State of West Virginia Board of Risk and Insurance Management 2022 Annual Report

August 17, 2022

Honorable Jim Justice, Governor State of West Virginia

Governor Justice:

The Annual Report of the West Virginia Board of Risk and Insurance Management (BRIM) for the year ended June 30, 2022, is hereby respectfully submitted. This report was prepared by the staff of BRIM. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation rests with the management of BRIM. We believe the data, as presented, is accurate and that it is presented in a manner designed to fairly set forth the results of the operations of BRIM. All information necessary to enable the reader to gain an understanding of BRIM's operational activities has been included.

The Annual Report contains discussions of the financial activities and highlights for the past several fiscal years, and BRIM's organization chart. The minutes of the Board of Directors meetings are attached as a supplement to this report.

BRIM is reported as an enterprise fund operating as a single business segment, included as a blended component unit of the primary government in the State's Annual Comprehensive Financial Report (ACFR). After applying the criteria set forth in generally accepted accounting principles, BRIM management has determined there are no organizations that should be considered component units of BRIM.

BRIM is governed by a five-member board appointed by the governor for terms of four years. BRIM operates by the authority granted in Chapter 29, Article 12; and Chapter 33, Article 30; of the West Virginia Code as amended, and the provisions of Executive Order 12-86. The day-to-day operations of BRIM are managed by the executive director, who is responsible for the implementation of policies and procedures established by the Board members.

BRIM is charged with providing insurance coverage to all state agencies. Additionally, BRIM provides these services to cities, counties, and non-profit organizations throughout the State under the provisions of Senate Bill #3 (SB#3). BRIM also provides a coal mine subsidence reinsurance program, which allows homeowners and businesses to obtain insurance coverage up to \$200,000 for collapses and damage caused by underground coal mines.

BRIM uses various means to cover its insureds. Although BRIM is not indemnified by an insurance company, it contracts with an insurance company that is compensated for claims handling with a flat fee. The primary methods used by BRIM to fund claims payments results in a more stable and predictable funding of claims and claims related expenses, allowing for better cash management for the organization.

Beginning in fiscal year 1996, liability claims were handled through a "Modified Paid Loss Retrospective" rating program, which required an up-front deposit to an insurance company. As losses occur, payments and reserves are established and charged against the deposit. When the amount of paid losses within a twelve-month period exceeds the amount of the deposit, a retrospective billing is produced, and BRIM pays that additional amount to the insurance company.

Beginning in fiscal year 2006, BRIM deposited monies with a financial institution, as trustee, to hold advance deposits in an escrow account for BRIM liability claims with loss dates after June 30, 2005. 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. Periodically, monies are transferred from the escrow account to the insurance company administering these claims to reimburse the insurance company for payments that they have issued on these claims and claims adjustment expenses on BRIM's behalf.

Property losses are retained by BRIM up to \$1 million. Additionally, excess coverage is provided beyond the \$1 million retention up to a limit of \$400 million per occurrence. This coverage provides reimbursement of loss at the stated or reported value less a \$2,500 deductible. Under the mine subsidence program, participating insurers pay BRIM a reinsurance premium, which is equal to the gross premiums collected for mine subsidence coverage, less cancellations, less a 30% ceding commission.

BRIM currently insures approximately 160 state agencies, approximately 970 Senate Bill #3 entities, plus provides mine subsidence reinsurance to approximately 15,000 home and business owners.

Financial Highlights

The financial statements of BRIM are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles. In 1993, the Governmental Accounting Standards Board (GASB) issued Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting." BRIM elected to implement the provisions of this Statement beginning in fiscal year 1994. As permitted by the Statement, BRIM has elected not to adopt Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, unless the GASB specifically adopts such FASB statements or interpretations.

Internal Accounting Structure and Budgetary Control

As mentioned, BRIM reports and meets the requirements of an enterprise fund. BRIM's assets and liabilities are accounted for in a single fund.

Internal controls have been put in place to ensure the assets and property of BRIM are protected from theft, loss or misuse and to provide adequate accounting data for preparing Generally Accepted Accounting Principles (GAAP) based financial statements.

Internal controls are established to provide reasonable assurance that objectives are met. Additionally, the concept of reasonable assurance should recognize that the cost to administer the control should not exceed the benefits derived from the control.

An annual budget is prepared prior to the start of each fiscal year for use as a management tool and for evaluating performance.

BRIM On-Line

We invite you to visit BRIM's website at http://www.brim.wv.gov/Pages/default.aspx. The website is designed to inform the public about our program and to provide assistance to our customers. One feature allows claimants to submit a claim electronically for faster processing and handling. Detailed instructions on how to fill out a renewal questionnaire are also found on-line. A variety of frequently asked questions on topics ranging from billing to underwriting can also be found on this site.



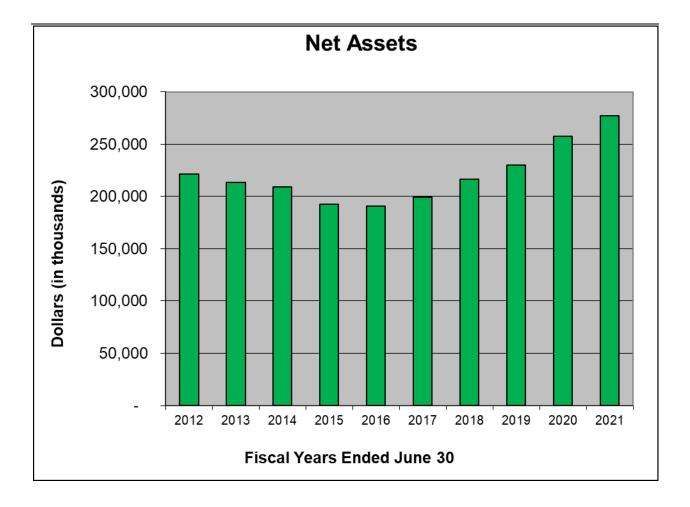
Results of Operations

Below are audited results from operations of four most recent fiscal years ended June 30:

		2018	2019	2020	2021
Operating Revenues:					
Premiums	\$	78,951	\$ 83,301	\$ 82,567	\$ 83,238
Less Excess Coverages		(6,518)	(6,627)	(6,915)	(4,438)
Net Operating Revenues		72,433	76,674	75,652	78,800
Operating Expenses:					
Claims & Claims Adjustment		57,393	80,169	65,349	70,259
General & Administrative		4,410	4,519	5,034	4,811
Total Operating Expenses		61,803	84,688	70,383	75,070
Operating Income (Loss)		10,630	(8,014)	5,269	3,730
Non-Operating Revenues (Expense	es)				
Investment Income		6,712	21,044	22,818	28,845
OPEB Non-operating Income			30	24	11
Appropriation Transfer					(13,500)
Net Income		17,342	13,060	28,111	19,086
Net Position at Beginning of Year		199,328	216,612	229,672	257,783
Cummulative Effect Adoption of					
GASB 75		(58)			
Net Position at Beginning of Year					
Restated		199,270	216,612	229,672	257,783
Net Position at End of Year	\$	216,612	\$ 229,672	\$ 257,783	\$276,869

BRIM has worked diligently for the past several years to maintain positive net position and eliminate its unfunded liability. Favorable loss patterns and adequate funding have enabled BRIM to maintain positive net position from 2005 thru 2021. BRIM may occasionally experience some adverse loss development. Premiums continue to be calculated on a basis consistent with exposure and loss trends. It is also important to note that BRIM has not received any state appropriations since 2005. BRIM will continue to closely monitor claims activity with our independent actuary and will bill premiums accordingly. Efforts are being undertaken to increase the emphasis on loss control by state agencies and Senate Bill #3 entities, including educational classes and seminars on sexual harassment, discrimination, liability deductibles, defensive driving classes, and personally meeting with Cabinet Secretaries to discuss loss histories of the agencies under their supervision.

The chart below shows the net assets for the past ten years. All years shown have a positive net position.



West Virginia Patient Injury Compensation Fund

House Bill 2122, signed into law on April 8, 2003, created a patient injury compensation fund study board "to study the feasibility of establishing a patient injury compensation fund to reimburse claimants in medical malpractice actions for any portion of economic damages awarded which are uncollectible due to statutory limitations on damage awards

for trauma care and/or the elimination of joint and several liability of tortfeasor health care providers and health care facilities."

On April 2, 2004, House Bill 4740 was signed into law, effective June 11, 2004 creating the West Virginia Patient Injury Fund. The fund is administered and operated by BRIM. Legislation passed in March 2016 transferred all remining funds in the Medical Liability Fund to the West Virginia Patient Injury Fund, effective July 1, 2016, resulting in the closing of 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.

Audit

BRIM is required by the Financial Accounting and Reporting Section (FARS) of the Department of Administration to have an annual independent audit. The firm of FORVIS, LLP was selected to perform the audit for the fiscal year ended June 30, 2022. The June 30, 2022, report will be available near the end of October 2022.

Risk Management

BRIM is charged with providing loss control and risk management services to all insured entities throughout the State. BRIM accomplishes this task through a number of programs. All property insured by BRIM with a value of \$1 million or more is inspected annually. Additionally, BRIM holds various seminars and training programs for its insureds throughout the year. Topics include boiler operation, employment practices, and general loss prevention.

Cash Management

BRIM's cash and cash equivalents are managed by the Board of Treasury Investments according to the provisions of the Code of West Virginia. BRIM management monitors cash balances on both a daily and a monthly basis.

Certificate of Achievement for Excellence in Financial Reporting

The West Virginia Board of Risk and Insurance Management's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2021, from which the information on page(s) one through eight have been drawn, was submitted for the award the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers

Association of the United States and Canada (GFOA). BRIM's submission for the Certificate of Achievement for its 2021 ACFR is still being reviewed. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Annual Comprehensive Financial Report

Since June 30, 1995, BRIM has issued an Annual Comprehensive Financial Report (ACFR). This report contains an introductory section, a financial section, and a statistical section. The financial section will contain audited data for June 30, 2021. The ACFR for fiscal year 2022 will be issued before December 31, 2022. A copy of this report will be sent to the Governor's Office upon completion.

Acknowledgments

This report would not be possible without the assistance of the BRIM staff and the support of the Board members.

