the Medical Liability Fund. All remaining funds were transferred to the Patient Injury Compensation Fund in July 2016. Therefore, there is no continuation of services previously provided by the Medical Liability Fund. This legislation also closed compensation to any claimants who filed with the Patient Injury Fund on or after July 1, 2016. Additional funding to pay any compensable claims filed as of June 30, 2016 was established by creation of assessments imposed on medical liability claims awards and settlements and fees charged to licensed physicians and hospitals. Although BRIM administers the Patient Injury Compensation Fund, it is a fiduciary fund of the State of West Virginia, and is not part of these financial statements.

In the normal course of business, BRIM seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable operating results by reinsuring levels of risk in various areas of exposure with other insurance enterprises or reinsurers. Reinsurance permits recovery of a portion of losses from reinsurers; however, it does not discharge the primary liability of BRIM as direct insurer of the risks insured. BRIM does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers.

The funding of the property and liability insurance premiums for the State agencies comes from direct premium assessments on those agencies. SB3 entities are charged a premium to participate in the program. Under the mine subsidence line of business, the ceding insurers pay BRIM a reinsurance premium.

Pursuant to the West Virginia Code, BRIM submits a detailed budgetary schedule of administrative expenses to the secretary of the Department of Administration prior to the beginning of each fiscal year. The fundamental purpose of budgetary control is to plan for the expected level of operations and to provide management with a tool to control deviation from such plan. The budgetary schedule is prepared on a modified cash basis, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles (GAAP). Expenditures related to the general revenue appropriation amount, if any, are monitored by the State's budgetary review process in total on an unclassified basis. Each year's appropriation lapses at year-end. The remaining operations of BRIM are subject to a nonappropriated budgetary review process.

GAAP defines component units as legally separate organizations for which the elected officials of the primary government are financially accountable or other organizations for which the nature and significance of their relationship with the State's financial statements would cause them to be misleading. BRIM has considered whether it has any component units as defined by GAAP and has determined that no such organizations meet the criteria set forth above.

2. Summary of Significant Accounting Policies

Basis of accounting

As an enterprise fund, BRIM's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with GAAP. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. In its accounting and financial reporting, BRIM follows the pronouncements of the Governmental Accounting Standards Board.

BRIM distinguishes operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with BRIM's principal ongoing operations. The principal operating revenues and expenses of BRIM relate to premium revenues and claims and administrative expenses. Premium contributions received covering future contract periods are deferred and recognized over the related contract period. Net investment earnings and finance charges are reported as nonoperating revenues.

The financial statements of BRIM are intended to present the financial position and the changes in financial position and cash flows of only that portion of the business-type activities of the State of West Virginia that is attributable to the transactions of BRIM. They do not purport to, and do not, present fairly the financial position of the State of West Virginia as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in conformity with GAAP.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from management's estimates.

Cash and cash equivalents

Cash equivalents are short-term investments with original maturities of 90 days or less. Cash and cash equivalents principally consist of interest-earning deposits in an investment pool maintained by the West Virginia Board of Treasury Investments (BTI). Such funds are available to BRIM with overnight notice.

Restricted cash and cash equivalents are cash and cash equivalents that are to be used for specific lines of business (i.e., mine subsidence coverage provided to the general public) based on restrictions provided in the State Code.

In accordance with House Bill 2804 passed in March 2021, BRIM was required to transfer $13,500 from the mine subsidence funds to the State general surplus funds, which is reflected in the accompanying 2021 financial statements as a legislative appropriation to the State.

Advance deposits with insurance company and trustee

Advance deposits with the insurance company consist of monies on deposit that are utilized to fund claims and claims adjustment expenses as they are paid by the insurance company.

BRIM deposits monies with the Bank of New York Mellon (BNY), as trustee, to hold as advance deposits in an escrow account for BRIM liability claims. The monies held in escrow are invested in specific money market funds and short-term guaranteed or investment-grade fixed-income securities that are identified as "qualified assets" in the escrow agreement. The funds held in escrow, together with their earnings, will be used to fund the payment of the claims and claims adjustment expenses related to these liability claims. As an escrow agent, BNY periodically transfers monies from the escrow account to the insurance company administering these claims in order to reimburse the insurance company for payments that it has issued on these claims and claims adjustment expenses on BRIM's behalf.

Investments

BRIM invests in certain West Virginia Investment Management Board (WVIMB) investment pools. Some of these pools invest in longer-term securities and are subject to market fluctuation because of changes in interest rates. Investments are reported by WVIMB at fair value and are accounted for by BRIM accordingly, with changes in the fair value included in investment income. Income from these investments is prorated to BRIM at rates specified by WVIMB based on the balance of BRIM's deposits maintained in relation to the total deposits of all State agencies participating in the pool.

Restricted investments are investments that are to be used for specific lines of business (i.e., mine subsidence coverage provided to the general public) based on restrictions provided in the State Code.

Fair value measurements

GASB Statement No. 72 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

GASB Statement No. 72 establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.
- Level 3 - Unobservable pricing inputs for assets and liabilities.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement and considers factors specific to the investment.

Fair value of the securities BRIM holds with the WVIMB are determined as follows:

- Equity securities are valued at the last sale price or official closing price reported in the market in which they are primarily traded.
- Open-end regulated investment companies or other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.
- Future contracts are valued at the last settlement price established each day by the exchange on which they traded.
- Fixed income securities are valued according to prices furnished by independent pricing services to the securities custodian. These services determine the security prices by a number of methods including, but not limited to, dealer quotes, live market trading levels when available, live feeds of trade execution data, spreads over U.S. Treasury securities and other models and formulae appropriated to the specific security type.
- Repurchase agreements and time deposits are valued at amortized cost, provided such amount approximates fair value.

Investments for which the fair value cannot be determined by one of the above listed processed are valued at fair value as determined in accordance with the WVIMB's established procedures.

Compensated absences

Employees fully vest in all earned but unused annual leave, and BRIM accrues for obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. In accordance with State personnel policies, employees vest in any remaining unused sick leave only upon retirement, at which time any unused compensated absence time can be converted into employer-paid premiums for postemployment health care coverage through BRIM or be converted into a greater retirement benefit under the State of West Virginia Public Employees Retirement System (PERS).

Unpaid claims and claims adjustment expense

Utilizing an external actuary, management establishes the unpaid claims and claims adjustment expense liability based on estimates of the ultimate cost of claims, including future claims adjustment expenses, that have been reported but not settled and of claims that have been incurred but not reported (IBNR). Such estimates are based on industry statistical loss reserve information as well as BRIM historical data, including case-basis estimates of losses reported, actuarial projections of loss development of IBNR claims and estimates of expenses for investigation and adjustment of all incurred and unadjusted losses (and estimates of expected salvage and subrogation receipts are deducted from the estimated liability). The length of time for which such costs must be estimated varies depending on the coverage involved. In the event a reinsurer is unable financially to satisfy an obligation, BRIM is responsible for such liability.

Management believes the estimate for unpaid claims and claims adjustment expense is a reasonable best estimate of BRIM's ultimate losses and loss adjustment expenses to be incurred to discharge BRIM's obligations. However, because actual claims costs depend on such complex factors as actual outcomes versus industry statistical information utilized in the estimation process, inflation, changes in doctrines of legal liability and damage awards, the process used in computing estimates of claims liability does not necessarily result in an exact amount, particularly for coverages such as general liability and medical malpractice. For instance, medical malpractice claims have a long payout period and claims may not be known for several years. Accordingly, BRIM's actual incurred losses and loss adjustment expenses may vary significantly from the estimated amounts reflected in BRIM's financial statements. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors; such adjustments are included in current operations. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and on other factors that are considered to be appropriate modifiers of past experience. The claims and claims adjustment expense category on the statements of revenues, expenses, and changes in net position includes estimated incurred claim costs, allocated loss adjustment expenses and unallocated claims adjustment expenses.

Premium deficiency is defined as the amount by which expected claims costs (including IBNR claims) and all expected claims adjustment expenses exceed related unearned premiums. BRIM has estimated that a premium deficiency does not exist; however, the ultimate amount of incurred losses and loss adjustment expenses may vary significantly from the estimated amounts used in management's determination. In making this determination, management has taken into consideration anticipated investment income using an assumed 4% discount rate.

Deferred outflows of resources

A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. Balances of deferred outflows of resources may be presented in the statements of net position as aggregations of different types of deferred amounts. Deferred outflows of resources related to pension in the statements of net position were composed of $158 and $152 for the years ending June 30, 2021 and 2020, respectively, related to employer contributions to the PERS made during the current fiscal year subsequent to the measurement date. Deferred outflows of resources related to pension also consist of other amounts related to differences between projected and actual earnings on pension plan investments, differences between expected and actual experience related to pension, and changes in proportion and differences between BRIM's contributions and proportionate share of contributions. Deferred outflows of resources related to other post-employment benefits in the statements of net position were composed of $37 and $39 for the years ending June 30, 2021 and 2020, respectively, related to employer contributions to RHBT made during the current fiscal year subsequent to the measurement date.

Deferred inflows of resources

A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. Balances of deferred inflows of resources may be presented in the statements of plan net position as aggregations of different types of deferred amounts. Deferred inflows of resources related to pension in the statements of plan net position are composed of amounts related to differences between projected and actual earnings on pension investments, changes in proportion and differences between BRIM's contributions and proportionate share of contributions, differences in assumptions and differences between projected and actual earnings on pension plan investments related to pension. Deferred inflows of resources related to other-post employment benefits relate to differences between expected and actual experience, net differences between expected and actual earnings on OPEB plan investments, and changes in proportion and differences between employer contributions and proportionate share of contributions.

Receivables and premium income

Receivables represent the amount outstanding for premiums from the insured covered under BRIM's insurance program. Management maintains an allowance for doubtful accounts to reserve for estimated losses based on the length of time the amount has been past due. As of June 30, 2021 and 2020, management deemed allowance for doubtful accounts unnecessary.

Unearned premiums

Unearned premiums included premium revenues collected for future periods. These revenues will be recognized in the operating periods in which they are earned.

Restricted net position

Restricted net position is net position that is to be used for mine subsidence coverage provided to the general public based on restrictions provided in the State Code. When an expense is incurred for which both restricted and unrestricted net positions are available, BRIM first utilizes restricted net position for such purpose.

New accounting pronouncements

The GASB has issued Statement No. 87, *Leases*. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange like transaction. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of No. 87 was effective for reporting periods beginning after December 15, 2019, however, with consideration for the COVID-19 pandemic, GASB postponed the effective date of Statement No. 87 with the issuance in May 2020 of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which delayed the GASB 87 effective date by 18 months. This issuance now requires the adoption of GASB 87 for all fiscal years that begin subsequent to June 15, 2021.

BRIM has not yet determined the effect, if any, GASB 87 will have on its financial statements.

Subsequent events

In preparing these financial statements, BRIM has evaluated events and transactions for potential recognition or disclosure through October 8, 2021, the date the financial statements were available for issuance.

3. Deposit and Investment Risk Disclosures

BRIM is mandated by statute to have its cash and investments managed by the WVIMB and BTI. However, BRIM currently does not have specific policies addressing limitations on specific risk types, such as credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

Cash equivalents

WEST VIRGINIA MONEY MARKET POOL

BRIM participates in BTI's West Virginia Money Market Pool, which has been deemed to meet the GASB 79 criteria to be reported at amortized cost. The criteria specify that the pool must transact with their participants at a stable net asset value per share and meet requirements for portfolio maturity, portfolio quality, portfolio diversification, portfolio liquidity and shadow pricing. The BTI does not place limitations on or restrictions on participant withdrawals from the pool, such as redemption notice periods, maximum transaction amounts and any authority to impose liquidity fees or redemption gates. Accordingly, as a pool participant, BRIM measures its investment in this pool at amortized cost that approximates fair value of $29,291 and $40,930 at June 30, 2021 and June 30, 2020, respectively. These deposits are reported as cash and cash equivalents. Investment income earned is pro-rated to BRIM at rates specified by the BTI based on the balance of the deposits maintained in relation to the total deposits of all state agencies participating in the pool. Such funds are available to BRIM with overnight notice. BTI's audited financial statements, including the West Virginia Money Market Pool, are available on their website www.wvbti.com.

(in thousands)

Credit Risk and Interest Rate Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The WV Money Market Pool has been rated AAAm by Standard & Poor's. A fund rated AAAm has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. AAAm is the highest principal stability fund rating assigned by Standard & Poor's.

The BTI limits the exposure to credit risk in the West Virginia Money Market Pool by requiring all long-term corporate debt bonds to be rated A+ or higher by Standard and Poor's (or its equivalent) and short-term corporate debt be rated at least A-1 or higher by Standard and Poor's (or its equivalent). The pool must have at least 15% of its assets in U.S. Treasury obligations or obligations guaranteed as to repayment of interest and principal by the United States of America.

The following table provides information on the weighted-average credit ratings of the West Virginia Money Market Pool's investments:

	Credit Rating		2021		2020	
Security Type	**Moody's**	**S&P**	**Carrying Value**	**Percent**	**Carrying Value**	**Percent**
Commercial paper	P-1	A-1+	**$ 1,302,573**	**19.04%**	$ 861,472	16.73%
	P-1	A-1	**2,634,701**	**38.50**	1,834,384	35.62
U.S. Treasury notes*	Aaa	AA+	**37,505**	**0.55**	-	-
U.S. Treasury bills*	P-1	A-1+	**354,997**	**5.19**	1,017,343	19.76
Negotiable CDs	P-1	A-1+	**138,500**	**2.02**	302,738	5.88
	P-1	A-1	**812,504**	**11.88**	469,111	9.11
Money market funds	Aaa	AAAm	**1,600**	**0.02**	1,581	0.03
	NR	AAAm	**217,022**	**3.17**	217,022	4.21
Repurchase agreements (underlying securities):						
U.S. Treasury bonds and notes*	Aaa	AA+	**1,325,680**	**19.37**	445,700	8.66
U.S. Agency bonds and notes	Aaa	AA+	**17,920**	**0.26**	-	-
			$ 6,843,002	**100.00%**	$ 5,149,351	100.00%

*U.S. Treasury issues are explicitly guaranteed by the United States government and are not considered to have credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All Consolidated Fund pools and accounts are subject to interest rate risk.