Sincerely,

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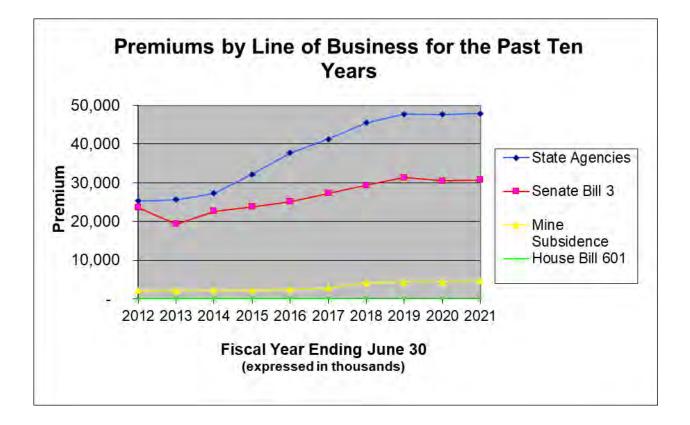
Melody Duke Executive Director

Listing of Coverages in Effect for Fiscal Year 2021

LIABILITY Automobile Liability Policy No.: CA 459-43-12 & 459-43-11 Company: National Union Fire Insurance Co.	LIMIT \$	COF LIABILITY 1,000,000 per occurrence
Cyber Liability (State) Policy No.: UMR B1262F10687320 Company: Arthur J. Gallagher International	\$	25,000,000 per occurrence
General Liability Policy No.: GL 172-89-16 & 172-89-15 Company: National Union Fire Insurance Co.	\$	1,000,000 per occurrence
Aircraft Liability Policy No.: AV003380147-18 Company: National Union Fire Insurance Co.	\$	1,000,000 per occurrence
Excess Liability-Bd. of Education Policy No.: XS1728940 Company: The Insurance Company of the State of Penn	\$	5,000,000 per occurrence or claim
PROPERTY	LIMIT	OF LIABILITY
Blanket Property Policy No.: MAF760728-20 Company: Axis Insurance Company	\$	25,000,000 primary layer 1,000,000 deductible
Policy No.: NHD913889 Company: RSUI	\$	100,000,000 in excess of 25,000,000
Policy No.: 7950130120000 Company: Atlantic Specialty	\$	75,000,000 in excess of 125,000,000
Policy No.: WP2003382 Company: Chubb	\$	200,000,000 in excess of 200,000,000
Policy No.: MAF760729-20 Company: Axis Insurance Company	\$	10,000,000 flood with 1,000,000 deductible
Boiler and Machinery Policy No.: YB2L9L469170020 Company: Liberty Mutual Insurance	\$	5,000,000 per equipment covered in excess of 1,000,000
Public Insurance Official Position Schedule Bond Bond No.: 106128156 Company: Travelers	Variabl	e amounts as set by Statute

Source: Information compiled from the West Virginia Board of Risk and Insurance Management's internal data.

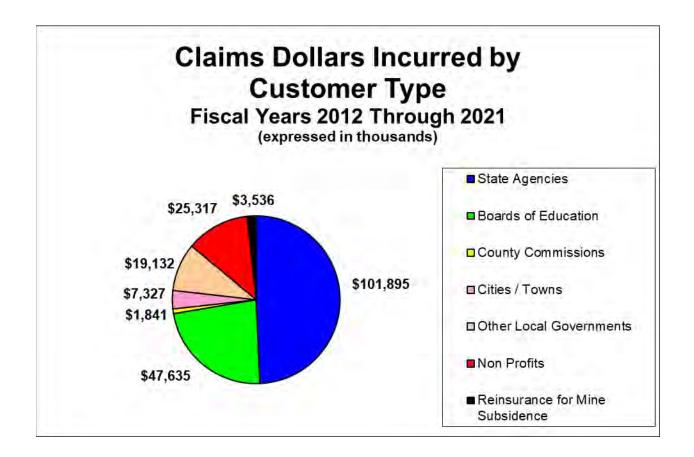
Top 10 State Agency Premiums for Fiscal Year 2021	
1 WEST VIRGINIA UNIVERSITY	\$10,672,713
2 DIVISION OF HIGHWAYS	\$6,386,629
3 STATE POLICE, WEST VIRGINIA	\$5,468,792
4 DEPARTMENT OF HEALTH AND HUMAN RESOURC	\$3,695,431
5 DIVISION OF CORRECTIONS	\$3,695,131
6 MARSHALL UNIVERSITY	\$3,372,638
7 REGIONAL JAIL & CORR. FAC. AUTHORITY	\$2,240,694
8 WEST VIRGINIA UNIVERSITY MEDICAL CORP.	\$1,008,255
9 SUPREME COURT OF APPEALS	\$834,663
10 WEST VIRGINIA PARKWAYS AUTHORITY	\$663,360
Total Top Ten	\$38,038,306
Total State Premium Billing for 2021	\$50,530,063
% of top 10 in relation to all state agency billings	75.28%
Top 20 SB 3 Premiums for Fiscal Year 2021	
1 KANAWHA COUNTY BOARD OF EDUCATION	\$1,398,297
2 CITY OF ST. ALBANS	\$938,160
3 BERKELEY COUNTY BOARD OF EDUCATION	\$936,806
4 RALEIGH COUNTY BOARD OF EDUCATION	\$742,820
5 CABELL COUNTY BOARD OF EDUCATION	\$646,057
6 HARRISON COUNTY BOARD OF EDUCATION	\$560,685
7 MONONGALIA COUNTY BOARD OF EDUCATION	\$545,422
8 PUTNAM COUNTY BOARD OF EDUCATION	\$538,560
9 MERCER COUNTY BOARD OF EDUCATION	\$455,755
10 WAYNE COUNTY BOARD OF EDUCATION	\$448,369
11 JEFFERSON COUNTY BOARD OF EDUCATION	\$441,853
12 KANAWHA VALLEY REGIONAL TRANSPORTATION	\$415,518
13 LOGAN COUNTY BOARD OF EDUCATION	\$405,874
14 MARION COUNTY BOARD OF EDUCATION	\$393,743
15 MINGO COUNTY COMMISSION	\$389,252
16 FAYETTE COUNTY BOARD OF EDUCATION	\$379,338
17 WOOD COUNTY BOARD OF EDUCATION	\$366,225
18 MINGO COUNTY BOARD OF EDUCATION	\$324,902
19 STAT EMSLLC	\$310,378
20 MARSHALL COUNTY BOARD OF EDUCATION	\$297,645
Total Top Twenty	\$10,935,659
Total SB 3 Premium Billing for 2021	\$32,089,883
% of top 20 in relation to total SB 3 billings	34.08%



Fiscal Year	State Agencies	Senate Bill 3	Mine Subsidence	House Bill 601
2012	\$ 25,290	\$ 23,603	\$ 2,090	\$ 63
2013	\$ 25,607	\$ 19,345	\$ 2,142	\$ 40
2014	\$ 27,226	\$ 22,642	\$ 2,220	\$ 40
2015	\$ 32,118	\$ 23,781	\$ 2,261	\$ 44
2016	\$37,688	\$25,147	\$2,398	\$60
2017	\$41,304	\$27,305	\$2,759	-
2018	\$45,516	\$29,306	\$4,129	-
2019	\$47,713	\$31,286	\$4,302	-
2020	\$47,675	\$30,524	\$4,368	-
2020	\$47,675	\$30,524	\$4,368	-
2021	\$47,884	\$30,782	\$4,572	-

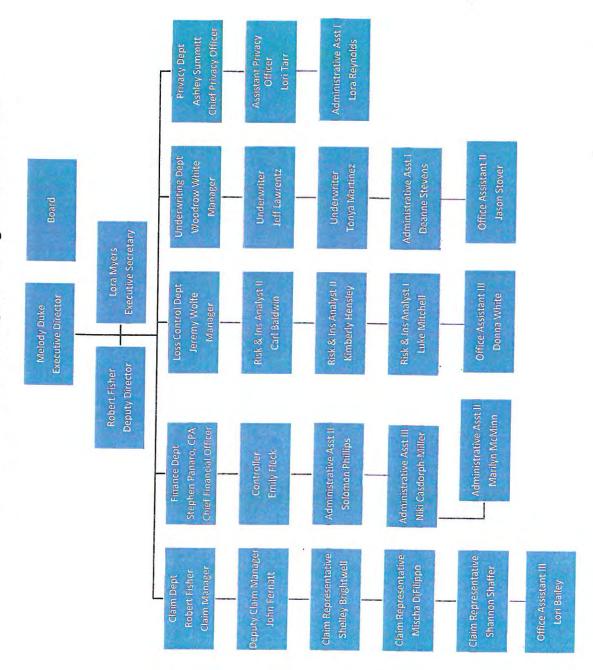
The chart above shows premiums by line of business for the past ten fiscal years, expressed in thousands of dollars. This chart illustrates a general downward trend of premiums for State Agencies and Senate Bill 3 customers until 2014 when premiums began increasing.

Source: BRIM's internal financial statements.



Source: Information compiled from the West Virginia Board of Risk and Insurance Management's internal data.

Board of Risk & Insurance Management Organizational Chart



STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT

Allan L. McVey Cabinet Secretary



Mary Jane Pickens Executive Director Deputy Cabinet Secretary

AGENDA BOARD MEETING OF THE WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT September 21, 2021

Meeting held telephonically to practice social distancing guidelines for the COVID-19 pandemic response. Notice to the public provided on BRIM's web page. The meeting meets Open Meeting laws requirements for public access. Join meeting by phone: Dial-in number: +1 224-585-7244 PIN#: 778 633 552#

Chairman Price

Chairman Price

Chairman Price

Call to Order

Roll Call

Approval of Board Minutes June 15, 2021 - Meeting

REPORTS

Tom Sauvageot West Virginia Investment Management Board

Robert Bayston/Scott Mountain BNY Mellon Investment Management

Mary Jane Pickens Executive Director

Stephen W. Schumacher, CPA Chief Financial Officer

Jeremy C. Wolfe Loss Control Manager

Ashley E. Summitt Chief Privacy Officer Account/Investment Update

Account/Investment Update

Executive Director's Report

Financial Report PCard Report

Loss Control Report

Privacy Report

UNFINISHED BUSINESS

NEW BUSINESS

EXECUTIVE SESSION

ADJOURNMENT

1124 Smith Street, Suite 4300 Charleston, West Virginia 25301 www.brim.wv.gov (304) 766-2646 (304) 558-6004 FAX (800) 345-4669 TOLL FREE WV ldm

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Allan L. McVey Cabinet Secretary Mary Jane Pickens Executive Director Deputy Cabinet Secretary

DRAFT MINUTES OF THE MEETING OF THE WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT June 15, 2021

(meeting held telephonically to practice social distancing guidelines for the COVID-19 pandemic response)

BOARD MEMBERS	Leah Cooper, Member Gordon Lane, Jr., Member Edward Magee, Ed.D., CPA, Member Joseph Price, Member Terry Rose, Member Tonya Gillespie, CPA, West Virginia Office of the Insurance Commissioner
BRIM PERSONNEL:	Mary Jane Pickens, Executive Director Robert Fisher, Deputy Director/Claims Manager Melody Duke, Deputy Director/Underwriting Manager Stephen W. Schumacher, CPA, CFO Jeremy Wolfe, Risk & Insurance Manager Ashley Summitt, Chief Privacy Officer John Fernatt, Senior Claim Representative Stephen W. Panaro, CPA, Controller Brandon Chinn, Intern Lora Myers, Recording Secretary
BRIM PROGRAM REPRESENTATIVES:	Steve Fowler, Esq., BRIM Counsel Chuck Waugh, AIG Claim Services Brenda Samples, USI Insurance Services, LLC Bob Ayers, USI Insurance Services, LLC
GUESTS:	Allan L. McVey, Secretary, Department of Administration Sandy Price, WVU Health Sciences Center Kelsey Richards, WVU Risk Management

CALL TO ORDER

- Executive Director Pickens called the board meeting of the West Virginia Board of Risk and Insurance Management to order on Tuesday, June 15, 2021 @ 1:05PM. The meeting was held telephonically to practice social distancing guidelines for the COVID-19 pandemic response.
- Executive Director Pickens called roll for the board members; all were in attendance. Chairman Martin and Vice Chairman Mitts are no longer on the Board. Two new members of the Board are Leah Cooper and Terry Rose and were in attendance.
- Executive Director Pickens opened the floor for an Election of the offices of Chairman and Vice Chairman. Gordon Lane, Jr. nominated Joseph Price for Chairman; no other nominations were made. Leah Cooper nominated Gordon Lane, Jr. for Vice Chairman; no other nominations were made. Joseph Price will serve as Chairman for BRIM's Board of Directors, Gordon Lane, Jr. will serve as Vice Chairman for BRIM's Board of Directors.

APPROVAL OF MINUTES

- Chairman Price asked for a motion to approve the Minutes of the March 16, 2021, board meeting. Vice Chairman Lane moved the approval of the March 16, 2021, board meeting minutes. The motion was seconded by Member Leah Cooper.
- Being no discussion, a vote took place and the MOTION ADOPTED.

REPORTS

Executive Director's Report

- Chairman Price requested Mary Jane Pickens to present the Executive Director's Report.
- Ms. Pickens reviewed the Marshall University and West Virginia University Medical Malpractice Programs.
- Ms. Pickens reviewed the State Agency/Senate Bill #3 Liability Claim and Litigation Information. Two cases have been tried to plaintiff's verdicts thus far in 2021. Her report included information regarding trials, paid claims, outstanding claims, claim counts, closed claims and closing ratio.
- Ms. Pickens informed the board of how BRIM is handling the COVID-19 Pandemic. As of June 1, 2021, BRIM staff returned to a split shift

schedule which we maintained last summer and fall. On June 22, 2021, BRIM staff will return to the office full time. We have a schedule for returning equipment used in home offices to verify inventory accuracy. In accordance with CDC guidelines and the Governor's orders, masks and social distancing are optional for those who are fully vaccinated. Those not fully vaccinated must wear a mask and practice social distancing.

- May 14, 2021, BRIM staff celebrated Employee Recognition Day. Tara Taylor was recognized for 25 years of service this year. BRIM also recognized Melody Duke and Lori Tarr for 25 years of service, a milestone they reached last year while we were out of the office. Secretary McVey joined us for the celebration.
- The Patient Injury Compensation Fund (PICF) was reviewed. The outstanding balance owed to claimants is \$2,239,553. The most recent pro-rata distribution was made in August 2020, in the amount of \$1.9 million and we expect a similar distribution this year. As of June 8, 2021, the balance of the fund is \$1,812,560. Final distribution will be made in early 2022 based on collections between July 1, 2021, and December 31, 2021. All funding streams are scheduled to end December 31, 2021, we expect all claims be paid in full as well as administrative expenses. Closing for the fund should be June 30, 2022.
- Ms. Pickens reported that BRIM staff were able to bind cyber liability . coverage for the Boards of Education. Unfortunately, we were unable to renew on the same policy terms as those expiring. AIG will continue to be the insurer on the Boards of Education, but we will have lower coverage limits, a new ransomware sublimit and a significantly higher premium for the 7/1 renewal. BRIM is still working on some outstanding items due for renewal of the state cyber liability policy, but we expect to have the same coverage limits with a 45% premium increase. The retention at BRIM on the state policy will go from \$1 million to \$2.5 million. These changes are due to the rapidly changing underwriting landscape for cyber liability coverage. The cyber insurance market shifted in 2020 from a long period of flat to falling cyber insurance premiums to a marketplace where underwriters are regularly seeking rate increases from 25% to 50% for the public space. Increased severity and frequency of ransomware claims now make it the "cybercrime of choice" and figures for ransomware demands are reaching as high as eight figures. In our favor is our prompt reporting of incidents and the level of oversight and modernization from our Office of Technology.
- BRIM received a proposal for renewal of the property policy that is under review. The premium will increase in the middle layers. As reported in the March meeting, we were prepared for a harder market this renewal. We continue to be concerned about losing the rate lock-in on the bottom (\$25 million) layer after this renewal. We are also evaluating a proposal for a separate crime policy that we received.

- Legislative Session 2021, Senate Bill 126, which authorized BRIM's rule amendments, is the only bill that directly affected our agency. There were bills that will affect claims and the court system. Ms. Pickens also reviewed an attached list of bills which potentially affect the whole department.
- Request for Proposals for property appraisal services was released on June 7. Following are the dates related to the RFP:

RFP Released to Public 06/07	/21
Vendor's Written Question Submission Deadline 05/28	/21
Addendum Issued 07/12	/21
Bid Due Date 08/06	/21
Oral Presentation 08/16	-20/21
Contract Award Target Date 09/01	/21

- In other procurement efforts, BRIM released an Expression of Interest for Engineering and Geotechnical Services on April 29. 2021, for services related to Mine Subsidence claim investigations. Eight responses were received, some from firms that are able to provide core drilling subsurface investigation. The review committee is in the process of reviewing the responses from all firms. We expect to award multiple contracts by July 1, 2021.
- BRIM also released an RFP for independent Claim Adjusting Services on April 29, 2021, for services related to property and mine subsidence claim investigations. We received six responses; the review committee is in the process of individually scoring each response. We intend to have several contracts awarded by July 1, 2021.
- The pandemic caused us to evaluate whether to rebid the property and liability inspection contract, the boiler and machinery insurance and inspection contract and the actuarial services contract. Is it in the best interest of BRIM's insurance programs and the state? We have secured agreement from Aon and Liberty Mutual to extend these contracts for one year on the same terms, conditions, and costs of the expiring contracts. We determined with the disruption to inspection schedules and the insurance markets due to the pandemic, a one-year extension of current contracts would preserve the efficiency and quality of these services during the still uncertain coming months.
- We continue to move forward on reconciliation of the data between the legacy system and the new system. The process developed by the vendor to identity mismatched liability claims or policy level data that does not match is working based on months that have been reconciled so far. If it continues to look good, double entry may no longer be necessary. Property and mine subsidence data have been clean.
- Regarding website updates, we have signed a Statement of Work with WV Interactive, following our approval of the new website prototypes for

computer and mobile devices. We divided the content between some of the management team and are working internally on what we want.

- Ms. Pickens gave a detailed report regarding our Records Management Team is working on scanning and paper file destruction. Completed scanning all liability files during the first week of January 2021. Once the file room was completed, the team moved to the boxes stored off-site at Iron Mountain. As of June 9th, the team triaged and destroyed 4.393 liability claim files. A record of all destroyed liability claim files is maintained on a spreadsheet by claim number. A total of 250 boxes have been retrieved from Iron Mountain and we believe bout 600 claim files are still there. The team has scanned 1,310 mine subsidence claims files. We expect to go more rapidly on the remaining claim files at Iron Mountain due to the age of the files the team is working on. Underwriting staff is organizing files to get ready for scanning and destruction. Underwriting has completed the review and purge of approved file retention of all 1,000+ active files along with 50 boxes from storage. There is approximately 230 boxes left in storage.
- Secretary McVey has approved travel for Mary Jane Pickens, Robert Fisher and Melody Duke to attend STRIMA. The conference is August 29 to September 2, 2021. Steve Schumacher plans to attend this year if we are able to obtain a scholarship from STRIMA. The agenda looks great and will cover many topics of interest.
- Ms. Pickens announced upcoming Board Meeting dates for 2021:

Tuesday, September 21, 2021 @ 1PM Tuesday, December 21, 2021 @t 1PM

 The Executive Director's Report was received and filed, a copy is attached and made part of the record.

BRIM Financial Report

- Chairman Price called on Mr. Schumacher to present the Chief Financial Officer's Report.
- Mr. Schumacher discussed PCard activity for February April 2021.
- Mr. Schumacher reported on the Current Financial Results. He commented that the financial results presented are for the ten months ended April 30, 2021. The results reflect the actuarially estimated unpaid losses from Aon's risk funding study as of March 31, 2021, plus an estimated additional accrual for April
- Net premium revenue for FY'21 has decreased by 1.1 million vs. FY'20. The decrease reflects the annualized credits issued in the first quarter of FY'21 to insureds for the estimated impact of Covid-19 on the reduced

utilization and exposure of owned or leased vehicles covered by their policy.

- Retained case reserves are \$10.1 million lower this year vs. the prior year and the actuarially estimated retained IBNR is also 1.9 million lower than the prior year.
- BRIM's fixed income earnings through April 30th total \$0.6 million. Equity market investment earnings year-to-date total \$24.5 million for a combined total investment return of \$25.1 million.
- House bill 2804, passed by the legislature March 22, 2021, transferred \$13.5 million from Mine Subsidence Fund to the General Revenue Fund to be available for appropriation during the fiscal year ending June 30, 2021.
- Mr. Schumacher reported on Financial Markets. The Fed's belief is that the recent uptick in inflation is transitory and that the federal funds rate will remain unchanged at least into next year. However, their course on monetary policy and liquidity has started to transition.
- All the major US stock indexes are near record highs and short-term interest rates have increased slightly from their lows in late July 2020.
- As the economy recovers, investors continue to favor the potentially higher returns in the equity markets.
- Mr. Schumacher asked for questions regarding the Financial Report. No questions.
- The Chief Financial Officer's Report was received and filed, a copy is attached and made part of the record.

Loss Control Report

- Mr. Wolfe was called upon by the Chairman to present the Loss Control Report.
- Mr. Wolfe reported during the month of May, we sent out Loss Control Questionnaires to al state agencies. Deadline for submission to BRIM is August 1, 2021. At that time, we will gather information for calculation of loss control credits or surcharges for fiscal year 2023
- Due to the ongoing Covid-19 pandemic, we have offered to extend our contracts for insurance loss control inspection services with Aon Global Risk Consulting and Liberty Mutual Insurance. The extensions will be for a one-year term, we believe this approach is necessary for continuation of these unique services during the ongoing national and state emergency.