As of June 30, 2021 and 2020, the overall weighted-average maturity (WAM) of the investments of the West Virginia Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 762 days.

(in thousands)

The following table provides the WAM for the various asset types in the West Virginia Money Market Pool:

	2021		2020	
Investment Type	**Fair Value**	**WAM Days**	**Fair Value**	**WAM Days**
U.S. Treasury notes	**$ 37,505**	**1**	$ -	-
U.S. Treasury bills	**354,997**	**13**	1,017,343	37
Commercial Paper	**3,937,274**	**73**	2,695,856	52
Negotiable certificates of deposit	**951,004**	**65**	771,849	58
Repurchase agreements	**1,343,600**	**6**	445,700	1
Money market funds	**218,622**	**1**	218,603	1
	$ 6,843,002	**52**	$ 5,149,351	44

BRIM's amount invested in the West Virginia Money Market Pool of $29,291 at June 30, 2021 and $40,930 at June 30, 2020 is included in cash and cash equivalents representing approximately 1% of total investments in this pool.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the WV Money Market Pool's investment in a single corporate issuer. West Virginia statutes prohibit the West Virginia Money Market Pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2021 and 2020, the pool did not have investments in any one private corporation or association that represented more than 5% of assets.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the WV Money Market Pool will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Repurchase agreements are required to be collateralized by at least 102% of their value, and the collateral is held in the name of the BTI. The BTI or its agent does not release cash or securities until the counterparty delivers its side of the transaction.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The WV Money Market's Pool does not hold securities subject to foreign currency risk.

Investments

West Virginia Investment Management Board Investment Pools

BRIM invests, along with other agencies, in the following WVIMB investment pools: Large Cap Domestic Equity Pool, Non-Large Cap Domestic Equity Pool, International Equity Pool, International Nonqualified Equity Pool, Short-Term Fixed Income Pool, Total Return Fixed Income Pool, Core Fixed Income Pool, Hedge Fund, and the Treasury Inflation Protection Securities (TIPS).

Effective September 1, 2019, the IMB changed its custodian bank from the Bank of New York Mellon (BNYM) to Northern Trust (NT).

(in thousands)

Investment Objectives

This fund's investment objective is to provide adequate liquidity to meet cash flow requirements and allow for growth of assets in an amount at least equal to inflation.

Asset Allocation

Based upon the WVIMB's determination of the appropriate risk tolerance for the fund, the WVIMB has adopted the following broad asset allocation guidelines for the assets managed for the Board of Risk and Insurance Management Fund. (Policy targets have been established on a fair value basis.)

	Base Allocation		Strategic Allocation	
Asset Class	**2021**	**2020**	**2021**	**2020**
Equity	**20%**	20%	**30%**	30%
Fixed Income	**80%**	80%	**35%**	35%
TIPS	**0%**	0%	**10%**	10%
Hedge Funds	**0%**	0%	**20%**	20%
Cash*	**0%**	0%	**5%**	5%
Combined total	**100%**	100%	**100%**	100%

**IMB Staff has authority to change the cash target up to 5 % during a fiscal year, in consultation with the appropriate representative(s) from BRIM.*

Asset Value

Investments at cost, and as reported at fair value (actual asset allocation), are summarized as follows at June 30:

	2021		2020	
	Cost	**Fair Value**	**Cost**	**Fair Value**
Domestic Equity Pool	**$ -**	**$ -**	$ 24,013	$ 25,684
Large Cap Domestic Equity Pool	**18,929**	**27,605**	-	-
Non-Large Cap Domestic Equity Pool	**2,892**	**4,738**	-	-
International equity	**12,652**	**20,242**	19,619	19,416
International nonqualified	**5,756**	**8,061**	6,400	5,933
Total return fixed income	**44,836**	**47,257**	37,973	40,013
Core fixed income	**20,015**	**20,252**	15,491	16,907
Hedge fund	**31,575**	**37,565**	32,588	32,685
TIPS (Treasury Inflation Protection Securities)	**18,418**	**19,529**	14,851	16,161
Short-term fixed income	**9,591**	**9,591**	7,863	7,863
Total investments	**$ 164,664**	**$ 194,840**	$ 158,798	$ 164,662

Investment income is comprised of the following for the years ended June 30:

	2021	2020
Investment (loss) income:		
Interest (loss) income including realized gains/losses on sale of securities	**$ (1,331)**	$ 16,954
Unrealized gain on investments	**30,176**	5,864
Total investment income	**$ 28,845**	$ 22,818

The calculation of realized gains and losses is independent of the calculation of the change in fair value of investments and realized gains and losses of the current year include unrealized amounts from prior years.

Asset class risk disclosures

DOMESTIC EQUITY POOL

On July 1, 2020, the IMB created the Large Cap Domestic Equity Pool to invest in U.S. equities of large-cap growth and value stocks. Additionally, on July 1, 2020, the IMB created the Non-Large Cap Domestic Equity Pool to invest in U.S. equities of small-and mid-cap growth and value stocks. On July 1, 2020 the assets and liabilities from the Domestic Equity Pool were transferred in-kind to the Large Cap Domestic Equity Pool and the Non-Large Cap Domestic Equity Pool.

As of June 30, 2020 the Pool's objective is to exceed, net of external investment management fees, the Russell 3000 Stock Index over three- to five-year periods. Assets are managed by AJO, BlackRock INTECH Investment Management, LLC, and Westfield Capital Management.

BRIM's amount invested in the Domestic Equity Pool of $25,684 at June 30, 2020, represents approximately 0.5% of total investments in this pool.

Credit Risk

As of June 30, 2020 the Pool's money market mutual fund investment and the Cash Collateral Account are exposed to credit risk. The money market mutual fund had the highest credit rating. The Cash Collateral Account is not rated.

Interest Rate Risk

The Pool is exposed to interest rate risk from its money market mutual fund investment and from investments made with cash collateral for securities loaned. As of June 30, 2020, the money market mutual fund has a weighted average maturity (WAM) of 53 days. Except for repurchase agreements that can have up to 95 days maturity, investments in the Cash Collateral Account are limited to overnight investments. As of June 30, 2020, the WAM for the Cash Collateral Account was 1 day.

Concentration of Credit Risk

The Pool is restricted from investing more than 5% of the value of the Pool in any one company. At June 30, 2020, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk

As of June 30, 2020, securities on loan are collateralized to a minimum of 102%, and the collateral is held by the IMB's custodian in the name of IMB. The money market mutual fund, the Cash Collateral Account, and the comingled equity fund are not subject to custodial credit risk. All remaining securities are held by the IMB's custodian in the name of IMB.

At June 30, 2020, the Pool held no securities that were subject to custodial credit risk.

(in thousands)

Foreign Currency Risk

The Pool is exposed to no or minimal foreign currency risk. The table below summarizes the valuation of the investment securities in accordance with fair value hierarchy levels as of June 30, 2020:

Assets	Level 1	Level 2	Level 3	Total
Commingled equity fund	$ 2,014,708	$ -	$ -	$ 2,014,708
Common stock	2,588,810	-	-	2,588,810
Securities lending collateral	4,617	-	-	4,617
Rights	6			6
Money market mutual funds	82,999	-	-	82,999
Total	$ 4,691,140	$ -	$ -	$ 4,691,140

LARGE CAP DOMESTIC EQUITY POOL

On July 1, 2020, the IMB created the Large Cap Domestic Equity Pool to invest in U.S. equities of large-cap growth and value stocks. On July 1, 2020 a portion of the assets and liabilities from the Domestic Equity Pool were transferred in-kind to the Large Cap Domestic Equity Pool.

The Pool's objective is to equal or exceed, net of external investment management fees, the S&P 500 Stock Index over three- to five-year periods. The Pool invests in the BlackRock Equity Index Fund B (BlackRock).

BRIM's amount invested in the Large Cap Domestic Equity Pool of $27,605 at June 30, 2021, represents approximately 7.4% of total investments in this pool.

Investment Risk

The Pool is exposed to credit risk and interest rate risk from its money market mutual fund investment. As of June 30, 2021, the money market mutual fund has the highest credit rating and has a weighted average maturity (WAM) of 41 days. The Pool is not exposed to concentration of credit risk, custodial credit risk, or foreign currency risk.

Fair Value Measurements

The table below summarizes the valuation of the investment securities in accordance with GASB Statement No. 72 fair value hierarchy levels as of June 30, 2021:

	2021			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Commingled equity fund	**$ 367,198**	**$ -**	**$ -**	**$ 367,198**
Money market mutual fund	**5,700**	**-**	**-**	**5,700**
Total	**$ 372,898**	**$ -**	**$ -**	**$ 372,898**

NON-LARGE CAP DOMESTIC EQUITY POOL

On July 1, 2020, the IMB created the Non-Large Cap Domestic Equity Pool to invest in U.S. equities of small- and mid-cap growth and value stocks. On July 1, 2020 a portion of the assets and liabilities from the Domestic Equity Pool were transferred in-kind to the Non-Large Cap Domestic Equity Pool.

The Pool's objective is to exceed, net of external investment management fees, the Russell 2500 Index over three- to five-year periods. Assets were managed by Westfield Capital Management for the entire fiscal year. Assets were managed by AJO Partners from July 1, 2020, until November 30, 2020, when they ceased trading client accounts in preparation to close the firm on December 31, 2020. Russell Implementation Services (Russell) was hired on a transition basis, effective December 1, 2020, until a long-term replacement could be found. In June 2021, the IMB signed a contract with Cooper Creek Partners Management LLC (Cooper Creek) as the long-term replacement for AJO Partners, with an effective date of July 1, 2021. During June 2021, Russell traded their investment portfolio in line with the Cooper Creek target portfolio.

BRIM's amount invested in the Non-Large Cap Domestic Equity Pool of $4,738 at June 30, 2021, represents approximately 0.5% of total investments in this pool.

Credit Risk

The Pool's money market mutual fund investment and the Cash Collateral Account are exposed to credit risk. The money market mutual fund has the highest credit rating. The Cash Collateral Account is not rated.

Concentration of Credit Risk

The Pool is restricted from investing more than 5% of the value of the Pool in any one company. At June 30, 2021, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk

At June 30, 2021, the Pool held no securities that were subject to custodial credit risk. Securities on loan are collateralized to a minimum of 102%, and the collateral is held by the IMB's custodian in the name of the IMB. The money market mutual fund and the Cash Collateral Account are not subject to custodial credit risk. All remaining securities are held by the IMB's custodian in the name of the IMB.

Interest Rate Risk

The Pool is exposed to interest rate risk from its money market mutual fund investment and from the Cash Collateral Account. As of June 30, 2021, the money market mutual fund's weighted average maturity (WAM) was 41 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the Cash Collateral Account are limited to overnight investments. As of June 30, 2021, the WAM for the Cash Collateral Account was 1 day.

Foreign Currency Risk

The Pool is exposed to foreign currency risk through a foreign common stock denominated in Canadian Dollars with a fair value, in U.S. dollars, of $6,561 as of June 30, 2021. The remaining foreign common stock investments as of June 30, 2021 are denominated in U.S. dollars.

(in thousands)

Fair Value Measurements

The table below summarizes the valuation of the investment securities in accordance with GASB Statement No. 72 fair value hierarchy levels as of June 30, 2021:

	2021			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Domestic common stock	$ 753,773	$ -	$ -	$ 753,773
Foreign common stock	62,032	-	-	62,032
Money market mutual fund	125,371	-	-	125,371
Securities lending collateral	54,346	-	-	54,346
Total	$ 995,522	$ -	$ -	$ 995,522

INTERNATIONAL EQUITY POOL

The Pool invests in the equities of international companies. The objective of the Pool is to outperform the international equity market as measured by the Morgan Stanley Capital International's All Country World Free Ex US Index over a full market cycle (three- to five-years), net of external investment management fees. Assets are managed by Acadian Asset Management, LLC (Acadian), Allianz Global Investors (Allianz), Axiom International Investors, LLC (Axiom), Brandes Investment Partners, L.P. (Brandes), LSV Asset Management (LSV) and Oberweis Asset Management, Inc. (Oberweis).

BRIM's amount invested in the International Equity Pool of $20,242 and $19,416 at June 30, 2021 and 2020, respectively, represents approximately 0.5% and 0.6%, respectively, of total investments in this pool.

Credit Risk

The Pool's money market mutual fund investment and the Cash Collateral Account are exposed to credit risk. The money market mutual fund has the highest credit rating. The Cash Collateral Account is not rated.

Concentration of Credit Risk

The pool is restricted from investing more than 5% of the value of the pool in any one company. At June 30, 2021 and 2020, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk

At June 30, 2021 and 2020, the Pool held no securities that were subject to custodial credit risk. Securities on loan are collateralized to a minimum of 102% for U.S. Dollar denominated loans and 105% for foreign denominated loans, and the collateral is held by the IMB's custodian in the name of IMB. The money market mutual fund, the Cash Collateral Account, and the comingled equity fund are not subject to custodial credit risk. All remaining securities are held by the IMB's custodian in the name if IMB.

Interest Rate Risk

The pool is exposed to interest rate risk from its money market mutual fund investment and the Cash Collateral Account. As of June 30, 2021, the money market mutual fund has a weighted average maturity (WAM) of 41 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the Cash Collateral Account are limited to overnight Investments. As of June 30, 2021, the WAM for the Cash Collateral Account was 1 day. As of June 30, 2020, the money market mutual fund has a weighted average maturity (WAM) of 53 days. The WAM for securities lending collateral investments is not to exceed 95 days. As of June 30, 2020, the WAM for securities lending collateral was 1 day.

(in thousands)

Foreign Currency Risk

The Pool has equity investments, cash and foreign currency spot contracts that are exposed to foreign currency risks.