- Mr. Wolfe reported that on May 5, 2021, he conducted a virtual presentation for the West Virginia Association of School Business Officials. His presentation outlined BRIM's Standards of Participation program and Cyber Liability Risk Management.
- During the months of March, April and May, Aon conducted 152 inspections and Liberty conducted 684 inspections. The reports are being processed according to established procedures.
- Our loss control technical staff reports the following activity:

12 Standards of Participation Visits These visits are designed to provide assistance to insured who are seeking to become compliant with the BRIM Standards of Participation program.

9 Loss Control Visits

These are standard loss control visits focusing on all coverages and which result in information and/or loss control recommendations being provided.

18 Flood Mitigation Visits

These visits assist with the developing and implementing a Flood Preparedness and Mitigation Plan as a result of insured locations being in areas prone to flooding.

 The Loss Control Report was received and filed, a copy is attached and made part of the record.

Privacy Report

- Ashley Summitt was called on by the Chairman to present the Privacy Report.
- Ms. Summitt reported on the most recent Privacy Management Team meeting, which was held virtually on March 23, 2021. There were 32 members in attendance. The presentation included a legislative update on HB276, a bill which requires major cybersecurity incidents at the city and county levels to be reported to the WVOT.
- Lori Tarr presented on the process involved with incident management entitled *The Who, What, When, Why and How Approach to Recognizing, Reporting and Investigating Incidents.*
- The Privacy Management Team held a virtual meeting via TEAMs platform on June 8, 2021. A presentation by the US HHS Office of Civil Rights entitled, "An Update on Health Information Policy". The presenters

were from Philadelphia HHS branch office. Attendees totaling 48 from both HIPAA covered and non-covered agencies attended.

- The next Privacy Management Team meeting is scheduled for July 13th.
- Ms. Summitt reported on Privacy Trainings. During the firth quarter of 2021, 0 members of the Executive Branch workforce took the online course *Think WV Privacy*; 228 members took the online course *WV Confidentiality Agreement*; and 115 members took the online course *HIPAA/HITECH*.
- Discussion regarding the training events held by the SPO since the last board meeting. On April 28th, Privacy Staff presented a virtually a privacy webinar entitled *Purchasing as a Privacy Powerhouse* for the annual WV Purchasing Division conference. On May 11th, State Privacy Office attended virtually the WV Digital Government Summit. On May 25-26th, State Privacy Office virtually attended Privacy and Security Academy.
- State Privacy Office finalized the customization of its new privacy training and is making the thirty-minute online training available to all members of the Executive Branch and to other state agencies not comprising the State's Executive Branch.
- State Privacy Office's summer intern was trained initially on privacy by receiving the standard privacy officer orientation training.
- Ms. Summitt explained Privacy impact Assessment (PIA) which is a tool used to assess the privacy impact and risks to the personally identifiable information (PII) stored, used and exchanged by information systems. A PIA evaluates privacy implications when information systems are created, when existing systems are significantly modified, or new technology is purchased.
- Since March 16, 2021, 18 PIAs have been completed and submitted. Staff changes at the Office of Technology have resulted in procedural changes for reporting to our office their recommendations for completing a PIA. State Privacy staff combined with WVOT staff and Purchasing staff, are working to create a new PIA procedure.
- PIA completion is not mandatory for agencies, but the Purchasing Division is requiring that agencies purchasing a technology/software product speak with the Privacy Officer regarding the need for a Privacy Impact Assessment.
- Ms. Summitt reported the State Privacy Office Personnel has a law student for a summer legal internship project. His name is Brandon Chinn and he is beginning his third year of law school at WVU. Next year Brandon will complete his combined JD and MPA degree. This internship will satisfy his internship requirement for his MPA degree.

 Privacy Report was received and filed, a copy is attached and made part of the record.

UNFINISHED BUSINESS

NEW BUSINESS

- Member Joseph Price moved to go to Executive Session. The motion was seconded by Member Gordon Lane, Jr.
- Being no discussion, a vote took place and the MOTION ADOPTED.
- Met in Executive Session to discuss a claim, no action was taken. Moved back to Public Session.

ADJOURNMENT

- Vice Chairman Gordon Lane, Jr. moved to adjourn meeting. The motion was seconded by Member Leah Cooper.
- Being no discussion, a vote took place and the MOTION ADOPTED.

Board Chairman

Date

ldm

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Allan L. McVey Cabinet Secretary Mary Jane Pickens Executive Director Deputy Cabinet Secretary MaryJane.Pickens@wv.gov

Executive Director's Report September 21, 2021

A. Marshall University and West Virginia University Medical Malpractice Program

- As of September 14, 2021, Marshall has deposited \$800,000.00 into the escrow account for FY 2022. The fiscal year-to-date cumulative interest totals \$140.83. Disbursements totaling \$786,314.51 have been paid thus far in FY 2022.
- As of September 14, 2021, a total of \$317,072.58 has been deposited into WVU's escrow account for FY 2022. The fiscal year-to-date cumulative interest totals \$333.21. Disbursements totaling \$317,553.45 have been paid thus far in FY 2022.
- B. State Agency/Senate Bill #3 Liability Claim & Litigation Information

TRIALS

Thus far, in 2021, we have tried three cases to verdict, with two plaintiff verdicts and one defense verdict. (Bold case is new to the list.)

Ryan Nichols vs. WV State Police; 7/5/2021; U.S. Dist. Ct -So. WV – Charleston; Plaintiff alleged excessive force during his arrest. Demand was \$55,000. Offer was \$10,000. Defense verdict.

Dorothy Hatfield v. West Virginia Department of Health and Human Resources - jury verdict on September 15, 2021. The plaintiff's allegations related to a hostile work environment and retaliation. The jury returned a complete defense verdict.

Larissa Kessler & Daniel Sindledecker vs. Potomac Center; 5/14/2021; Hardy Co. Cir. Ct.; Plaintiffs alleged abuse at facility. Although no evidence of abuse of plaintiffs, others were abused there. Demand was \$2 million. Offer was \$200,000. Plaintiff verdict for \$3.5 million. Case will be appealed.

Rocky Cutright vs. Upshur Co. B.O.E.; 5/21/2021; Upshur Co. Cir. Ct.; Insured driver lost control and drove through the Plainitiff's yard and struck his house. The case was tried on damages. The last demand was \$99,000 and the last offer was \$60,000. Plaintiff verdict for \$116,000, with credit for \$5,000 advance payment.

PAID CLAIMS (August 2021 Data)

August 2021 Indemnity payments total \$7,772,530 vs. August 2020 payments of \$7,235,530 an increase of 7.4%.

August 2021 Legal payments total \$1,650,468 vs. August 2020 Legal payments of \$1,793,243, a decrease of 8%.

OUTSTANDING CLAIMS (August 2021 Data)

August 2021 Indemnity reserves total \$55,046,589 vs. August 2020 Indemnity reserves of \$70,405,016 a decrease of 21.8%.

August 2021 Expense reserves total \$26,516,832 vs. August 2020 Expense reserves of \$26,307,642, an increase of 0.8%.

CLAIMS COUNTS (August 2021 Data)

August 2021 New claims of 283 vs. August 2020 of 237, an increase of 19.4%.

August Closed claims of 352 vs. August 2020 of 271, an increase of 30%.

August 2021 Open claims of 978 vs. August 2020 of 1,009, a decrease of 3.1%.

DURATION - CLOSED CLAIMS (August 2021 Data)

August 2021 Duration of 148 Days vs. August 2020 Duration of 145.539 Days, an increase of 1.7%.

CLOSING RATIO (August 2021 Data)

August 2021 Closing Ratio of 124.4% vs. August 2020 Closing Ratio of 114.3%, an increase of 8.8%.

- C. COVID-19 Pandemic On June 1., BRIM staff returned to the split shift, 2-days-in, 3-days-remote schedule we maintained last summer and fall. On June 22., we returned to the office full time. On August 16th, we implemented a telework policy that was adopted earlier in August based on a template developed by the Division of Personnel. We entered into a written agreement with each BRIM employee who wanted to telework. We have also reinstated the mask requirement when an employee is outside of his/her office or cube, in light of the COVID transmission rate currently being experienced in the state.
- D. Patient Injury Compensation Fund (PICF) Final pro-rata payments to claimants were made in August. All claims are now paid in full. There will be a limited amount of cost through the end of the fiscal year for administrative tasks associated with the fund, but the main liability of the fund is now retired. At the June meeting, we were unable to determine if the claims could all be paid in full at this time, so this is a successful resolution. The only remaining issue is whether the Legislature provided BRIM with authority in the Code to refund payments made into the fund after the obligation to do so ended under W. Va. Code Section 29-12D-1a(d), and Steve Schumacher and I are working with the State Auditor to resolve that matter.

E. Capitol Building Appraisal -- Jeremy Wolfe will discuss this project as part of his Loss Control report, however I wanted to share the kind words we received from the Tom Creager, the appraiser engaged by Aon that Jeremy and Kari Dean (GSD) worked with on this project:

I wanted to reach out to let you know how extremely helpful Jeremy Wolfe and Kari Dean were in assisting with the most recent historic insurance appraisal on the West Virginia State Capitol building.

They went beyond the call of duty in securing requested information and documentation. Additionally, they spent a tremendous amount of time assisting with the development of an accurate gross building square footage.

The appraisal was a success, in large part, because of their due diligence.

I wanted to relay how much Jeremy & Kari's hard work and dedication to their jobs facilitated this entire process.

F. Property Appraisal RFP – We discussed the timeline for the Property Appraisal Request for Proposal at the June meeting, however the timeline had to be changed to address an error made here at BRIM when we responded to written questions submitted by some vendors. The new timeline requires bids to be submitted today, September 21st, and the contract to be awarded by November 1st. The new dates associated with the procurement are:

RFP Released to Public	7/23/2021
Vendor's Written Questions Submission Deadline	
Addendum Issued	
Bid Due Date	
Oral Presentation	
Contract Award Target Date	

Another anticipated procurement is for Claim Audit Services, and our plan is to get that RFP out before the end of the year. These services will replace our in-house review of claim files at AIG and internally here at BRIM. This was a recommendation when we had the review of our entire program two years ago.

- G. Risk Management Information System Update We have finally achieved reconciliation of data between the legacy system and the new system. We plan to begin using the new system for Underwriting functions on January 1st, and we need to conclude our Finance section's review and determination of what it needs the vendor to develop before the end of the year.
- H. Website Updates We have signed a statement of work with WV Interactive, following our approval of the new website prototypes for computer and mobile devices. A meeting is scheduled for September 28th with WV Interactive to proceed with implementation of the updates.

 Records Management – The number of scanned liability files remains the same as reported last quarter (1,010), however the reason is that our records team hasn't unboxed any files which fall within our retention period. All of the boxes retrieved from Iron Mountain have been able to be destroyed. The liability file master destroyed list now stands at 9,781 files recorded and securely destroyed (June report stood at 4,393) The property file master destroyed list stands at 2,297 files. Our records team has retrieved and processed 665 boxes from storage (June report stood at 250 boxes). We have approximately 300 claim boxes still in storage and those will continue to be retrieved and processed in batches of 50.

Underwriting records -- At the June Board meeting I reported that the Underwriting staff had completed the review and purge of approved file retention of all 1,000 + active files along with 50 of the boxes from Iron Mountain. The status on Underwriting files hasn't changed, and there are still approximately 230 boxes left in storage.

J. STRIMA – Robert Fisher, Melody Duke and I attended the STRIMA conference in Boise, Idaho 2 weeks ago. The conference was informative and educational, with the most common challenge reported among the state members being renewal of cyber liability policies.

The Executive Committee voted to approve BRIM's bid to host the conference in 2021. Our plan is to host the conference here in Charleston and we have already begun the process by meeting with Marriott and Embassy Suites to receive bids for the venue hotel. This will be a great opportunity to bring over 200 people to Charleston and to showcase West Virginia and all that it offers.

K. Upcoming Board Meeting schedule for 2021:

Tuesday, December 21, 2021 @ 1PM

Very truly yours, Nichan

Mary Jane Pickens Executive Director

MJP/ldm



Allan L. McVey Cabinet Secretary Mary Jane Pickens Executive Director Deputy Cabinet Secretary MaryJane.Pickens@wv.gov

Chief Financial Officer's Report September 21, 2021

A. P Card Report

CD copies contain the supporting detail for P card purchases for the months of May and June 2021. These totals are:

May	\$37,401.75
June	\$47,805.60

B. Audit Update

- Audit work has been completed remotely this year and no audit issues have been brought to BRIM's attention.
- BRIM has submitted its draft of the June 30, 2021, audited financial statements. The final audited financial statements will be submitted by the October 15, 2021, deadline.
- BRIM's audited financial statements will be released and available on BRIM's website shortly after the auditor's opinion has been issued.

C. Actuarial Results

- AON's risk fund study as of June 30, 2021, has been completed and reviewed.
- The provision for insured events of prior fiscal years saw a decrease of \$7.3 million in FY'21. Last year also saw a \$4.5 million decrease in the provision for insured events of prior fiscal years. These decreases indicate favorable claims development for fiscal years prior to FY'21 and FY'20, respectively, and they improved the operating results for both years.
- FY'21 retained unpaid case reserves decreased by \$10.8 million when compared to last year. The current fiscal year saw a \$4.4 million decrease in the IBNR total vs. the prior year. The resulting net change in retained case reserves and IBNR produced a year over year decrease in total retained unpaid of \$15.2 million. Additional payment activity in FY'21 was the primary driver of the overall decrease in total retained unpaid.
- For FY'20 the year over year total retained unpaid case reserves increased by \$15.1 million while IBNR decreased by \$1.2 million. The combined total retained unpaid increased by \$13.9 million vs. FY'19, reflecting the negative impact of unfavorable loss development last year.

D. Financial Results

- Premium revenue for FY'21 was slightly higher (\$0.7 million) than the prior year. The primary reason for the increase was additional premium billed during the fiscal year based on updated exposure data reported for FY'21.
- Claims and claims adjustment expenses increased by \$4.9 million when compared to FY'20. The year over year overall decrease of \$15.2 million in total retained reserves was related to higher net claims payments of \$20.1 million for the current year that created the overall increase in claims and claims adjustment expenses for FY'21.

D. Financial Results (cont'd)

- Investment income for FY'21 is \$6.0 million higher than FY'20. Equity returns were the driver for BRIM's improved investment earnings for FY'21.
- The overall rate of return of 6.8% on all BRIM funds invested for the current fiscal year was an improvement over last year's 5.2% return. The long-term investable assets held by the West Virginia Investment Management Board (WVIMB) significantly outperformed the shorter-term fixed income funds held in the trust for FY'21.
- For trust funds, the rate of return was a negative 0.5% with losses totaling \$1.4 million for FY'21. This compares to a 6.8% return in FY'20 with earnings of \$16.2 million. As rates rose somewhat across the short end of the yield curve in FY'21, the market value of the fixed income investments held in the trust suffered declines that resulted in the net investment losses in the trust.
- In August, Fed Chairman Jerome Powell indicated that the central bank could begin to taper bond purchases in coming months, if hiring remains strong, and he still expects the current inflation surge to be temporary. With the fed funds rate currently near zero, the Fed is still leaning toward no rate increases thru 2022. The Federal Open Market Committee is meeting today and tomorrow (Sept. 21-22).
- The current reinvestment rate for 3-5 year treasuries of about 0.65% will minimize the overall returns in trust funds for FY'22. Plus, any further increase in reinvestment rates will be muted by further market price declines on the holdings within the trust.
- BRIM's funds invested with the WVIMB made about \$30.2 million or 18.3% vs. \$6.0 million or 3.8% last year. The strong rally in the equity markets during FY'21 that drove these results has cooled down in early FY'22. The perception is that stocks may be somewhat overpriced recently due to the Delta variant's impact on the overall level of economic activity going forward. This has resulted in some pullback and volatility in the equity markets near-term.
- House Bill 2804, passed by the legislature March 22, 2021, transferred \$13.5 million from the Mine Subsidence Fund to the General Revenue Fund to be made available for appropriation for other purposes during the fiscal year ending June 30, 2021. This transfer negatively impacted BRIM's net position for the current fiscal year.
- BRIM's overall financial results provided for an improvement in net position of \$19.1 million for FY'21 versus an improvement in net position of \$28.1 million for FY'20. Better investment returns for FY'21 were partially offset by the transfer of \$13.5 million from the Mine Subsidence Fund. This tempered the overall results for the current fiscal year vs. last fiscal year.
- BRIM's current net position of \$276.9 million includes the mine subsidence program's restricted net position of \$80.2 million, leaving BRIM's unrestricted net position at \$196.7 million as of June 30, 2021.
- Using only unrestricted net position, BRIM's loss reserve to net position ratio for FY'21 improved to 1.0 to1.0. This compares to the FY'20 loss reserve to net position ratio of 1.1 to1.0.

Respectfully submitted,

Chief Financial Officer

and Stephen W. Schumacher, CPA

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

		2021	1.00	2020
ASSETS				
Current assets:		22.074	- 6	
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	0	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	5	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	<u></u>	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 POSTION				
Restricted by State code for mine subsidence coverage		80,155		78,617
Unrestricted	-	196,714		179,166
Net position	\$	276,869	\$	257,783

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

		2021		2020	
Operating revenues:	100				
Premiums	\$	83,238	\$	82,567	
Less excess coverage/reinsurance premiums	<u></u>	(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		(13,500)		-	
OPEB nonoperating income	6 <u>-</u>	11		24	
Net nonoperating revenues (expenses)		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	

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Allan L. McVey Cabinet Secretary

Mary Jane Pickens Executive Director Deputy Cabinet Secretary MaryJane.Pickens@wv.gov

Loss Control Report to the Board September 2021

State Agency loss control questionnaires were due on August 1, 2021. Since that time, we have been evaluating those questionnaires. The results will be used to calculate loss control credits and surcharges for next fiscal year's premium.

Due to the ongoing COVID-19 pandemic BRIM and Liberty Mutual Insurance have decided to not host the annual boiler safety and operational seminars again this fall. As a substitute, we will be providing educational material to participating insured regarding maintenance and safety needs associated with boilers and air conditioning units. We are hopeful we can resume these in person seminars in the fall of 2022.

In partnership with Aon Global Risk Consulting and General Services Division, Jeremy Wolfe led a team to conduct a building appraisal of the main capitol building and its east and west wings. This appraisal will provide BRIM with both a functional replacement and reproductive cost value for the property. While the physical work was completed in two long days, the bulk of the work has been researching the historical architectural and design maps of the structure with assistance from the Division of Culture and History. We expect to have a draft report to review this month.

During the months of June, July, and August Aon conducted 185 inspections and Liberty Mutual Insurance conducted 331. The reports are being processed according to established procedures.

Since my last report, our loss control technical staff reports the following activity:

17 Loss Control Visits

These are standard loss control visits which focus on all coverage areas and which result in information and/or loss control recommendations being provided.

Insured Accounts Visited Include: Norborne Pre-School & Day Care Center, West Liberty University, Clay County Pool, Bluefield State College, Greenbrier Community School, Wind Dance Farm & Education Center, Genesis Youth Center, Davis-Stuart, Boys & Girls Club of Pleasants County, Dunbar Recreation Center, Little Eagle Child Care Center, West Virginia Department of Health & Human

(304) 766-2646 (304) 558-6004 FAX (800) 345-4669 TOLL FREE WV Resources, Boys & Girls Club of Parkersburg, West Virginia State Police, and Morgantown Area Youth Service Project.

5 Standards of Participation Visits

These are visits which are designed to provide assistance to our insured who are seeking to become compliant with the BRIM Standards of Participation program.

Insured Accounts Visited Include: Marion County Child Advocacy Center, Huntington Pride, Saddles & Smiles, Inc., Eastern West Virginia Community & Technical College Foundations, and Hope House Ministries.

3 Flood Mitigation Visits

These visits assist insured in developing and implementing a Flood Preparedness and Mitigation Plan as a result of insured location(s) being located in high risk areas prone to flooding.

Insured Accounts Visited Include: West Virginia Northern Community College, Bridge Valley Community & Technical College, and Logan County Board of Education.

As is the case each year, the number of loss control visits is markedly reduced during the period in which we evaluate loss control questionnaire submissions, no consultation visits have occurred during this reporting period.

Dated: September 14, 2021

Respectfully submitted,

Jeremy C. Wolfe Risk & Insurance Manager

1124 Smith Street, Suite 4300 Charleston, West Virginia 25301 www.brim.wv.gov

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Allan L. McVey Cabinet Secretary

Mary Jane Pickens Executive Director Deputy Cabinet Secretary MaryJane.Pickens@wv.gov

Chief Privacy Officer's Report September 21, 2021

A. Privacy Management Team Meetings

- On July 13, the Privacy Management Team held a virtual meeting via Microsoft TEAMs with an Artificial Intelligence presentation by Brandon Chinn, the State Privacy Office's summer intern, entitled *Artificial Intelligence and Machine Learning*. In addition, the PMT was presented with a legislative review of the WV 2021 Legislative Session by Misty Peal, Department of Administration's Deputy Counsel, and Brandon Chinn. James Meadows, the General Counsel for the Purchasing Division explained the recently enacted SB 587, which is designed to make procurement easier for agencies who operate under Purchasing's guidelines. And finally, President Biden's Executive Order 14028, *Improving the Nation's Cybersecurity* was summarized for the group by Dept of Environmental Protection's department privacy officer Neil Chakrabarty. Thirty-five members attended.
- On September 14, 2021, the Privacy Management Team held a virtual meeting via the Google Meet platform with a presentation by Brian Freedman, from Security Risk Solutions, Inc which is working with the State on a Security Risk Assessment program which will be available to all agencies contained in the Executive Branch. Thirty-five members were present.
- The next Privacy Management Team meeting is scheduled for November 9th.