The amounts at fair value (in U.S. dollars) of equity investments, cash and foreign currency spot contracts as of June 30, 2021 are as follows:

	2021			
Currency	Equity Investments	Cash	Foreign Currency Spot Contracts	Total
Australian Dollar	$ 104,378	$ 30	$ -	$ 104,408
Brazil Real	70,455	233	-	70,688
British Pound	268,235	179	-	268,414
Canadian Dollar	140,558	120	-	140,678
Chilean Peso	4,312	-	-	4,312
Chinese Yuan	65,675	2,068	-	67,743
Danish Krone	17,419	5	-	17,424
Emirati Dirham	5,243	-	-	5,243
Euro Currency Unit	467,252	172	-	467,424
Hong Kong Dollar	405,762	1,167	-	406,929
Hungarian Forint	15,976	166	-	16,142
Indian Rupee	115,465	5,632	-	121,097
Indonesian Rupiah	33,103	1	1	33,105
Israeli Shekel	542	(1)	-	541
Japanese Yen	383,698	1,535	-	385,233
Malaysian Ringgit	10,160	1	-	10,161
Mexican Peso	54,171	11	-	54,182
New Taiwan Dollar	177,597	32	-	177,629
New Zealand Dollar	384	35	-	419
Norwegian Krone	34,169	14	-	34,183
Philippine Peso	5,102	4	-	5,106
Polish Zloty	3,913	15	-	3,928
Qatari Riyal	159	11	-	170
Singapore Dollar	25,575	160	-	25,735
South African Rand	18,783	7	-	18,790
South Korean Won	258,055	-	(5)	258,050
Swedish Krona	100,537	33	-	100,570
Swiss Franc	101,305	52	-	101,357
Thailand Baht	42,631	9	-	42,640
Turkish Lira	4,720	108	-	4,828
Total	2,935,334	11,799	(4)	2,947,129
U.S. Dollar	877,326	-	-	877,326
Total	$ 3,812,660	$ 11,799	$ (4)	$ 3,824,455

(in thousands)

Currency	2020 Equity Investments	Cash	Foreign Currency Spot Contracts	Total
Australian Dollar	$ 82,579	$ 373	$ -	$ 82,952
Brazil Real	61,732	397	-	62,129
British Pound	189,226	409	-	189,635
Canadian Dollar	93,508	70	-	93,578
Chilean Peso	5,906	-	-	5,906
Chinese Yuan	12,809	3,460	-	16,269
Czech Koruna	40	-	-	40
Danish Krone	10,965	3	-	10,968
Emirati Dirham	8,021	10	-	8,031
Euro Currency Unit	354,338	4,828	-	359,166
Hong Kong Dollar	404,086	2,525	-	406,611
Hungarian Forint	14,000	32	-	14,032
Indian Rupee	104,809	1,694	-	106,503
Indonesian Rupiah	30,263	36	-	30,299
Israeli Shekel	7,399	2	-	7,401
Japanese Yen	365,408	2,270	-	367,678
Malaysian Ringgit	10,968	4	-	10,972
Mexican Peso	39,362	42	-	39,404
New Taiwan Dollar	119,629	404	-	120,033
New Zealand Dollar	289	26	-	315
Norwegian Krone	16,412	196	-	16,608
Philippine Peso	7,480	8	-	7,488
Polish Zloty	1,337	-	-	1,337
Qatari Riyal	125	6	-	131
Singapore Dollar	12,316	211	-	12,527
South African Rand	29,989	56	-	30,045
South Korean Won	183,138	1,747	-	184,885
Swedish Krona	79,152	29	-	79,181
Swiss Franc	100,002	46	1	100,049
Thailand Baht	36,076	6	-	36,082
Turkish Lira	11,034	1,711	-	12,745
Total	2,392,398	20,601	1	2,413,000
U.S. Dollar	981,212	-	-	981,212
Total	$ 3,373,610	$ 20,601	$ 1	$ 3,394,212

Fair Value Measurements

The tables below summarize the valuation of the investment securities in accordance with the fair value hierarchy levels as of June 30:

Assets	2021 Level 1	Level 2	Level 3	Total
Common stock	**$ 3,232,533**	**$ -**	**$ -**	**$ 3,232,533**
Securities lending collateral	**45,134**	**-**	**-**	**45,134**
Preferred stock	**43,947**	**-**	**-**	**43,947**
Money market mutual fund	**79,084**	**-**	**-**	**79,084**
	$ 3,400,698	**$ -**	**$ -**	**3,400,698**
Comingled equity fund				**536,180**
Total				**$ 3,936,878**

(in thousands)

Assets	2020 Level 1	Level 2	Level 3	Total
Common stock	$ 2,741,429	$ -	$ -	$ 2,741,429
Securities lending collateral	19,475	-	-	19,475
Preferred stock	42,854	-	-	42,854
Rights	41	-	-	41
Money market mutual fund	37,694	-	-	37,694
	$ 2,841,493	$ -	$ -	2,841,493
Comingled equity fund				589,286
Total				$ 3,430,779

The Pool's comingled equity fund in investment was measured at the NAV as of June 20, 2021 and 2020. The fund invests primarily in Chinese A-Shared publicly listed equity securities. The IMB defines the investment style as growth at a reasonable price with limited concentration to any single issuer or sector. Redemptions can be made daily with five international business days advance written notice of the withdrawal date, subject to maximum withdrawal restrictions. The fund will pay withdrawal proceeds within thirty days following the withdrawal date.

INTERNATIONAL NON-QUALIFIED POOL

The Pool invests in The Silchester International Investors International Value Equity Trust (Silchester). The Pool's objective is to produce investment returns that exceed the Morgan Stanley Capital International's Europe Australasia Far East Index by 200 basis points on an annualized basis over three- to five-year periods, net of external investment management fees. The Pool exists for participants who are not "qualified" (as defined by the *Internal Revenue Code*). Silchester invests in a diversified developed country, non-U.S. equity, bottom-up value-oriented portfolio of securities with limited exposure to emerging markets and no unreasonable concentration exposure to any single issuer or country. Redemptions from Silchester can be made monthly with ten days advance written notice. Redemptions will generally be made within seven business days following month-end.

BRIM's amount invested in the International Nonqualified Pool of $8,061 and $5,933 at June 30, 2021 and 2020, respectively, represents approximately 3.7% and 3.6%, respectively, of total investments in this pool.

Investment Risk

The Pool invests in a collective trust fund that invests in equities denominated in foreign currencies. The value of this Pool at June 30, 2021 and 2020, was $219,112 and $163,136, respectively. This investment, although denominated in U.S. dollars, is exposed to foreign currency risk through the underlying investments. The Pool is not exposed to credit risk, interest rate risk, custodial credit risk, or concentration of credit risk.

Fair Value Measurements

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. The investment in Silchester is valued using the net asset value per share. As Silchester is the only investment in the pool, a fair value hierarchy table is not presented.

TOTAL RETURN FIXED INCOME POOL

This main objective of the Pool is to generate investment income, provide stability, and enhance diversification but not at the expense of total return. The Pool's investment objective is to outperform the Bloomberg Barclays U.S.

(in thousands)

Universal Bond Index over three- to five-year periods, net of external investment management fees. Dodge & Cox, Franklin Templeton Investments, and Western Asset Management Company manage the Pool.

BRIM's amount invested in the Total Return Fixed Income Pool of $47,257 and $40,013, at June 30, 2021 and 2020, respectively, represented approximately 1.5% and 1.9%, respectively, of total investments in the Pool.

Credit Risk

The Pool is exposed to credit risk from its fixed income investments, money market mutual fund investment, and Cash Collateral Account Investment. The IMB limits the exposure to credit risk in the Pool by maintaining at least an average rating of investment grade as defined by a nationally recognized statistical rating organization. The IMB reviews available ratings from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. The Pool holds some securities that have not received a rating from the aforementioned rating organizations. These securities have been listed as not rated in the table below. The absence or lack of a rating does not necessarily indicate a greater degree of risk. The money market mutual fund has the highest credit rating. The Cash Collateral Account is not rated.

The following tables provides credit ratings of the Pool's fixed income investments as of June 30:

	Fair Value	
Rating	**2021**	**2020**
AAA/ A-1	**$ 15,315**	$ 21,874
AA	**1,231,457**	738,758
A	**98,223**	164,334
BBB	**580,929**	526,344
BB	**388,622**	294,094
B	**360,429**	171,134
CCC	**24,868**	16,181
CC	**4,947**	3,822
D	**3,992**	4,354
Withdrawn	**701**	6,148
Total rated	**2,709,483**	1,947,053
Not rated	**82,383**	73,473
Total fixed income investments	**$ 2,791,866**	$ 2,020,516

Concentration of Credit Risk

The Pool is restricted from investing more than 5% of the value of the Pool in any one corporate name. At June 30, 2021 and 2020, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk

At June 30, 2021, except for posted collateral on cleared derivatives and over-the-counter derivative instruments, the Pool held no securities that were subject to custodial credit risk. At June 30, 2020, the Pool held no securities that were subject to custodial credit risk. Repurchase agreements, when held, are collateralized to a minimum of 102% and the collateral is held in the name of the IMB. Securities on loan are collateralized to a minimum of 102% for U.S. Dollar denominated loans and 105% for foreign denominated loans, and the collateral is held by the IMB's custodian in the name of the IMB. Investments in commingled debt funds, money market mutual funds, and the Cash Collateral Account are not subject to custodial credit risk. All remaining securities are held by the IMB's custodian in the name of the IMB.

(in thousands)

Interest Rate Risk

As of June 30, 2021 and 2020, the Pool is exposed to interest rate risk from its fixed income investments, money market mutual fund investment, and Cash Collateral Account investment. At June 30, 2021, the Money market mutual fund has a weighted average maturity (WAM) or 41 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the Cash Collateral Account are limited to overnight investments. As of June 30, 2021, the WAM for the Cash Collateral Account was 1 day.

At June 30, 2020, the money market mutual fund has a WAM of 53 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the Cash Collateral Account are limited to overnight investments. As of June 30, 2020, the WAM for the Cash Collateral Account was 1 day.

The IMB monitors interest risk of the Pool by evaluating the effective duration of the investments in the Pool. Effective duration is a method of disclosing interest rate risk that measures the expected change in the price of a fixed income security for a 1% change in interest rates. The effective duration calculation takes into account the most likely timing of variable cash flows, which is particularly useful for measuring interest rate risk of callable bonds, commercial and residential mortgage-backed securities, asset-backed securities and collateralized mortgage obligations.

The following table provides the weighted average effective duration for the various asset types in the Pool as of June 30:

	2021		2020	
Investment Type	**Fair Value**	**Effective Duration (Years)**	**Fair Value**	**Effective Duration (Years)**
Commingled debt funds	**$ 415,969**	**2.7**	$ 206,712	3.1
Corporate asset backed issues	**88,145**	**0.9**	54,349	1.2
Corporate CMO	**68,170**	**1.3**	59,639	0.9
Corporate CMO interest-only	**6**	**0.0***	138	0.5
Foreign asset backed issues	**45,895**	**0.5**	28,152	0.5
Foreign corporate bonds	**294,249**	**5.5**	264,553	5.3
Foreign government bond	**331,607**	**6.7**	251,488	5.1
Municipal bonds	**28,917**	**8.8**	33,423	9.9
U.S. corporate bonds	**406,148**	**8.4**	495,554	9.4
U.S. Government agency bonds	**170**	**0.3**	1,530	0.0*
U.S. Government agency CMO	**62,411**	**1.3**	77,429	1.7
U.S. Government agency CMO interest-only	**5,866**	**3.5**	6,955	6.8
U.S. Government agency MBS	**379,822**	**4.1**	222,696	2.0
U.S. Government agency TBA	**62,580**	**4.3**	2,599	0.7
U.S. Treasury bonds	**601,911**	**11.9**	209,690	14.4
U.S. Treasury inflation-protected securities	**-**	**0.0**	105,609	18.8
Total investments	**$ 2,791,866**		$ 2,020,516	

**Rounds to less than 0.05*

The Pool invests in commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations. The cash flows from these securities are based on the payment of the underlying collateral. The effective duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. The Pool held $712,895 and $451,957 of these securities at June 30, 2021 and 2020, respectively, representing approximately 26% and 22% of the value of the Pool's securities.

(in thousands)

Foreign Currency Risk

The Pool has foreign fixed income, foreign equity investments, and cash that are denominated in foreign currencies and exposed to foreign currency risks. The Pool also has foreign denominated derivative instruments. Additionally, the Pool has indirect exposure to foreign currency risk through its ownership interests in certain of the commingled debt funds. Approximately $82,977 and $42,799, or 20% and 21%, respectively, of the commingled investment pools hold substantially all of their investments in foreign currencies as of June 30, 2021 and 2020. This represents approximately 3% and 2% of the value of the Pool's securities at June 30, 2021 and 2020, respectively.

The amounts at fair value (in U.S. dollars) of investments and cash denominated in foreign currencies as of June 30, are as follows:

	2021			
Currency	Foreign Fixed Income	Common Stock	Cash	Total
Argentine Peso	$ 3,547	$ -	$ 1,420	$ 4,967
Australian Dollar	-	-	2,751	2,751
Belarusian Ruble	1,638	-	-	1,638
Brazil Real	22,293	-	698	22,991
British Pound	-	739	3,065	3,804
Canadian Dollar	-	-	1,105	1,105
Colombian Peso	4,703	-	-	4,703
Deutsche Mark	230	-	-	230
Dominican Peso	4,018	-	-	4,018
Egyptian Pound	3,039	-	-	3,039
Euro Currency Unit	8,685	-	6,776	15,461
Georgia Lari	2,275	-	-	2,275
Ghana Cedi	2,327	-	-	2,327
Indonesian Rupiah	21,388	-	-	21,388
Japanese Yen	5,292	-	4,620	9,912
Kazakhstani Tenge	3,311	-	9	3,320
Kenyan Shilling	3,347	-	-	3,347
Mexican Peso	63,982	-	593	64,575
New Zealand Dollar	-	-	823	823
Peruvian Nuevo Sol	146	-	-	146
Russian Ruble	75,397	-	-	75,397
South African Rand	13,536	-	-	13,536
Swedish Krona	-	-	515	515
Turkish Lira	3,106	-	-	3,106
Uruguayan Peso	6,875	-	-	6,875
Uzbekistan Som	995	-	-	995
Total foreign denominated investments	250,130	739	22,375	273,244
U.S. Dollar	421,621	-	(3,013)	418,608
Total	$ 671,751	$ 739	$ 19,362	$ 691,852

(in thousands)

	2020			
Currency	**Foreign Fixed Income**	**Foreign Equity Investments**	**Cash**	**Total**
Argentine Peso	$ 5,597	$ -	$ 1,770	$ 7,367
Australian Dollar	-	-	2,350	2,350
Belarusian Ruble	1,819	-	-	1,819
Brazil Real	30,899	-	52	30,951
British Pound	15,154	-	2,690	17,844
Canadian Dollar	-	-	(858)	(858)
Colombian Peso	4,620	-	-	4,620
Deutsche Mark	640	-	-	640
Dominican Peso	2,923	-	-	2,923
Egyptian Pound	2,647	-	3	2,650
Euro Currency Unit	5,948	-	3,823	9,771
Ghana Cedi	2,357	-	-	2,357
Indonesian Rupiah	2,713	-	-	2,713
Japanese Yen	49,050	-	6,419	55,469
Kazakhstani Tenge	681	-	-	681
Kenyan Shilling	3,001	-	-	3,001
Mexican Peso	21,785	6	(2,107)	19,684
New Zealand Dollar	-	-	758	758
Peruvian Nuevo Sol	1,812	-	-	1,812
Russian Ruble	31,249	-	856	32,105
South African Rand	5,707	-	1	5,708
Swedish Krona	-	-	477	477
Turkish Lira	-	-	1	1
Uruguayan Peso	5,050	-	-	5,050
Total foreign denominated investments	193,652	6	16,235	209,893
U.S. Dollar	350,541	-	34,398	384,939
Total	$ 544,193	$ 6	$ 50,633	$ 594,832

Fair Value Measurements

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share as the practical expedient. The tables that follow set forth information about the level within the fair value hierarchy at which the Pool's assets and liabilities are measured at June 30. The Pool's investments in commingled debt funds were valued using the net asset value per share, as such they have not been categorized in the fair value hierarchy.

(in thousands)

Assets	2021 Level 1	Level 2	Level 3	Total
Corporate ABS residual	$ -	$ 1,637	$ -	$ 1,637
Corporate asset backed issues	-	88,145	-	88,145
Corporate CMO	-	68,170	-	68,170
Corporate CMO interest-only	-	6	-	6
Corporate preferred securities	10,851	-	-	10,851
Foreign asset backed issues	-	45,895	-	45,895
Foreign corporate bonds	-	294,249	-	294,249
Foreign currency forward contracts	-	803	-	803
Foreign equity investments	739	-	-	739
Foreign government bonds	-	331,607	-	331,607
Futures contracts	7,001	-	-	7,001
Money market mutual fund	304,104	-	-	304,104
Municipal bonds	-	28,917	-	28,917
Options contracts purchased	1,318	135	-	1,453
Securities lending collateral	62,253	-	-	62,253
Swaps	-	42,292	-	42,292
U.S. corporate bonds	-	406,148	-	406,148
U.S. Government agency bonds	-	170	-	170
U.S. Government agency CMO	-	62,411	-	62,411
U.S. Government agency CMO interest-only	-	5,866	-	5,866
U.S. Government agency MBS	-	379,822	-	379,822
U.S. Government agency TBAs	-	62,580	-	62,580
U.S. Treasury bonds	-	601,911	-	601,911
Total	$ 386,266	$ 2,420,764	$ -	2,807,030
Commingled debt funds				415,969
Total				$ 3,222,999

Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	$ -	$ (2,456)	$ -	$ (2,456)
Futures contracts	(8,416)	-	-	(8,416)
Options contracts written	(1,850)	(61)	-	(1,911)
Securities sold short	-	(2,274)	-	(2,274)
Swaps	-	(25,987)	-	(25,987)
Total	$ (10,266)	$ (30,778)	$ -	$ (41,044)

(in thousands)

	2020			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Corporate ABS residual	$ -	$ 1,943	$ -	$ 1,943
Corporate asset backed issues	-	54,349	-	54,349
Corporate CMO	-	59,639	-	59,639
Corporate CMO interest-only	-	138	-	138
Corporate preferred securities	10,307	-	-	10,307
Foreign asset backed issues	-	28,152	-	28,152
Foreign corporate bonds	-	264,553	-	264,553
Foreign currency forward contracts	-	1,054	-	1,054
Foreign government bonds	-	251,488	-	251,488
Futures contracts	1,457	-	-	1,457
Money market mutual fund	80,424	-	-	80,424
Municipal bonds	-	33,423	-	33,423
Options contracts purchased	94	347	-	441
Securities lending collateral	4,029	-	-	4,029
Swaps	-	24,789	-	24,789
U.S. corporate bonds	-	495,554	-	495,554
U.S. Government agency bonds	-	1,530	-	1,530
U.S. Government agency CMO	-	77,429	-	77,429
U.S. Government agency CMO interest-only	-	6,955	-	6,955
U.S. Government agency MBS	-	222,696	-	222,696
U.S. Government agency TBAs	-	2,599	-	2,599
U.S. Treasury bonds	-	209,690	-	209,690
U.S. Treasury inflation protected securities	-	105,609	-	105,609
Total	$ 96,311	$ 1,841,937	$ -	1,938,248
Commingled debt funds				206,712
Total				$ 2,144,960

Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Foreign currency forward contracts	$ -	$ (2,323)	$ -	$ (2,323)
Futures contracts	(12,609)	-	-	(12,609)
Options contracts written	(525)	(354)	-	(879)
Securities sold short	-	(526)	-	(526)
Swaps	-	(40,804)	-	(40,804)
Total	$ (13,134)	$ (44,007)	$ -	$ (57,141)

The Pool's investments in commingled debt funds were measured at the NAV as of June 30, 2021 and 2020. These commingled debt funds invest in certain niche sectors, particularly ones that are not a significant percentage to the Pool, to provide economies of scale and efficiencies in establishing and managing a diversified portfolio that would be otherwise difficult to achieve. These funds offer daily liquidity.

CORE FIXED INCOME POOL

The main objective of this Pool is to generate investment income, provide stability, and enhance diversification but not at the expense of total return. This Pool's investment objective is to outperform the Bloomberg Barclays U.S. Aggregate Bond Index over three- to five-year periods, net of external investment management fees. JP Morgan Investment Advisors, Inc. manages this Pool.

BRIM's amount invested in the Core Fixed Income Pool of $20,252 and $16,907 at June 30, 2021 and 2020, respectively, and represented approximately 1.5% and 1.8%, respectively, of total investments in this Pool.

(in thousands)

Credit Risk

The Pool is exposed to credit risk from its fixed income investments, money market mutual fund investment, and Cash Collateral Account Investment. The IMB limits the exposure to credit risk in the Pool by maintaining at least an average rating of investment grade as defined by a nationally recognized statistical rating organization. The IMB reviews available ratings from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. The Pool holds some securities that have not received a rating from the aforementioned rating organizations. These securities have been listed as not rated in the table below. The absence or lack of a rating does not necessarily indicate a greater degree of risk. The money market mutual fund has the highest credit rating. The Cash Collateral Account is not rated.

The following table provides credit ratings for the Pool's fixed income investments as of June 30:

	Fair Value	
Rating	**2021**	**2020**
AAA	**$ 39,264**	$ 47,882
AA	**616,520**	535,867
A	**111,180**	83,021
BBB	**328,988**	171,799
BB	**21,582**	5,281
B	**869**	768
CCC	**172**	241
D	**57**	94
Withdrawn	**13,036**	11,132
Total rated	**1,131,668**	856,085
Not rated	**106,192**	63,019
Total fixed income investments	**$ 1,237,860**	$ 919,104

Concentration of Credit Risk

The Pool is restricted from investing more than 5% of the value of the Pool in any one corporate name. At June 30, 2021 and 2020, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk

At June 30, 2021 and 2020, the Pool held no securities that were subject to custodial credit risk. Securities on loan are collateralized to a minimum of 102%, and the collateral is held by the IMB's custodian in the name of the IMB. The money market mutual fund and the Cash Collateral Account are not subject to custodial credit risk. All remaining securities are held by the IMB's custodian in the name of the IMB.

Interest Rate Risk

The Pool is exposed to interest rate risk from its fixed income investments, money market mutual fund investment and Cash Collateral Account Investment. As of June 30, 2021, the money market mutual fund has a weighted average maturity (WAM) of 41 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the Cash Collateral Account are limited to overnight investments. As of June 30, 2021, the WAM for the Cash Collateral Account is 1 day.

As of June 30, 2020, the money market mutual fund has a WAM of 53 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the Cash Collateral Account are limited to overnight investments. As of June 30, 2020, the WAM for the Cash Collateral Account was 1 day.

(in thousands)

The IMB monitors interest rate risk of the Pool by evaluating the effective duration of the investments in the Pool. Effective duration is a method of disclosing interest rate risk that measures the expected change in the price of a fixed income security for a 1% change in interest rates. The effective duration calculation takes into account the most likely timing of variable cash flows, which is particularly useful for measuring interest rate risk of callable bonds, commercial and residential mortgage-backed securities, asset-backed securities and collateralized mortgage obligations.

The following table provides the weighted average effective duration for the Pool's fixed income investments as of June 30:

	2021		2020	
Investment Type	**Fair Value**	**Effective Duration (Years)**	**Fair Value**	**Effective Duration (Years)**
Corporate asset backed issues	**$ 122,533**	**2.5**	$ 104,830	1.6
Corporate CMO	**96,489**	**2.4**	46,117	3.4
Corporate CMO interest-only	**197**	**(1.7)**	212	(13.6)
Corporate CMO principle only	**47**	**3.0**	64	4.6
Foreign asset backed issues	**3,508**	**1.1**	2,168	2.8
Foreign corporate bonds	**116,081**	**6.2**	61,479	6.5
Foreign government bond	**6,606**	**11.8**	5,870	9.3
Municipal bonds	**12,058**	**13.8**	12,331	14.5
U.S. corporate bonds	**295,067**	**8.4**	189,911	9.3
U.S. Government agency bonds	**-**	**-**	3,100	0.5
U.S. Government agency CMO	**108,672**	**3.8**	98,050	4.4
U.S. Government agency CMO interest-only	**3,402**	**6.2**	2,144	8.8
U.S. Government agency CMO principle only	**3,225**	**5.5**	4,409	5.2
U.S. Government agency MBS	**175,912**	**4.4**	180,583	4.6
U.S. Government agency TBAs	**32,366**	**4.2**	5,924	3.1
U.S. Treasury bonds	**261,215**	**8.7**	201,453	7.8
U.S. Treasury inflation-protected securities	**482**	**0.5**	459	0.9
Total fixed income investments	**$ 1,237,860**		$ 919,104	

The Pool invests in commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations. The cash flows from these securities are based on the payment of the underlying collateral. The effective duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. At June 30, 2021 and 2020, the Pool held $546,351 and $444,501, respectively, of these securities. This represents approximately 44% and 48%, respectively, of the value of the Pool's fixed income securities.

Foreign Currency Risk

None of the securities held by the Pool are exposed to foreign currency risk.

(in thousands)

Fair Value Measurements

The tables below summarize the valuation of the investment securities in accordance with GASB Statement No.72 fair value hierarchy levels as of June 30:

	2021			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Corporate asset backed issues	**$ -**	**$ 122,533**	**$ -**	**$ 122,533**
Corporate CMO	**-**	**96,489**	**-**	**96,489**
Corporate CMO interest-only	**-**	**197**	**-**	**197**
Corporate CMO principal-only	**-**	**47**	**-**	**47**
Corporate preferred securities	**-**	**1,226**	**-**	**1,226**
Foreign asset backed issues	**-**	**3,508**	**-**	**3,508**
Foreign corporate bonds	**-**	**116,081**	**-**	**116,081**
Foreign government bonds	**-**	**6,606**	**-**	**6,606**
Money market mutual fund	**112,553**	**-**	**-**	**112,553**
Municipal bonds	**-**	**12,058**	**-**	**12,058**
Securities lending collateral	**33,706**	**-**	**-**	**33,706**
U.S. corporate bonds	**-**	**295,067**	**-**	**295,067**
U.S. Government agency CMO	**-**	**108,672**	**-**	**108,672**
U.S. Government agency CMO interest-only	**-**	**3,402**	**-**	**3,402**
U.S. Government agency CMO principal-only	**-**	**3,225**	**-**	**3,225**
U.S. Government agency MBS	**-**	**175,912**	**-**	**175,912**
U.S. Government agency TBAs	**-**	**32,366**	**-**	**32,366**
U.S. Treasury bonds	**-**	**261,215**	**-**	**261,215**
U.S. Treasury inflation protected securities	**-**	**482**	**-**	**482**
Total	**$ 146,259**	**$ 1,239,086**	**$ -**	**$ 1,385,345**

	2020			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Corporate asset backed issues	$ -	$ 104,830	$ -	$ 104,830
Corporate CMO	-	46,117	-	46,117
Corporate CMO interest-only	-	212	-	212
Corporate CMO principal-only	-	64	-	64
Foreign asset backed issues	-	2,168	-	2,168
Foreign corporate bonds	-	61,479	-	61,479
Foreign government bonds	-	5,870	-	5,870
Money market mutual fund	10,949	-	-	10,949
Municipal bonds	-	12,331	-	12,331
Securities lending collateral	4,868	-	-	4,868
U.S. corporate bonds	-	189,911	-	189,911
U.S. Government agency bonds	-	3,100	-	3,100
U.S. Government agency CMO	-	98,050	-	98,050
U.S. Government agency CMO interest-only	-	2,144	-	2,144
U.S. Government agency CMO principal-only	-	4,409	-	4,409
U.S. Government agency MBS	-	180,583	-	180,583
U.S. Government agency TBAs	-	5,924	-	5,924
U.S. Treasury bonds	-	201,453	-	201,453
U.S. Treasury inflation protected securities	-	459	-	459
Total	$ 15,817	$ 919,104	$ -	$ 934,921

(in thousands)

HEDGE FUND POOL

This Pool was established to hold the IMB's investments in hedge funds. The objective of the Pool is to reduce risk through diversification of participants' assets. The primary performance benchmark is the Hedge Funds Research, Inc. Fund of Funds Composite Index plus 100 basis points. As of June 30, 2021, the secondary benchmark is the FTSE 3 Month US T-Bill Index plus 500 basis points. As of June 30, 2020, the secondary benchmark was the Citigroup 90-Day Treasury Bill Index plus 500 basis points. Albourne America, LLC has been retained by the IMB to provide consulting services for this investment strategy.

BRIM's amount invested in the Hedge Fund Pool of $37,565 and $32,685 at June 30, 2021 and 2020, respectively, represented approximately 1.6% and 1.6%, respectively, of total investments in this Pool.