B. Privacy Training

- During the Second Quarter of 2021, 0 members of the Executive Branch workforce completed the online course *Think WV Privacy*, which is a general privacy awareness training course. *There have been unforeseen delays in the finalization of the vendor contract allowing the State Privacy Office to publish this training*.
- During the Second Quarter of 2021, 303 members of the Executive Branch workforce completed the online course *WV Confidentiality Agreement*, which is required of all workforce members.

• During the Second Quarter of 2021, 131 members of the Executive Branch workforce completed the online course *HIPAA/HITECH*, which is a general HIPAA training course.

The following training events were held by the SPO since the last board meeting:

- On July 16, State Privacy staff presented general Departmental Privacy Officer orientations and HIPAA covered agency orientation to new departmental officers from the Governor's Office, WVU and Veteran's Assistance.
- On August 23rd, Privacy Staff presented virtually a privacy webinar entitled *Purchasing as a Privacy Powerhouse*, for the annual WV Purchasing Division conference.

C. Privacy Impact Assessments

- A privacy impact assessment (PIA) is a tool used to assess the privacy impact and risks to the personally identifiable information (PII) stored, used, and exchanged by information systems. A PIA evaluates privacy implications when information systems are created, when existing systems are significantly modified, or new technology is purchased.
- For the second quarter, twelve (12) PIAs have been completed and submitted. Due to the state transition to a Google platform, SPO staff have had to recreate the PIA form in a format that is compatible with Google. Because of the need to totally create this form again, staff have taken the opportunity to make fundamental changes to the composition of the form, providing a shortcut for the form's use for removeable media (external hard drives, thumb drives), the request for which has increased.

D. Privacy Office Personnel

 The State Privacy Office had a very pleasant and productive experience with our summer legal intern. Brandon Chinn, in his third year at WVU Law gained a new focus for privacy in the law. He completed his summer work projects which included a draft of a consumer data protection bill and a SPO internal guidance outline for Executive Branch agencies that have policies and procedures that protect privacy. Brandon is completing his combined JD and MPA degree and will present his summer internship with the State Privacy Office to the WVU Public Administration department. Members from BRIM will be invited and are planning on attending.

> Very truly yours, Ashley Summitt Ashley Summitt, JD Chief Privacy Officer WV Executive Branch



Investment Review

WV Investment Management Board 9/21/2021



Market Highlights

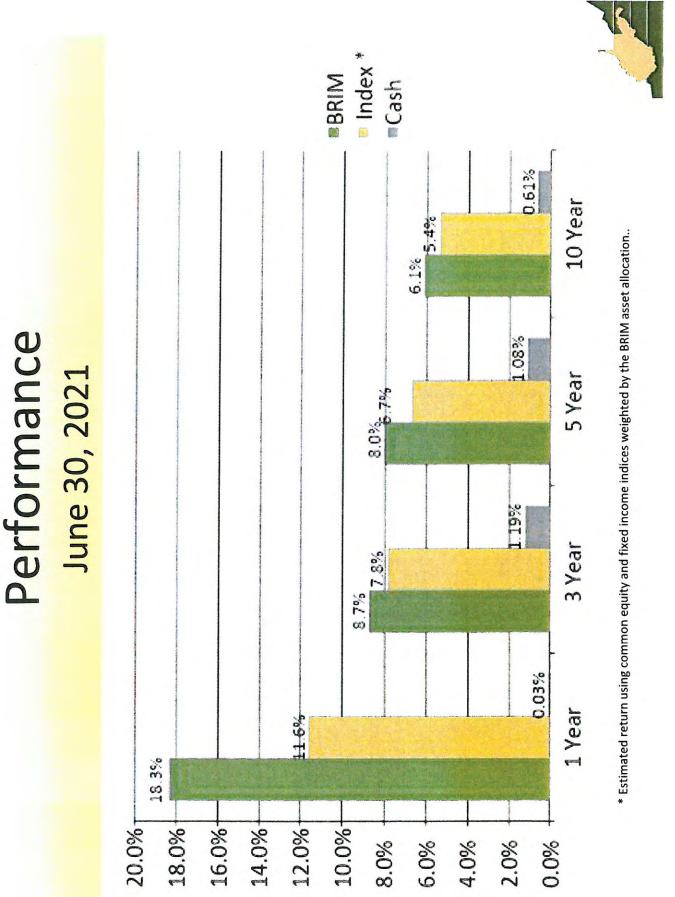
- Strong economic rebound in FY 2021
 - GDP at 6.6%
- Corporate earnings at a record high in the second quarter 2021
 - Interest rates remain historically low
 - Global equities surged in FY 2021
 - Stimulus policies
- Pent up demand with the reopening of the economy
 - Strong fiscal spending
- Caution in the look ahead
- Lofty expectations are priced into equity valuations
 - Bonds provide very low yields
 - Continued COVID-19 spikes
 - Inflation risk

Asset Allocation

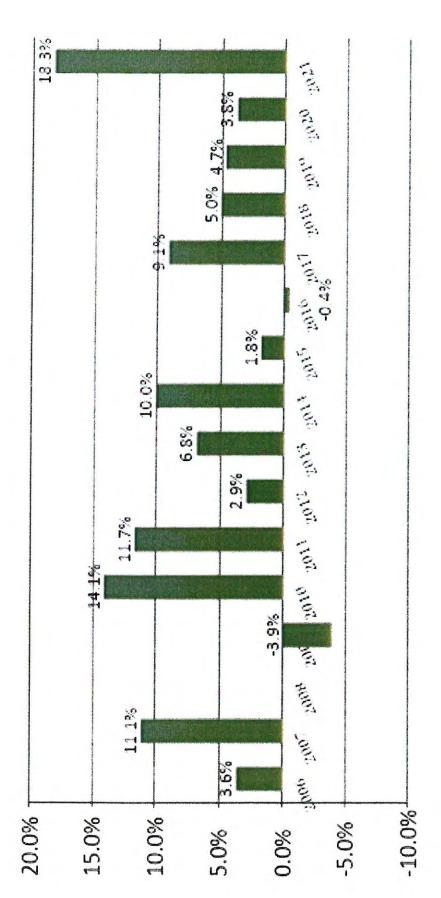
Allocation 10% 30% 35% 20% Expected Expected volatility Return 5.1%, 8% 120% 100% 80% 60% 40% 20% %0



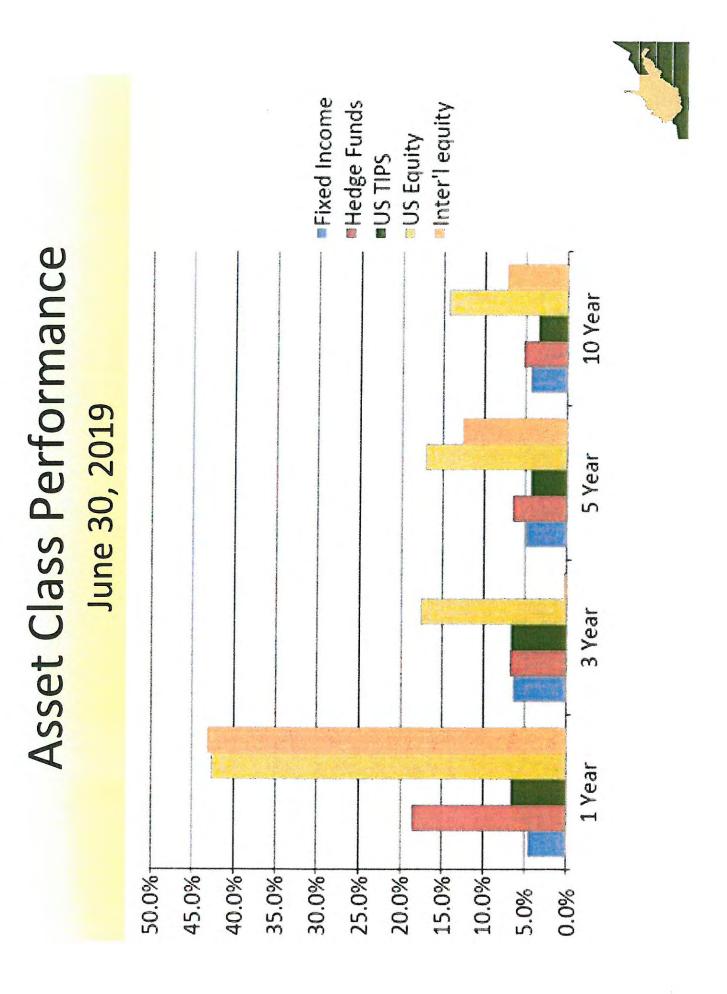
Cash US TIPS Fixed Income Equity Hedge Funds