Investment Risk

The Pool holds shares in hedge funds and shares of money market fund with the highest credit rating. As of June 30, 2021 and 2020, the money market mutual fund has the highest credit rating and has a weighted average maturity of 41 and 53 days, respectively. The investments in hedge funds might be indirectly exposed to foreign currency risk, credit risk, interest rate risk, and/or custodial credit risk. The Pool is restricted from investing more than 10% of the value of the Pool with any single manager. At June 30, 2021 and 2020, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Fair Value Measurements

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share (NAV) as the practical expedient for the year ended June 30, 2021 and 2020. All of the Pool's investments in hedge funds were valued using the NAV. As such, they have not been categorized in the fair value hierarchy for 2021 and 2020

The tables that follow sets forth information about the level within the fair value hierarchy at which the Pool's assets and liabilities are measured at June 30.

	2021			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market mutual fund	$ 85,669	$ -	$ -	$ 85,669
Hedge funds				2,231,493
Total				$ 2,317,162

	2020			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market mutual fund	$ 12	$ -	$ -	$ 12
Hedge funds				1,893,312
Total				$ 1,893,324

(in thousands)

The following tables present information on investments measured at the NAV as of June 30:

	2021		
Hedge Fund Strategies	**Fair Value**	**Redemption Frequency**	**Redemption Notice Period**
Directional [a]	**$ 232,059**	**Mthly/Qtly**	**5 to 30 days**
Equity long/short [b]	**410,931**	**Mthly/Qtly**	**60 to 90 days**
Event-driven [c]	**97,398**	**Quarterly**	**180 days**
Long-biased [d]	**77,353**	**Mthly**	**90 days**
Multi-strategy [e]	**1,153,207**	**Mthly/Qtly/Semi-ann/Ann**	**45 to 95 days**
Relative-value [f]	**229,993**	**Weekly, Quarterly**	**5 to 60 days**
	2,200,941		
In liquidation [g]	**30,552**		
Total investments measured at the NAV	**$ 2,231,493**		

	2020		
Hedge Fund Strategies	**Fair Value**	**Redemption Frequency**	**Redemption Notice Period**
Directional [a]	$ 200,974	Mthly/Qtly	5 to 30 days
Equity long/short [b]	205,201	Mthly/Qtly	30 to 60 days
Event-driven [c]	70,232	Qtly/Every 2 years	45 to 180 days
Long-biased [d]	77,581	Mthly	90 days
Multi-strategy [e]	1,049,030	Mthly/Qtly/Semi-ann/Ann	30 to 95 days
Relative-value [f]	290,294	Weekly/Quarterly	5 to 60 days
Total investments measured at the NAV	$ 1,893,312		

(a) Directional strategies employee various techniques to forecast the direction of segments of the market and then invest in either long or short positions. The segments may be geographic economies, industry sectors, currency, or asset class. The investments may be in physical securities or derivatives. The strategies may be trend-following or mean-reverting and may be specific to that segment or universally applied across them.

(b) An equity long/short strategy involves taking long positions in stocks that are expected to increase in value and short positions in stocks that are expected to decrease in value. At June 30, 2021, investments representing approximately 66% of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions. The percentage of investments subject to maximum withdrawal restrictions at June 30, 2020 was not disclosed.

(c) Event-driven funds maintain positions in companies currently or prospectively involved in various corporate transactions including, but not limited to, mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event-driven exposure includes a combination of sensitivities to equity markets, credit markets and company-specific developments. At June 30, 2021, the sole fund in this investment strategy is subject to maximum withdrawal restrictions. At June 30, 2020, all of the funds in this investment strategy are subject to maximum withdrawal restrictions.

(d) Long-biased strategies employ analytical techniques in which the investment thesis is predicated on assessment of the valuation characteristics on the underlying companies with the goal of identifying undervalued companies. Long-biased strategies may vary the investment level or the level of long exposure over market cycles, but the primary distinguishing characteristic is that the manager maintains consistent long exposure.

(e) Multi-strategy managers combine several strategies within the same fund in order to provide diversification benefits to reduce return volatility and decrease asset-class and single-strategy risks. These funds typically add incremental returns through active allocation adjustments based on market opportunities. Risk is managed through a combination of quantitative and qualitative constraints including, but not limited to, active risk, liquidity risk, currency risk, manager risk, derivatives risk and leverage risk. Investments representing approximately 78% in 2021 and 35% in 2020 of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.

(f) Relative-value funds maintain positions in which the investment thesis is predicated on the realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment insights and security types range broadly across equity, fixed income, derivative or other security types. Fixed Income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk-adjusted spread between these instruments represents an attractive opportunity. Investments representing approximately 60% in 2021 and 40% in 2020 of the fair value of the instruments in this strategy are subject to maximum withdrawal restrictions.

(g) As of June 30, 2021, funds currently in liquidation are no longer managed to a defined strategy. As the remaining underlying assets of these funds are monetized, their proceeds are distributed to shareholders. The timing of these future distributions is unknown.

TREASURY INFLATION PROTECTION SECURITIES (TIPS)

The pool was established to offer an additional level of diversification over and above the nominal fixed income securities in an attempt to mitigate the risk of inflation. The main objective for the Pool is to generate a return that exceeds the rate of inflation over a market cycle, to provide investment income and stability of principal, and to diversify interest rate exposure. The Pool's performance is measured against the Bloomberg Barclays U.S. Treasury Inflation Protection Index on an annualized basis over rolling three- to five-year periods, gross of fees. The Pool invests in the BlackRock U.S. Treasury Inflation Protected Securities Fund B (BlackRock). BlackRock invests primarily in a portfolio of debt securities with the objective of closely approximating the total rate of return for all outstanding U.S. Treasury Inflation Protected Securities with a maturity of one year or greater.

BRIM's amount invested in the TIPS Pool of $19,529 and $16,161 at June 30, 2021 and 2020, respectively, represented approximately 4.1% and 5.6% respectively, of total investments in this pool.

Credit Risk

The Pool invests in a commingled bond fund that holds primarily U.S. Treasury inflation protected securities. This investment is exposed to credit and interest rate risk. This fund is not rated by a nationally recognized statistical rating organization. Effective duration is a method of disclosing interest rate risk that measures the expected change in the price of a fixed income security for a 1% change in interest rates. As of June 30, 2021 and 2020, the fund had an effective duration of 7.51 and 7.68 years, respectively. At June 30, 2021 and 2020, the Pool is not exposed to concentration of credit risk, custodial risk, or foreign currency risk.

Interest Rate Risk

Interest rate risk of the money market mutual fund is measured by weighted average maturity (WAM). As of June 30, 2020, WAM was 53 days. As of June 30, 2021, the Pool did not disclose WAM in days.

(in thousands)

Fair Value Measurements

The table below summarizes the valuation of the investment securities in accordance with fair value hierarchy levels as of June 30:

	2021			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Comingled bond fund	$ 478,962	$ -	$ -	$ 478,962
Total	$ 478,962	$ -	$ -	$ 478,962

	2020			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Comingled bond fund	$ 290,665	$ -	$ -	$ 290,665
Money Market Mutual Fund	2	-	-	2
Total	$ 290,667	$ -	$ -	$ 290,667

SHORT-TERM FIXED INCOME POOL

The main objective of this Pool is to maintain sufficient liquidity to meet the daily disbursements requested by participants and to invest any contributions until the time the money is transferred to other IMB operated investment pools without sustaining capital losses while earning a small return above inflation. As of June 30, 2021, the Pool's benchmark, net of external investment management fees, is the FTSE 3 Month US T-Bill Index. As of June 30, 2020, the Pool's benchmark, net of external investment management fees, was the Citigroup ninety-day Treasury Bill Index. JP Morgan Investment Advisors, Inc. manages the Pool.

BRIM's amount invested in the Short-Term Fixed Income Pool of $9,591 and $7,863 at June 30, 2021 and 2020, respectively, represented approximately 5.0% and 1.3%, respectively, of total investments in this Pool.

Credit Risk

The IMB limits the exposure to credit risk in the Pool by requiring all corporate bonds to be rated AA or higher. Commercial paper must be rated A-1 by Standard & Poor's and P-1 by Moody's. Additionally, the Pool must have at least 10% of its assets in United States Treasury issues. As of June 30, 2021, Repurchase agreements are collateralized by United States Treasury bonds. The IMB reviews available ratings from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. All of the Pool's investments had the highest credit ratings as of June 30, 2021 and 2020.

Concentration of Credit Risk

The Pool is restricted from investing more than 5% of the value of the Pool in any one corporate name. At June 30, 2021 and 2020, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk

At June 30, 2021 and 2020, the Pool held no investments that were subject to custodial credit risk. Repurchase agreements are collateralized at 102% and the collateral is held in the name of the IMB. All remaining investments are held by the IMB's custodian in the name of the IMB.

(in thousands)

Interest Rate Risk

The Pool is exposed to interest rate risk from its fixed income investments and money market mutual fund investments. The IMB monitors interest rate risk of the Pool by limiting the weighted average maturity (WAM) of the investments of the Pool to 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date.

The following table provides the WAM for the different asset types in the Pool as of June 30:

Investment Type	2021 Carrying Value	WAM (Days)	2020 Carrying Value	WAM (Days)
Repurchase agreement	**$ 47,669**	**1**	$ 75,658	1
Money market mutual fund	**39,753**	**1**	25,896	1
U.S. Government agency bonds	**26,920**	**55**	265,950	48
U.S. Treasury bonds	**102,887**	**44**	274,978	27
Total investments	**$ 217,229**		$ 642,482	

Foreign Currency Risk

The Pool has no investments that are subject to foreign currency risk.

Fair Value Measurements

The tables below summarize the valuation of the investment securities in accordance with fair value hierarchy levels as of June 30:

	2021			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Commercial paper	**$ -**	**$ 26,920**	**$ -**	**$ 26,920**
Money market mutual funds	**39,753**	**-**	**-**	**39,753**
Repurchase agreement	**-**	**47,669**	**-**	**47,669**
U.S. Treasury bills	**-**	**102,887**	**-**	**102,887**
Total	**$ 39,753**	**$ 177,476**	**$ -**	**$ 217,229**

	2020			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Repurchase agreement	$ -	$ 75,658	$ -	$ 75,658
Money market mutual fund	25,896	-	-	25,896
U.S. Government agency bonds	-	265,950	-	265,950
U.S. Treasury bills	-	274,978	-	274,978
Total	$ 25,896	$ 616,586	$ -	$ 642,482

(in thousands)

Advanced deposits

INSURANCE COMPANY AND TRUSTEE

BRIM deposits monies with BNY, as trustee, to hold as advance deposits in an escrow account for BRIM liability claims. The monies held in escrow are invested in specific money market funds and short-term guaranteed or investment-grade fixed income securities that are identified as "qualified assets" in the escrow agreement. The BNY advance deposit balance at June 30, 2021 and 2020 of $251,189 and $264,014, respectively, are presented net of amounts due to AIG for claims funding. At June 30, 2021 and 2020, amounts payable to AIG were $160 and $0, respectively.

The following table provides information on the weighted-average credit ratings of the cash liquidity pool's investments as of June 30:

	2021				2020			
Security Type	**Moody's**	**S&P**	**Fair Value**	**Percent of Assets**	**Moody's**	**S&P**	**Fair Value**	**Percent of Assets**
Corporate bonds and notes	**A1**	**A+**	**$ 1,179**	**0.47%**	A1	A+	$ 1,456	0.56 %
	Aa1	**AA+**	**1,139**	**0.46**	Aa1	AA+	1,446	0.55
	Aa1	**AA**	**-**	**0.00**	Aa1	AA	1,588	0.61
	Aa1	**AA-**	**-**	**0.00**	Aa1	AA-	3,114	1.19
	Aa2	**AA**	**1,101**	**0.44**	Aa2	AA	2,960	1.13
	Aa2	**AA-**	**3,820**	**1.53**	Aa2	AA-	-	0.00
	Aa3	**AA-**	**1,241**	**0.50**	Aa3	AA-	1,500	0.57
	Aaa	**AA+**	**2,628**	**1.05**	Aaa	AA+	2,656	1.01
	Aaa	**AAA**	**3,686**	**1.47**	Aaa	AAA	4,032	1.54
	WR	**AA-**	**1,386**	**0.55**	WR	AA-	-	-
			16,180	**6.47**			18,752	7.16
U.S. Treasury bonds and notes	**Aaa**	**NR**	**216,213**	**86.47**	Aaa	NR	238,616	91.15
	NR	**NR**	**13,566**	**5.43**	NR	NR	-	0.00
			229,779	**91.90**			238,616	91.15
U.S. Agency-debenture	**NR**	**NR**	**2,676**	**1.07**	NR	NR	2,909	1.11
Money market funds	**NR**	**NR**	**1,398**	**0.56**	NR	NR	1,514	0.58
Total rated investments			**$ 250,033**	**100.00%**			$ 261,791	100.00 %

Concentration of Credit Risk

As per the Investment Guidelines, at the time of purchase, no more than 4.9% of its advance deposit assets can be held in securities issued by a single private corporation or association.

Custodial Credit Risk

At June 30, 2021 and 2020, advanced deposits include no securities that were subject to custodial credit risk.

(in thousands)

Interest Rate Risk

The following table provides the WAM for the various asset types in the advanced deposits as of June 30:

	2021		2020	
Investment Type	**Fair Value**	**WAM Years**	**Fair Value**	**WAM Years**
Corporate bonds and notes	**$ 13,552**	**2.5**	$ 16,096	3.5
U.S. Treasury bonds	**229,779**	**4.17**	238,616	3.8
U.S. Agency debenture	**5,304**	**6.31**	5,565	7.4
Money market funds	**1,398**	**0.0**	1,514	0.0
Total rated investments	**$ 250,033**		$ 261,791	

Foreign Currency Risk

None of the advanced deposits includes interest holds in foreign currency or interests valued in foreign currency.

Fair Value Measurements

The table below summarizes the valuation of the investment securities in accordance with fair value hierarchy levels as of June 30:

	2021			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Corporate bonds and notes	**$ 13,552**	**$ -**	**$ -**	**$ 13,552**
U.S. Treasury bonds	**229,779**	**-**	**-**	**229,779**
U.S. Agency debenture	**5,304**	**-**	**-**	**5,304**
Money market funds	**1,398**	**-**	**-**	**1,398**
Total	**$ 250,033**	**$ -**	**$ -**	**$ 250,033**

	2020			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Corporate bonds and notes	$ 16,096	$ -	$ -	$ 16,096
U.S. Treasury bonds	238,616	-	-	238,616
U.S. Agency debenture	5,565	-	-	5,565
Money market funds	1,514	-	-	1,514
Total	$ 261,791	$ -	$ -	$ 261,791

The fair value tables above do not include cash and cash equivalents at June 30, 2021 and 2020 of $1,156 and $2,223, respectively.

4. Unpaid Claims and Claims Adjustment Expense Liability

BRIM establishes an estimated liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claims adjustment expenses.

(in thousands)

The following represents changes in the estimated liability for the fiscal and policy years ended June 30:

	2021	2020
Unpaid claims and claims adjustment expense liability at beginning of year	**$ 204,796**	$ 190,978
Incurred claims and claims adjustment expense:		
Provision for insured events of the current year	**77,590**	69,809
(Decrease) increase in provision for insured events of prior years	**(7,331)**	(4,460)
Total incurred claims and claims adjustment expense	**70,259**	65,349
Payments:		
Claims and claims adjustment expense attributable to insured events of the current year	**(13,159)**	(12,300)
Claims and claims adjustment expense attributable to insured events of prior years	**(72,300)**	(39,231)
Total payments	**(85,459)**	(51,531)
Total unpaid claims and claims adjustment expense liability at end of year	**$ 189,596**	$ 204,796

If the unpaid claims and claims adjustment expense liability were discounted using a 4% discount factor for 2021 and 2020 to take into consideration the time value of money, the result would be a decrease in the liability and an increase in net position of approximately $17,281 and $16,424 for fiscal years 2021 and 2020, respectively. The overall unpaid claim liability number includes a provision for allocated and unallocated claims adjustment expense. Unfavorable claims development for insured events of prior years was the primary reason for the overall increase in the reserves from the prior year.

5. Pension Plan

Plan description

All full-time BRIM employees are eligible to participate in PERS, a multiple-employer defined benefit cost-sharing public employee retirement system administered by the West Virginia Consolidated Public Retirement Board (CPRB). Chapter 5, Article 10 of the West Virginia Code assigns the authority to establish and amend benefit provisions to the PERS Board of Trustees. Benefits under PERS include deferred retirement, early retirement, death and disability benefits and have been established and may be amended by action of the State Legislature. The CPRB issues a publicly available financial report that includes financial statements for PERS that may be obtained at www.wvretirement.com.

Benefits provided

Employees are eligible for normal retirement at age 60 with five or more years of credited service, of at least age 55 with age and service equal to 80 or greater. For all employees hired on or after July 1, 2015, qualification for normal retirement is age 62 with ten years of service or at lease age 55 with age and service equal to 80 or greater. The straight-life annuity retirement benefit, established by State statute, is equivalent to 2% of the employee's final average salary multiplied by years of service. Final average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. For all employees hired on or after July 1, 2015, average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired on or after July 1, 2015 who have separated from employment with a participating PERS agency prior to retirement, the retirement age increases to age 64.

(in thousands)

Contributions

While contribution rates are legislatively determined, actuarial valuations are performed to assist PERS and the State Legislature in determining contribution rates. Current funding policy requires employer contributions of 10%, 10% and 10% for the years ended June 30, 2021, 2020 and 2019, respectively. As permitted by legislation, BRIM has elected to pay 100% of all costs relating to the Plan, including the employee's 4.5% contribution for employees hired on or before February 6, 2012. Beginning February 7, 2012, new hires are required to pay the employee's contribution of 4.5%. For all employees hired on or after July 1, 2015, the employee contribution increased to 6.0%. BRIM's contributions to the Plan were $158, $152 and $142 for the fiscal years ended June 30, 2021, 2020 and 2019, respectively.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

The West Virginia Consolidated Public Retirement Board (WVCPRB) administers this cost-sharing multiple-employer plan. At June 30, 2021 and 2020, BRIM reported a liability of $533 and $214 for its proportionate share of the net pension liability. The net pension liability reported at June 30, 2021 was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, rolled forward to the measurement date of June 30, 2020. BRIM's proportion of the net pension liability was based on BRIM's share of contributions to the pension plan relative to the contributions of all employers participating in PERS for the year ended June 30, 2020. At June 30, 2021, BRIM's proportionate share was 0.1008%, which was an increase of 0.0013% from its proportionate share as of June 30, 2020.

For the years ended June 30, 2021 and 2020, BRIM recognized pension expense of $143 and $220, respectively. At June 30, 2021 and 2020, BRIM reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	**$ 169**	**$ -**	$ -	$ 77
Differences between expected and actual experience	**78**	**11**	8	19
Difference in assumptions	**-**	**24**	-	39
Changes in proportion and differences between BRIM's contributions and proportionate share of contributions	**33**	**-**	55	10
BRIM's contributions made subsequent to the measurement date of June 30, 2020 and 2019	**158**	**-**	152	-
Total	**$ 438**	**$ 35**	$ 215	$ 145

Employer contributions to PERS made during the fiscal year, subsequent to the pension liability measurement date, are recorded as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the following year. The net difference between projected and actual investment earnings on pension plan investments is amortized over a five-year period. All other deferred outflows of resources and deferred inflows of resources relating to pension amounts reported in the financial statements are amortized and included in pension expense over the average remaining service life, rounded to the nearest whole year, of four years.

(in thousands)

These other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension as of June 30, 2021 will be recognized in pension expense as follows:

Year ending June 30:		
2022	$	(14)
2023	$	86
2024	$	105
2025	$	68

Actuarial assumptions and methods

The total pension liabilities for financial reporting purposes were determined by actuarial valuation as of July 1, 2019, and rolled forward to June 30, 2020, using the actuarial assumptions and methods described, as follows:

	2021	**2020**
Inflation	**3.0%**	3.0%
Salary increase	**3.1-6.5%, avg., including inflation**	3.1-6.5%, avg., including inflation
Investment rate of return	**7.5%, net of pension plan investment expense**	7.5%, net of pension plan investment expense

Mortality rates were based on 108% of the Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018 for retired healthy males, 122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018 for retired healthy females, 118% of Pub-2010 General/Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018 for disabled males and 117% of Pub-2010 General/Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018 for disabled females.

The actuarial assumptions used in the valuations were based on the results from an actual experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of long-term geometric rates of return for each major asset class included in the system's target asset allocation as of June 30, 2020 and 2019, are summarized below:

Asset Class	**2020** **Long-Term Expected Rate of Return**	**2019** **Long-Term Expected Rate of Return**
Domestic equity	**5.5%**	5.8%
International equity	**7.0%**	7.7%
Core fixed income	**2.2%**	3.3%
Real estate	**6.6%**	6.1%
Private equity	**8.5%**	8.8%
Hedge funds	**4.0%**	4.4%

(in thousands)

Discount rate

The discount rate used to measure the total pension liability was 7.5% for both valuations. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policy. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current system members. Therefore, the long-term expected rate of return on system investments was applied to all periods of projected benefit payments to determine the total pension liability. In the event of benefit payments that are not covered by the system's fiduciary net position, a municipal bond rate of 2.66% at June 30, 2020 and 2.79% at June 30, 2019 is to be used to discount the benefit payments not covered by the system's fiduciary net position. The municipal bond rate equals the S&P Municipal Bond 20 Year High Grade Index at the measurement date, June 30, 2020.

Sensitivity of BRIM'S proportionate share of the net pension liability to changes in the discount rate

The following presents BRIM's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what BRIM's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
BRIM's proportionate share of net pension liability (asset)	$ (1,358)	$ (533)	$ 165

6. Other Post-Employment Benefits

Plan description

BRIM participates in the West Virginia Other Postemployment Benefit Plan (the Plan) is a cost-sharing, multiple employer, defined benefit other post-employment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code Section 5-16D-2 (the Code). The financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State of West Virginia. The Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by PEIA and the RHBT management with approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary serves as Chairman of the Board. Four members represent labor, education, public employees and public retirees. Four remaining members represent the public-at-large.

The Plan had approximately 43,000 policyholders and 64,000 covered lives at June 30, 2020.

BRIM currently has approximately 17 employees eligible to receive RHBT benefits.

Active employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the applicable State retirement system and if their last employer immediately prior to retirement: is a participating employer under the Consolidated Public Retirement Board (CPRB) and, as of July 1, 2008 forward, is a participating employer with the Public Employees Insurance Agency (PEIA). Active employees who, as of July 1, 2008, have ten years or more of credited service in the CPRB and whose employer at the time of their retirement does participate with CPRB, but does not participate with PEIA will be eligible for PEIA retiree coverage provided: they otherwise meet all criteria under this heading and their employer agrees, in writing, upon a form prescribed by PEIA, that the employer will pay to PEIA the non-participating retiree premium on behalf of the retiree or retirees, or that the retiree agrees to pay the entire unsubsidized premium themselves. Active employees who are members of the Teacher's Defined Contribution Retirement plan must be either: 55 years of age and have 12 or more years of credited service; or be at least 60 years of age with five years of service; and their last employer immediately prior to retirement must be a participating employer under that, or the CPRB system to qualify to continue PEIA insurance benefits upon retirement. Employees who participate in non-State retirement systems but that are CPRB system affiliated, contracted, or approved (such as TIAA-CREF and similar plans), or are approved, in writing, by the PEIA Director must, in the case of education employees, meet the minimum eligibility requirements of the State Teacher's Retirement System, and in all other cases meet the minimum eligibility requirements of the Public Employees Retirement System to be eligible for PEIA benefits as a retiree.

For additional financial information, which may be used for disclosure by participating employers, please refer to the audited financial statements of the RHBT. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov. If you have any questions about this report or need additional information, contact the Chief Financial Officer, Jason Haught, at (304) 558-7850, ext. 52642 or the RHBT Controller, Jennifer Priddy, at (304) 558-7850, ext. 52681. You can also submit your questions in writing to West Virginia Public Employees Insurance Agency, 601 57th Street, SE Suite 2, Charleston, WV 25304.

Benefits provided

The Plan provides the following benefits:

- Medical and prescription drug insurance
- Life insurance

The medical and prescription drug insurance is provided through two options:

- Self-Insured Preferred Provider Benefit Plan – primarily for non-Medicare-eligible retirees and spouses
- External Managed Care Organizations – primarily for Medicare-eligible retirees and spouses

Contributions

Contributions into RHBT include paygo, retiree leave conversion billings, and other matters, including billing adjustments. Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribute to RHBT this premium at the established rate for every active policyholder per month. Paygo rates were $160 and $168 for the years ending June 30, 2021 and 2020, respectively. Other contributions such as retiree leave conversion differ by agency and are only recorded as utilized by plan participants. BRIM's contributions to RHBT were $37, $39 and $45 for the fiscal years ended June 30, 2021, 2020 and 2019, respectively.

Members retired before July 1, 1997 pay retiree healthcare contributions at the highest sponsor subsidized rate, regardless of their actual years of service. Members retired between July 1, 1997 and June 30, 2010, pay a subsidized rate depending on the member's years of service. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy.

Retiree leave conversion contributions from the employer depend on the retiree's date of hire and years of service at retirement as described below:

- Members hired before July 1, 1988, may convert accrued sick or leave days into 100% of the required retiree healthcare contribution.
- Members hired from July 1, 1988, to June 30, 2001, may convert accrued sick or leave days into 50% of the required retiree healthcare contribution.

(in thousands)

The conversion rate is two days of unused sick and annual leave days per month for single healthcare coverage and three days of unused sick and annual leave days per month for family healthcare coverage.

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2021 and 2020, BRIM reported a liability of $113 and $391 for its proportionate share of the net OPEB liability. The net OPEB liability reported at June 30, 2021 was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. For fiscal year 2020, the net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019. BRIM's proportion of the net OPEB liability was based on BRIM's share of contributions to the OPEB plan relative to the contributions of all employers participating in RHBT for the year ended June 30, 2020. At June 30, 2021, BRIM's proportionate share was 0.0256%, which was an increase of 0.0020% from its proportionate share as of June 30, 2020.

At June 30, 2021 and 2020, BRIM reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Net difference between expected and actual earnings on OPEB investments	**$ 12**	**$ 4**	$ 2	$ 6
Differences between expected and actual experience	**-**	**73**	-	46
Changes in assumptions	**-**	**256**	-	79
Changes in proportion and differences between BRIM's contributions and proportionate share of contributions	**66**	**12**	43	29
Reallocation of opt-out employer changes in proportionate share	**-**	**6**	-	11
BRIM's contributions made subsequent to the measurement date of June 30, 2020 and 2019	**37**	**-**	39	-
Total	**$ 115**	**$ 351**	$ 84	$ 171

Employer contributions to RHBT made during the fiscal year, subsequent to the net OPEB liability measurement date, are recorded as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the following year.

The net difference between projected and actual investment earnings on OPEB Plan investments are recognized in OPEB expense using a systematic and rational method over a closed five-year period. Differences between actual and expected experience relating to OPEB amounts are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB Plan determined as of the beginning of the measurement period. The average of the expected remaining lives is 4.0482 years.

(in thousands)

These other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>**Year ending June 30:**</u>		
2022	$	(113)
2023	$	(93)
2024	$	(66)
2025	$	(1)

OPEB Contributions by Non-employer Contributing Entities in a Special Funding Situation

The State of West Virginia is a non-employer contributing entity that provides funding through SB 419, effective July 1, 2012, amended by West Virginia Code §11-21-96. The State provides a supplemental pre-funding source dedicating $30 million annually to the RHBT Fund from annual collections of the Personal Income Tax Fund and dedicated for payment of the unfunded liability of the RHBT. The $30 million transferred pursuant to this Code shall be transferred until the Governor certifies to the Legislature that an independent actuarial study has determined that the unfunded liability of RHBT has been provided for in its entirety or July 1, 2037, whichever date is later. This funding is to the advantage of all RHBT contributing employers.