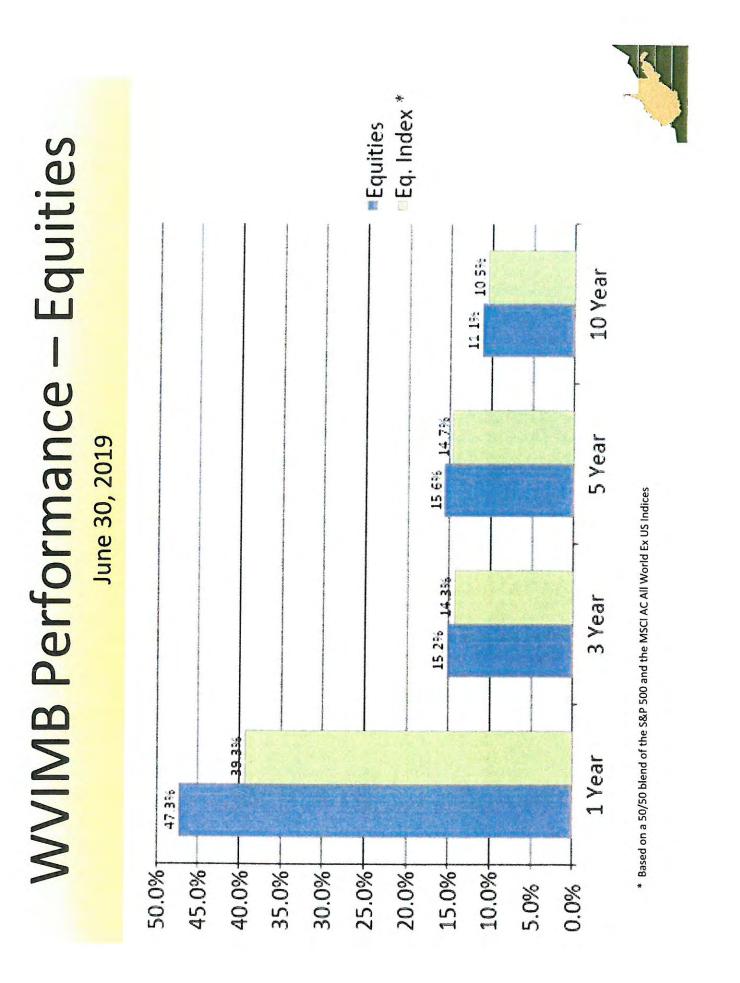


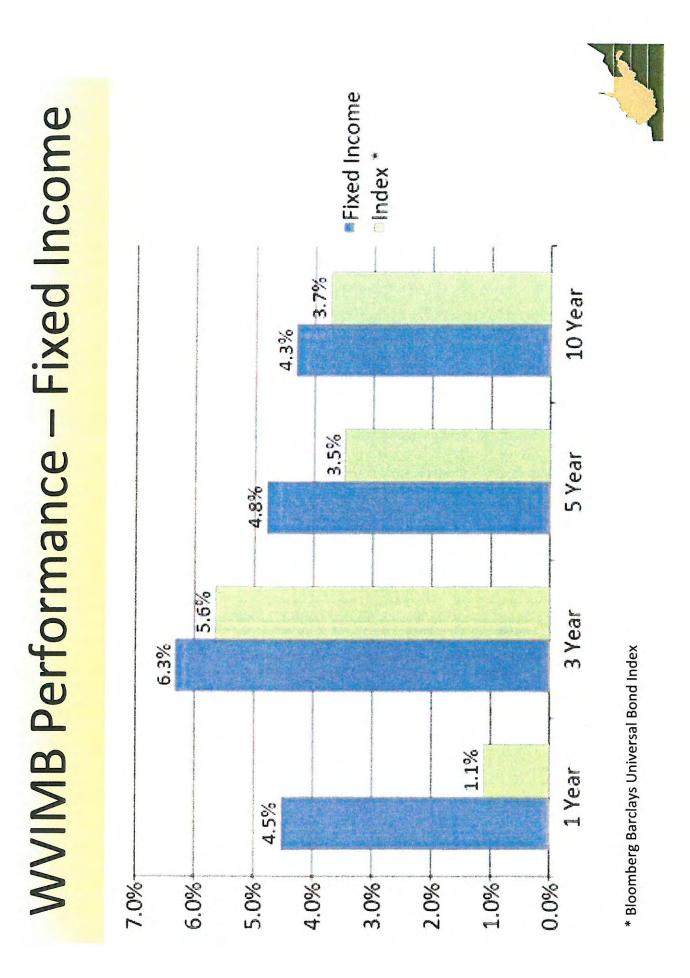
Performance by Fiscal Year Years ending June 30



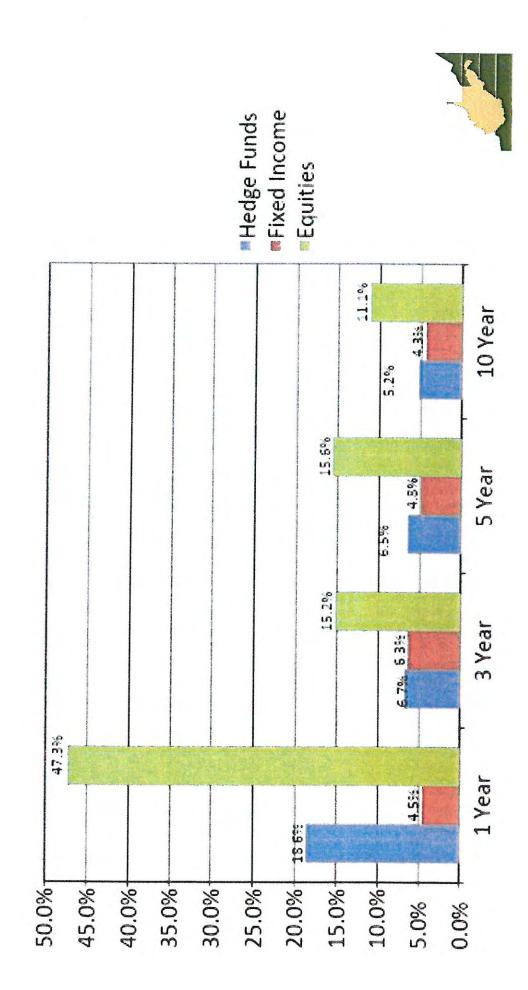








WVIMB Performance – Hedge Funds





MANAGEMENT MANAGEMENT

One-on-One Use Only

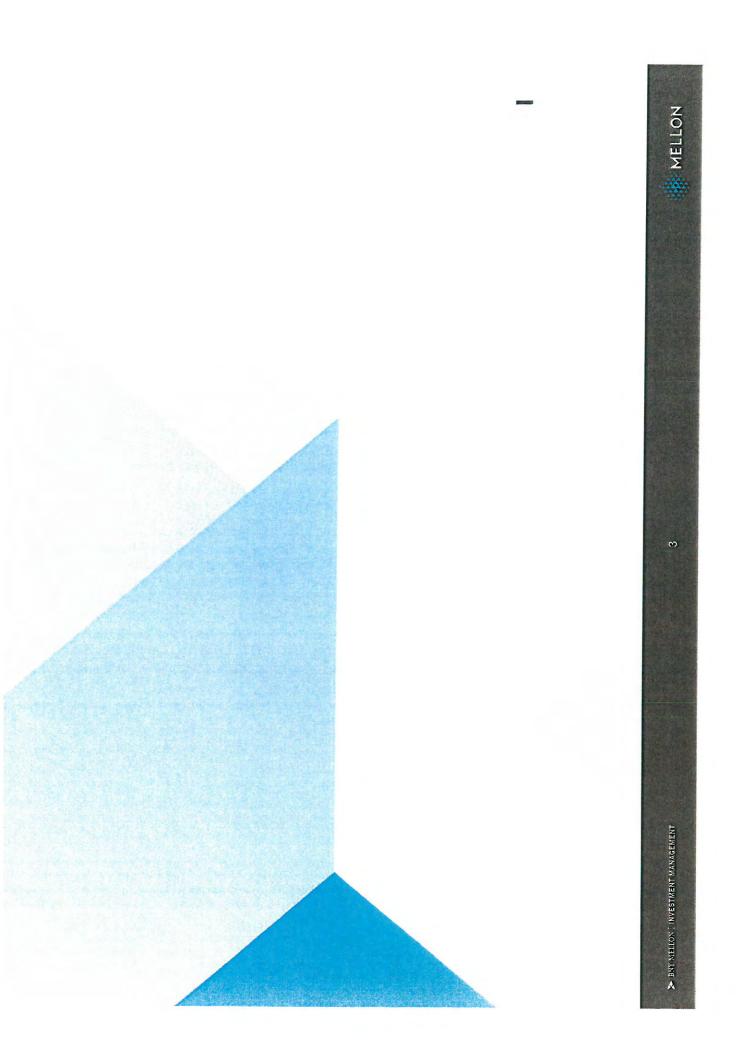
September 21, 2021

State of West Virginia - BRIM



- I. Corporate Overview
- II. Market Environment
- III. Performance & Portfolio Review
- IV. Economic & Investment Outlook
- V. Client Service Update
- VI. Appendix







A global multi-specialist investment manager with a full spectrum of research-driven solutions

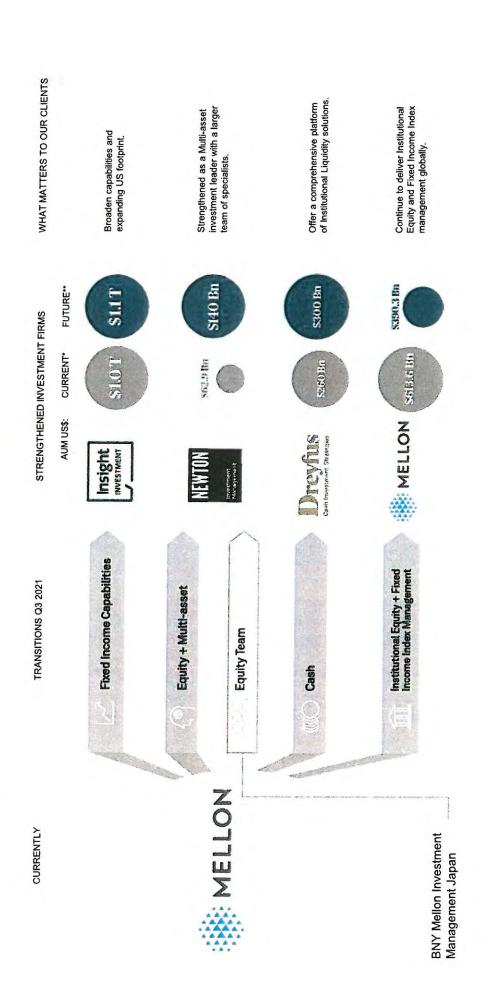


Data as of June 30, 2021. ¹Where applicable, assets include discretionary and non-discretionary assets, the notional value of overlay strategies, and assets managed by investment personnel acting in their capacity as officers of affiliated entities. ESG assets include assets managed in fundamental active strategies, custom ESG strategies, and assets managed in accordance with client directed SRI guidelines. ²Employee total includes employees of affiliated entities acting as dual officers and/or associated persons of Mellon. ³Location of affiliated entities providing services. Variations in totals due to rounding. See Additional Information in Disclosure Statements. ^[27968]