The State is a non-employer contributing entity that provides funding through West Virginia State Code §11B-2-32. The Financial Stability Fund is a plan to transfer an annual amount of $5 million to the RHBT from special revenue funds to be used to lower retiree premiums, to help reduce benefit cuts, to help reduce premium increases or any combination thereof. The $5 million transferred pursuant to this Code shall be transferred annually into the RHBT through June 30, 2020. This funding is to the advantage of all RHBT contributing employers.

For the years ended June 30, 2021 and 2020, BRIM recognized OPEB revenue of $80 and OPEB expense of $28, respectively.

For the years ended June 30, 2021 and 2020, BRIM recognized revenue of $11 and $24, respectively, for support provided by the State under a special funding situation.

BRIM's reported liability for its proportionate share of the WV OPEB Plan's net OPEB liability that reflected a reduction for the State of WV OPEB support provided to BRIM. The amount recognized BRIM as its proportionate share of the net OPEB liability, the related State of WV support, and the total portion of the net OPEB liability that was associated with BRIM as of June 30 was as follows.

	2021	**2020**
BRIM's proportionate share of the net OPEB liability:	**$ 113**	$ 391
State of WV's special funding proportionate share of the net OPEB Liability associated with BRIM	**25**	80
Total portion of the net OPEB liability associated with BRIM	**$ 138**	$ 471

(in thousands)

Actuarial assumptions

The net OPEB liability measured as of June 30, 2020 applicable to Plan Employer's fiscal year ended June 30, 2021 financial reporting was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions:

Inflation	2.25%
Salary increases	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.
Investment rate of return	6.65%, net of OPEB plan investment expense, including inflation.
Healthcare cost trend rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, 6.50% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022. 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
Actuarial cost method	Entry Age Normal Cost Method.
Amortization method	Level percentage of payroll over a 20-year closed period beginning June 30, 2017.

Post-Retirement: RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2014 Healthy Annuitant Mortality Table projected with scale MP-2016 on a fully generational basis for Troopers A and B. Pre-Retirement: RP-2000 Non- Annuitant Mortality Table projected with Scale AA on a fully generational Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2014 Employee Mortality Table projected with Scale MP-2016 on a fully generational basis for Troopers A and B.

Certain assumptions have been changed since the prior actuarial valuation of June 30, 2018 and a measurement date of June 30, 2020. The net effect of assumptions changes was approximately $1,147 million. The assumption changes that most significantly impacted the Net OPEB Liability were an approximate $831 decrease related to healthcare related assumptions, and $279 million decrease related to changes in demographic and OPEB valuation assumptions. Certain other assumption changes were noted but did not materially impact the Net OPEB Liability.

The long-term expected rate of return of 6.65% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.00% for long-term assets invested with the WV Investment Management Board and an expected short-term rate of return of 2.50% for assets invested with the West Virginia Board of Treasury Investments.

Long-term pre-funding assets are invested with the WVIMB. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTI.

The long-term rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages. Target asset allocations, capital market assumptions (CMA), and a 10-year forecast of nominal geometric returns by major asset class were provided by the plan's investment advisors, including the West Virginia Investment Management Board (WV-IMB). The projected nominal return for the Money Market Pool held with the West Virginia Board of Treasury Investments (WV-BTI) was estimated based on WV-IMB assumed inflation of 2.0% plus a 25 basis point spread.

(in thousands)

The estimates of annualized real returns assuming a 10-year horizon are summarized below:

Asset Class	Long-Term Expected Real return
Global Equity	6.8%
Core Plus Fixed Income	4.1%
Core Real Estate	6.1%
Hedge Fund	4.4%
Private Equity	8.8%

Single discount rate

A single discount rate of 6.65% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.65% and a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date to the extent benefits are effectively financed on a pay-as-you-go basis. The long-term municipal bond rate used to develop the single discount rate was 3.13% as of the beginning of the year and 2.45% as of the end of the year. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Future pre-funding assumptions include a $30 million annual contribution from the State through 2037. Based on those assumptions, and that the Plan is expected to be fully funded by fiscal year ended June 30, 2025, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates.

Sensitivity of BRIM'S proportionate share of the net OPEB liability to changes in the discount rate

The following presents BRIM's proportionate share of the net OPEB liability calculated using the discount rate of 6.65%, as well as what BRIM's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.65%) or one percentage point higher (7.65%) than the current rate:

	1% Decrease (5.65%)	Current Discount Rate (6.65%)	1% Increase (7.65%)
BRIM's proportionate share of net OPEB liability	$ 162	$ 113	$ 73

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.

The following presents BRIM's proportionate share of the net OPEB liability of the Plan, as well as what the BRIM's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	$ 68	$ 113	$ 168

(in thousands)

7. Lease Arrangement

On October 1, 2019, BRIM entered into a lease with the West Virginia Department of Administration for 13,364 square feet at the Albert Summers building located at 1124 Smith Street, Charleston, WV for an annual rental of $222. This lease expires on August 31, 2022.

Operating lease expense approximated $222 for both the years ended June 30, 2021 and 2020, respectively, relating to these arrangements. Future minimum lease payments under these operating lease arrangements are as follows for years ending June 30:

2022	$	222
2023	$	37

8. Transactions with Primary Government and Component Units

Premium revenues derived from billings to State entities, which are funded by special revenue funds and component units of the primary government, approximated $47,884 and $47,675 for the years ended June 30, 2021 and 2020, respectively.

BRIM is required by Senate Bill 1002 to remit amounts equal to the gross premium tax attributable to premiums collected by BRIM. These amounts are to be placed in a separate account known as "the Premium Tax Savings Fund" (the Fund) maintained by the State Treasurer. The balance in this fund was $6,565 and $3,258 at June 30, 2021 and 2020, respectively. The Fund is not included in BRIM's financial statements but is included in the general fund of the State.

9. Reinsurance *(Amounts Referenced in this Note Related to Insurance Coverages are Actual Dollars)*

BRIM has entered into two reinsurance agreements for excess coverage with unrelated insurance companies wherein the company assumes the liability over BRIM's limit for a ceded premium. BRIM obtains an excess policy from the commercial market, which gives boards of education a liability limit of up to $5 million in excess of BRIM's $1 million self-insured limit. BRIM also purchases an excess policy on all State and SB3 insured property over and above BRIM's $1 million self-insured limit. These reinsurance agreements have been accounted for as a transfer of risk in the accompanying financial statements; however, BRIM is not relieved of its primary obligation to the insureds in the reinsurance transaction. BRIM had $661 reinsurance recoveries for the fiscal year ended June 30, 2021, and $593 for the fiscal year ended June 30, 2020.

10. Risk Management *(Amounts Referenced in this Note Related to Insurance Coverages are Actual Dollars)*

BRIM is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to and illnesses of employees; medical liabilities; and natural disasters.

BRIM is a participant in the self-insured public entity risk pool it administers. Coverage is in the amount of $1 million per occurrence for general liability and property damage. Health insurance coverage for BRIM's employees is obtained through its participation in health insurance coverage offered by the West Virginia Public Employees Insurance Agency (PEIA). PEIA provides the following basic employee benefit coverage to all participants: hospital, surgical, group major medical, basic group life, accidental death and prescription drug coverage for active and retired employees of the State and various related State and non-State agencies. BRIM has coverage for job-related injuries through a statewide workers' compensation policy with a third-party insurer.

There have been no significant reductions in insurance coverage from the prior year. Additionally, the amount of settlements has not exceeded insurance coverage in the past three years.

11. COVID-19 Pandemic

On March 13, 2020, the President of the United States declared a national emergency with respect to the global coronavirus disease (COVID-19), a respiratory disease declared to be a pandemic by the World Health Organization. In response to COVID-19, the federal government and state governments, including West Virginia, have imposed measures to curtail aspects of public life and vaccines have been developed in an effort to control further spreading of COVID-19.

The extent and duration of COVID-19 pandemic is unknown. The spread of the virus may disrupt the BRIM's business along with the business of BRIM's participants. The economic uncertainty caused by the virus has not been fully determined but could have a significant impact on BRIM's financial condition, results of operations, and future cash flows. It is not currently possible to predict the impact on BRIM associated with COVID-19, and, therefore, the financial statements do not reflect any adjustments as a result of this economic uncertainty.

Required Supplementary Information
(in thousands)

(in thousands)

The table below illustrates how BRIM's earned revenues (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by BRIM as of the end of each of the last ten years. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's premium revenues and investment revenues. (2) This line shows each fiscal year's other operating costs of BRIM including overhead and unallocated claims expense not allocable to individual claims. (3) This line shows BRIM's incurred claims and claims adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year). (4) This section of rows shows the cumulative amounts paid as of the end of successive years for each policy year. (5) This line shows the latest reestimated amount of losses assumed by reinsurers for each year. (6) This section of rows shows how each policy year's incurred claims increased or decreased as of the end of successive years. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (7) This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1) Premiums and investment revenues:										
Earned	$ 64,361	$ 54,969	$ 69,172	$ 63,037	$ 72,706	$ 81,209	$ 85,663	$ 104,345	$ 105,385	**$ 112,083**
Ceded	5,386	5,825	6,102	6,197	6,909	6,681	6,518	6,627	6,915	**4,438**
Net earned	58,975	49,144	63,070	56,840	65,797	74,528	79,145	97,718	98,470	**107,645**
2) Unallocated expenses, including administrative fees paid to third-party claims administrators	7,562	7,240	7,888	7,653	7,911	8,290	8,507	8,684	9,224	**9,171**
3) Estimated incurred claims and claims adjustment expense, end of policy year:										
Incurred	60,176	57,276	58,389	62,342	66,740	70,705	72,629	69,092	70,402	**77,590**
Ceded	2,312	-	-	-	-	-	596	-	593	**-**
Net incurred	57,864	57,276	58,389	62,342	66,740	70,705	72,033	69,092	69,809	**77,590**
4) Paid (cumulative) claims and claims adjustment expense as of:										
End of policy year	10,156	10,870	10,560	11,146	12,863	11,922	11,846	10,321	12,300	**13,159**
One year later	20,830	18,936	19,965	24,010	23,494	23,067	22,032	22,279	21,954	
Two years later	30,577	30,649	29,077	34,801	34,585	37,673	32,994	38,212		
Three years later	43,021	40,132	45,059	43,864	44,997	44,538	41,881			
Four years later	48,351	48,853	51,231	48,379	49,631	50,017				
Five years later	51,004	52,093	53,383	50,322	51,867					
Six years later	53,155	53,802	54,454	51,125						
Seven years later	54,121	54,126	63,242							
Eight years later	55,578	58,220								
Nine years later	60,900									
5) Reestimated ceded claims and expenses	248	-	-	-	2,782	-	596	-	-	**-**
6) Reestimated net incurred claims and allocated claims adjustment expense:										
End of policy year	57,864	57,276	58,389	62,342	66,740	70,705	72,033	69,092	69,809	**77,590**
One year later	58,812	56,883	57,772	65,545	64,655	65,589	65,418	69,463	63,910	
Two years later	61,106	63,767	61,216	62,727	62,537	65,151	62,380	72,909		
Three years later	62,460	61,150	61,249	59,235	59,700	62,032	58,836			
Four years later	57,109	58,836	59,741	55,907	57,468	62,533				
Five years later	56,003	58,016	64,041	55,374	57,241					
Six years later	56,093	63,918	65,836	54,240						
Seven years later	63,858	60,909	65,592							
Eight years later	62,409	59,403								
Nine years later	62,616									
7) (Decrease) increase in estimated net incurred claims and allocated claims adjustment expense from end of policy year	4,752	2,127	7,203	(8,102)	(9,499)	(8,172)	(13,197)	3,817	(5,899)	**-**

Note: The above financial data is summarized for individual contract periods. Subsequent premium and related expense adjustments and reserve developments are recorded in the year incurred for fiscal year financial reporting, but are included in the applicable contract year for purposes of the above schedule. Accordingly, components of the change in net position as determined on a contract-year basis will differ from those included in BRIM's fiscal year financial statements.

(in thousands)

The table below presents the changes in unpaid claims and claims adjustment expense liability for BRIM's lines of business:

	2021				2020			
	Liability	**Property**	**Mine Subsidence**	**Total**	**Liability**	**Property**	**Mine Subsidence**	**Total**
Unpaid claims and claims adjustment expense liability at beginning of fiscal year	**$ 198,815**	**$ 4,494**	**$ 1,487**	**$ 204,796**	$ 183,378	$ 6,022	$ 1,578	$ 190,978
Incurred claims and claims adjustment expense:								
Provision for insured events of the current fiscal year	**69,028**	**7,560**	**1,002**	**77,590**	63,552	5,307	950	69,809
Increase (decrease) in provision for insured events of prior fiscal years	**(6,319)**	**(431)**	**(581)**	**(7,331)**	(6,888)	2,834	(406)	(4,460)
Total incurred claims and claims adjustment expense	**62,709**	**7,129**	**421**	**70,259**	56,664	8,141	544	65,349
Payments:								
Claims and claims adjustment expense attributable to insured events of the current fiscal year	**9,899**	**3,088**	**172**	**13,159**	9,694	2,507	99	12,300
Claims and claims adjustment expense attributable to insured events of the prior fiscal years	**68,766**	**3,118**	**416**	**72,300**	31,533	7,162	536	39,231
Total claims and claims adjustment expense payments	**78,665**	**6,206**	**588**	**85,459**	41,227	9,669	635	51,531
Total unpaid claims and claims adjustment expense liability at end of the fiscal year	**$ 182,859**	**$ 5,417**	**$ 1,320**	**$ 189,596**	$ 198,815	$ 4,494	$ 1,487	$ 204,796

West Virginia Board of Risk and Insurance Management
Schedule of Proportionate Share of the Net Pension Liability in PERS
Last Seven Fiscal Years
(in thousands except percentages)

	2021	2020	2019	2018	2017	2016	2015
BRIM's proportionate (percentage) of the net pension liability	**0.1008%**	0.0995%	0.0964%	0.0767%	0.0833%	0.0836%	0.0994%
BRIM's proportionate share of the net pension liability	**$ 533**	$ 214	$ 249	$ 331	$ 766	$ 467	$ 367
BRIM's covered payroll	**$ 1,573**	$ 1,432	$ 1,275	$ 1,013	$ 1,100	$ 878	$ 962
BRIM's proportionate share of the net pension's liability as a percentage of its covered payroll	**33.88%**	14.94%	19.53%	32.68%	69.64%	53.19%	38.15%
Plan fiduciary net position as a percentage of the total pension liability *	**92.89%**	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%

* This is the same percentage for all participant employers in the PERS plan.

Note 1: All amounts presented are as of the measurement date, which is one year prior to the fiscal year end date.

Note 2: The accompanying schedules of BRIM’s proportionate share of the net pension liability is required supplementary information to be presented for 10 years. However, until a full 10-year trend is compiled, information is presented in the schedule for those years for which information is available.

West Virginia Board of Risk and Insurance Management
Schedule of Contributions to PERS
Last Nine Fiscal Years
(in thousands except percentages)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	**$ 158**	$ 152	$ 142	$ 138	$ 123	$ 149	$ 127	$ 133	$ 129
Contributions in relation to the statutorily required contribution	**(158)**	(152)	(142)	(138)	(123)	(149)	(127)	(133)	(129)
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	**$ 1,635**	$ 1,573	$ 1,432	$ 1,275	$ 1,013	$ 1,100	$ 878	$ 962	$ 1,014
Contributions as a percentage of covered payroll	**9.66%**	9.66%	9.92%	10.82%	12.14%	13.55%	14.00%	14.50%	14.00%

Note 1: The accompanying schedules of BRIM's contributions to PERS is required supplementary information to be presented for 10 years. However, until a full 10-year trend is compiled, information is presented in the schedule for those years for which information is available.

Notes to Required Supplementary Information – Schedule of Proportionate Share of the Net Pension Liability in PERS and Schedule of Contributions to PERS

1. Trend Information Presented

The accompanying schedules of BRIM's proportionate share of the net pension liability and contributions to PERS are required supplementary information to be presented for 10 years. However, until a full 10-year trend is compiled, information is presented in the schedules for those years for which information is available.

2. Plan Amendment

The PERS was amended to make changes that apply to new employees hired on or after July 1, 2015, as follows:

- For employees hired prior to July 1, 2015, qualification for normal retirement is age 60 with five years of service or at least age 55 with age and service equal to 80 or greater. For employees hired on or after July 1, 2015, qualification for normal retirement is 62 with 10 years of service or at least age 55 with age and service equal to 80 or greater.

- The straight life annuity retirement benefit is equivalent to 2% of average salary multiplied by years of service. For employees hired prior to July 1, 2015, average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. For all employees hired on or after July 1, 2015, average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings.

- For employees hired prior to July 1, 2015, terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired on or after July 1, 2015, this age increases to 64.

- For all employees hired prior to July 1, 2015, employees are required to contribute 4.5% of annual earnings. All employees hired on or after July 1, 2015, are required to contribute 6% of annual earnings.

(in thousands)

3. Changes in Assumptions

A summary of changes in key actuarial valuation assumptions utilized in the actuarial valuation are as follows:

	2019	2018
Projected salary increases:		
State	3.1 – 5.3%	3.0 - 4.6%
Non-state	3.35 – 6.50%	3.0 - 4.6%
Inflation rate	3.0%	3.0%
Mortality rates	Healthy males -108% of Pub 2010 Non-Annuitant, Scale MP-2018	Healthy males -110% of RP-2000 Non-Annuitant, Scale AA
	Healthy females-122% or Pub 2010 Non-Annuitant, Scale MP-2018	Healthy females-101% or RP-2000 Non-Annuitant, Scale AA
	Disabled males - 118% of Pub 2010 Disabled annuitant, Scale MP-2018	Disabled males - 96% of RP-2000 Disabled annuitant, Scale AA
	Disabled females - 117% of Pub 2010 Disabled annuitant, Scale MP-2018	Disabled females - 107% of RP-2000 Disabled annuitant, Scale AA
Withdrawal rates:		
State	2.275 – 45.630%	1.75 - 35.1%
Non-state	2.500 – 35.880%	2 - 35.8%
Disability rates	0.005 – 0.540%	0 - .675%

	2017	2016
Projected salary increases:		
State	3.0 - 4.6%	3.0 - 4.6%
Non-state	3.0 - 4.6%	
Inflation rate	3.0%	
Mortality rates	Healthy males-110% of RP-2000 Non-Annuitant, Scale AA	Healthy males -110% of RP-2000 Non-Annuitant, Scale AA
	Healthy females-101% or RP-2000 Non-Annuitant, Scale AA	Healthy females-101% or RP-2000 Non-Annuitant, Scale AA
	Disabled males - 96% of RP-2000 Disabled annuitant, Scale AA	Disabled males - 96% of RP-2000 Disabled annuitant, Scale AA
	Disabled females - 107% of RP-2000 Disabled annuitant, Scale AA	Disabled females - 107% of RP-2000 Disabled annuitant, Scale AA
Withdrawal rates:		
State	1.75 - 35.1%	1.75 - 35.1%
Non-state	2 - 35.8%	2 - 35.8%
Disability rates	0 - .675%	0 - .675%

	2015	2014
Projected salary increases:		
State	3.0 - 4.6%	4.25 – 6.0%
Non-state	3.35 – 6.0%	4.25 – 6.0%
Inflation rate	1.90%	2.20%
Mortality rates	Healthy males -110% of RP-2000 Non-Annuitant, Scale AA	Healthy males – 1983 GAM
	Healthy females-101% or RP-2000 Non-Annuitant, Scale AA	Healthy females-1871GAM
	Disabled males - 96% of RP-2000 Disabled annuitant, Scale AA	Disabled males – 1971 GAM
	Disabled females - 107% of RP-2000 Disabled annuitant, Scale AA	Disabled females – Revenue Ruling 96-7
Withdrawal rates:		
State	1.75 - 35.1%	1-26%
Non-state	2 - 35.8%	2 – 31.2%
Disability rates	0 - .675%	0 - .8%

West Virginia Board of Risk and Insurance Management
Schedule of Proportionate Share of the Net OPEB Liability in RHBT
Last Four Fiscal Years
(in thousands except percentages)

	2021	2020	2019	2018
BRIM's proportionate (percentage) of the net OPEB liability	**0.0256%**	0.0236%	0.0219%	0.2080%
BRIM's proportionate share of the net OPEB liability	**$ 113**	$ 391	$ 470	$ 512
State's proportionate share of the net OPEB liability associated with BRIM	**25**	80	97	105
Total	**$ 138**	$ 471	$ 567	$ 617
BRIM's covered-employee payroll	**$ 1,109**	$ 1,040	$ 905	$ 812
BRIM's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	**10.19%**	37.60%	51.93%	63.05%
Plan fiduciary net position as a percentage of the total OPEB liability *	**73.49%**	39.69%	30.98%	25.10%

* This is the same percentage for all participant employers in the OPEB plan.

Note 1: All amounts presented are as of the measurement date, which is one year prior to the fiscal year end date.

Note 2: The accompanying schedules of BRIM's proportionate share of the net OPEB liability is required supplementary information to be presented for 10 years. However, until a full 10-year trend is compiled, information is presented in the schedule for those years for which information is available.

West Virginia Board of Risk and Insurance Management
Schedule of Contributions to RHBT
Last Six Fiscal Years
(in thousands except percentages)

	2021	2020	2019	2018	2017	2016
Statutorily required contribution	**$ 37**	$ 39	$ 45	$ 44	$ 43	$ 41
Contributions in relation to the statutorily required contribution	**(37)**	(39)	(45)	(44)	(43)	(41)
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	**$ 1,081**	$ 1,109	$ 1,040	$ 905	$ 812	$ 870
Contributions as a percentage of covered-employee payroll	**3%**	4%	4%	5%	5%	5%

Note 1: The accompanying schedules of BRIM's contributions to RHBT is required supplementary information to be presented for 10 years. However, until a full 10-year trend is compiled, information is presented in the schedule for those years for which information is available.

Other Supplementary Information
(in thousands)

West Virginia Board of Risk and Insurance Management
Combining Statement of Net Position
June 30, 2021
(in thousands)

	Other Lines of Business	Mine Subsidence	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 18,911	$ -	$ 18,911
Advance deposits with carrier/trustee	251,189	-	251,189
Receivables, net	1,672	-	1,672
Prepaid insurance:			
Restricted cash and cash equivalents	-	11,220	11,220
Restricted receivables, net	-	1,184	1,184
Total current assets	271,772	12,404	284,176
Noncurrent assets:			
Investments	123,512	-	123,512
Restricted investments	-	71,328	71,328
Total non current assets	123,512	71,328	194,840
Total assets	395,284	83,732	479,016
DEFERRED OUTFLOWS OF RESOURCES			
Pension	438	-	438
Other post-employment benefits	115	-	115
Total deferred outflows of resources	553	-	553
LIABILITIES			
Current liabilities:			
Estimated unpaid claims and claims adjustment expense	60,539	787	61,326
Unearned revenue	7,834	2,245	10,079
Agent commissions payable	1,462	-	1,462
Accrued expenses and other liabilities	358	1	359
Total current liabilities	70,193	3,033	73,226
Noncurrent liabilities:			
Estimated claims and claims adjustment expense, noncurrent	127,737	533	128,270
Compensated absences	161	11	172
Net pension liability	533	-	533
Net other post-employment benefits	113	-	113
Total noncurrent liabilities	128,544	544	129,088
Total liabilities	198,737	3,577	202,314
DEFERRED INFLOWS OF RESOURCES			
Pension	35	-	35
Other post-employment benefits	351	-	351
Total deferred inflows of resources	386	-	386
NET POSITION			
Restricted	-	80,155	80,155
Unrestricted	196,714	-	196,714
Net position	$ 196,714	$ 80,155	$ 276,869

West Virginia Board of Risk and Insurance Management
Combining Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2021
(in thousands)

	Other Lines of Business	Mine Subsidence	Total
Operating revenues:			
Premiums	$ 78,666	$ 4,572	$ 83,238
Less excess coverage/reinsurance premiums	(4,438)	-	(4,438)
Total operating revenues	74,228	4,572	78,800
Operating expenses:			
Claims and claims adjustment expense	69,838	421	70,259
General and administrative expense	4,618	193	4,811
Total operating expenses	74,456	614	75,070
Operating (loss) income	(228)	3,958	3,730
Nonoperating revenues (expenses):			
Investment income	17,765	11,080	28,845
OPEB nonoperating income	11	-	11
Legislative appropriation		(13,500)	(13,500)
Net nonoperating revenues (expenses)	17,776	(2,420)	15,356
Increase in net position	$ 17,548	$ 1,538	$ 19,086

West Virginia Board of Risk and Insurance Management
Form 7 - Deposits Disclosure
June 30, 2021
(in thousands)

		Fair Value	
Cash with Treasurer	$	840	(1)

(1) Agrees to audited statement of cash flows as follows:

Cash with Treasurer	$	840	(2)
Cash equivalents with BTI		29,291	(2)
	$	30,131	(3)

(2) Agrees to Form 8-A

(3) Agrees to audited statement of net position as follows:

Cash and cash equivalents	$	18,911
Restricted cash and cash equivalents		11,220
	$	30,131

(in thousands)

Investment Pool	Amount Unrestricted		Amount Restricted		Amount Reported		Fair Value
BTI and WVIMB Investment Pools:							
Cash liquidity	$ 18,911	(1)	$ 11,220	(1)	$ 30,131	(3)	$ 30,131
Long-term	123,512	(1)	71,328	(1)	194,840	(3)	194,840
Total investments	$ 142,423	(1)	$ 82,548	(1)	$ 224,971		$ 224,971

(1) Agrees to audited statement of net position as follows:			
Investments with BTI and WVIMB	$ 142,423	(1)	$ 82,548
Less investments classified as cash equivalents	18,911		11,220
Total investments	$ 123,512	(2)	$ 71,328 (2)

(2) Agrees to audited statement of net position

(3) Agrees to Form 8-A

Reconciliation of cash and cash equivalents and investments as reported in the financial statements to the amounts disclosed in the footnotes:

Deposits:			
Cash and cash equivalents as reported:			
Noncurrent – restricted	$	11,220	(1)
Unrestricted		18,911	(1)
Total cash and cash equivalents		30,131	
Less investments disclosed as cash equivalents		840	(2)(3)
Fair value of deposits as disclosed on Form 7	$	29,291	(2)
Investments:			
Investments as reported:			
Noncurrent – restricted	$	71,328	(1)
Noncurrent – unrestricted		123,512	(1)
Total investments		194,840	
Add investments disclosed as cash equivalents		-	
Fair value of investments as disclosed on Form 8	$	194,840	(3)

(1) Agrees to audited statement of net position

(2) Agrees to Form 7

(3) Agrees to Form 8

West Virginia Board of Risk and Insurance Management
Form 9 - Schedule of Receivables (Other Than State Agencies)
June 30, 2021
(in thousands)

		Amount	
Accounts receivable (other than State agencies):			
Total accounts receivable as of June 30, 2021	$	2,856	(1)
Less allowance for doubtful accounts		-	(2)
Net receivable	$	2,856	

(1) Derived from the audited statement of net position as follows:

Receivables	$	1,672	(2)
Restricted receivables		1,184	(2)
	$	2,856	

(2) Agrees to the audited statement of net position

West Virginia Board of Risk and Insurance Management
Form 10 - Schedule of Accounts Receivable From Other State Agencies
June 30, 2021
(in thousands)

Receivable From	Amount
Accounts receivable from other State agencies	$ 1 (1)
(1) Premiums due from other State agencies	$ 1
Premiums due from other entities	1,671
Total receivables	$ 1,672 (2)

(2) Agrees to audited statement of net position

Form 13 - Schedule of Changes in Long-Term Obligations - Compensated Absences
June 30, 2021
(in thousands)

Type of Debt	Final Maturity Date	Balance June 30, 2020	Payments	Other Changes	Balance June 30, 2021
Compensated absences – annual leave	Varies	$ 150	$ -	$ 22	**$ 172** [1]

[1] Agrees to audited statement of net position

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors and Management
West Virginia Board of Risk and Insurance Management
Charleston, WV

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the West Virginia Board of Risk and Insurance Management (BRIM), which comprise the statement of net position as of June 30, 2021, and the related statements of revenues, expenses and changes in position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise BRIM's basic financial statements, and have issued our report thereon dated October 8, 2021.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

DHG

Compliance and Other Matters

As part of obtaining reasonable assurance about whether BRIM's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Dixon Hughes Goodman LLP

Charleston, WV
October 8, 2021