MELLON

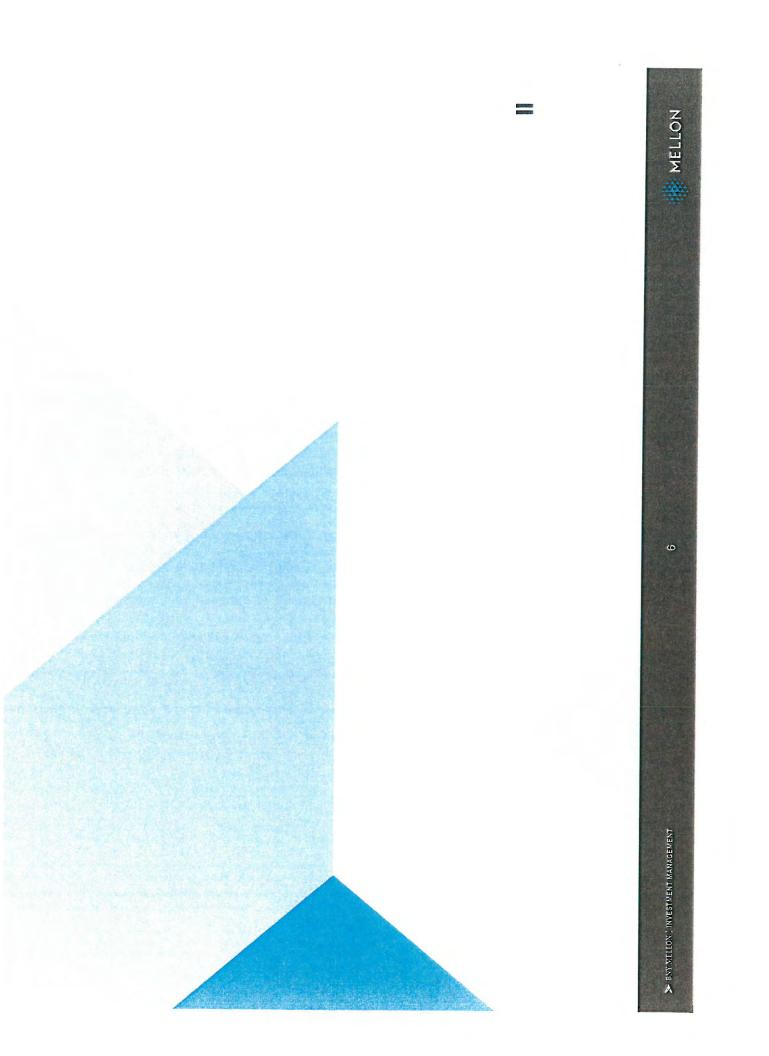
S BNY KELLON | INVESTMENT MANAGEMENT

Enhancing Our Specialist Investment Capabilities

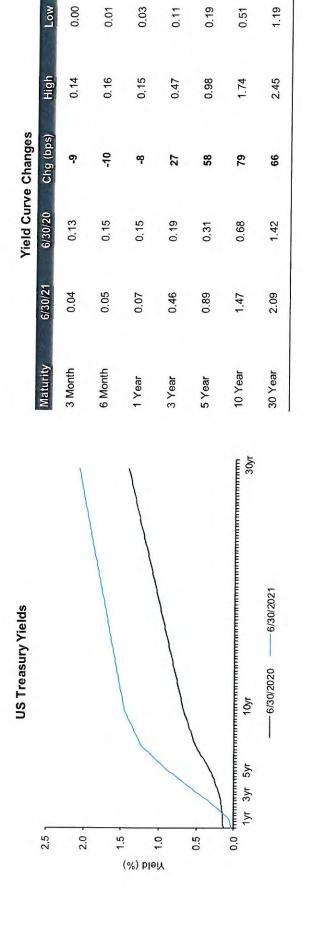


Source: BNY Mellon, February 2021. *As of December 31, 2020. **AUMs from transitions are estimated based on AUMs as of December 31, 2020. See Additional Information in Disclosure Statements. [27647]

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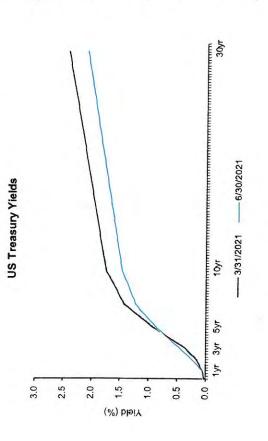
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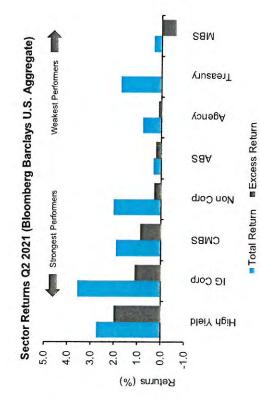


PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Source: Mellon, Bloomberg Barclays as of June 30, 2021.

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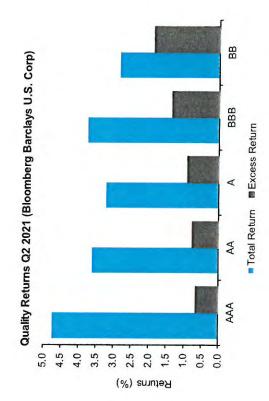






		Yield Curv	Yield Curve Changes		
Maturity	6/30/21	3/31/21	Chg (bps)	High	Low
3 Month	0.04	0.02	ю	0.04	0.00
6 Month	0.05	0.03	N	0.05	0.01
1 Year	0.07	0.06	۲	0.08	0.03
3 Year	0.46	0.35	11	0.47	0.29
5 Year	0.89	0.94	ų	0.98	0.71
10 Year	1.47	1.74	-27	1.74	1.43
30 Year	2.09	2.41	-33	2.41	2.01

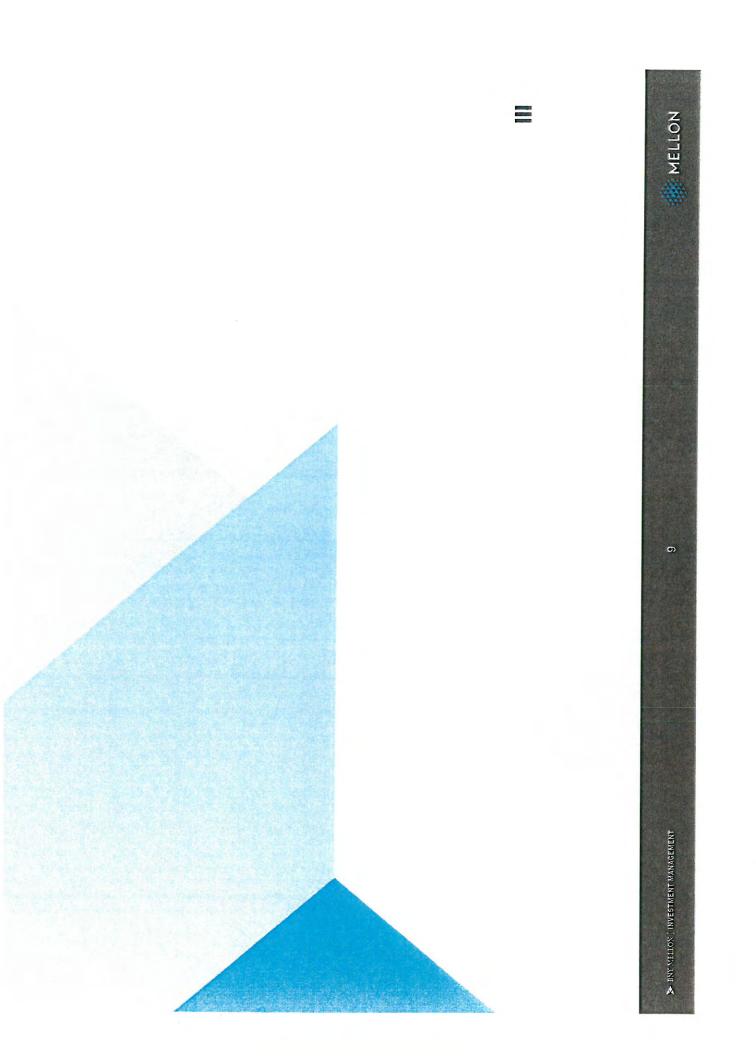
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State of West Virginia Retro-Natl Union	Market Value:	\$1,332,585.48
State of West Virgina - BRIM 2005-06	Market Value:	\$485,156.40
State of West Virginia - BRIM 2006-07	Market Value:	\$426,376.38
State of West Virginia - BRIM 2007-08	Market Value:	\$591,746.59
State of West Virginia - BRIM 2008-09	Market Value:	\$488,729.67
State of West Virginia - BRIM 2009-10	Market Value:	\$1,036,219.47
State of West Virginia - BRIM 2010-11	Market Value:	\$2,069,262.55
State of West Virginia - BRIM 2011-12	Market Value:	\$2,447,070.15
State of West Virginia - BRIM 2012-13	Market Value:	\$5,805,957.96
State of West Virginia - BRIM 2013-14	Market Value:	\$5,770,297.35
State of West Virginia - BRIM 2014-15	Market Value:	\$7,706,677.77
State of West Virginia - BRIM 2015-16	Market Value:	\$9,033,288.46
State of West Virginia - BRIM 2016-17	Market Value:	\$15,595,232.86
State of West Virginia - BRIM 2017-18	Market Value:	\$29,769,551.74
State of West Virginia - BRIM 2018-19	Market Value:	\$45,949,508.57
State of West Virginia - BRIM 2019-20	Market Value:	\$57,789,351.58
State of West Virginia - BRIM 2020-21	Market Value:	\$64,984,075.93
Total	Market Value:	\$251,281,088.91

Source: Mellon Investments Corporation as of June 30, 2021

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	YTD 2021 (%)	1 Year (%)	3 Year (%)*	5 Year (%)*	Since Inception
Total Return					_(%) CON CIO
State of West Virgina – BRIM 2005-06	-0.96	-0.71	3.96	2.04	3.24
Barclays US Government Intermediate	-1.12	-1.14	3.94	1.94	3.22
Value Added	0.16	0.43	0.02	0.10	200
Market Value: \$485,156.40			40.0	2.5	20.0
	YTD 2021 (%)	1 Year (%)	3 Year (%)*	5 Year (%)*	Since Inception 8/31/06 (%)*
Total Return					
State of West Virginia - BRIM 2006-07	-0.81	-0.81	4.01	2.07	3.30
Barclays US Government Intermediate	-1.12	-1.14	3.94	1.94	3.30
Value Added Market Value: \$426.376.38	0.31	0.33	0.07	0.13	0.00
			100001210000		
	YTD 2021 (%)	1 Year (%)	3 Year (%)*	5 Year (%)*	Since Inception 8/31/07 (%)*
Total Return					
State of West Virginia - BRIM 2007-08	-0.96	-0.73	3.96	2.04	3.14
Barclays US Government Intermediate	-1.12	-1.14	3.94	1.94	3.14
Value Added	0.16	0.41	0.02	0.10	0 00
Market Value: \$591,746.59					
	YTD 2021 (%)	1 Year (%)	3 Year (%)*	5 Year (%)*	Since Inception
Total Return					(ar) ann an
State of West Virginia - BRIM 2008-09	-0.99	-0.75	3.94	2.13	2.39
Barclays US Government Intermediate	-1.12	-1.20	3.94	1.94	2.39
Value Added	0.13	0.45	0.00	0.19	0.00
Market Value: \$488,729.67					

*Annualized performance Source: Mellon Investments Corporation as of June 30, 2021.

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	YTD 2021 (%)	1 Year (%)	3 Year (%)*	5 Year (%)*	Since Inception
Total Return					
State of West Virginia - BRIM 2009-10	-0.89	-0.59	4.03	2.09	2.42
Barclays US Government Intermediate	-1.12	-1.14	3.94	1.94	2 40
Value Added	0.23	0.55	0.09	0.15	200
Market Value: \$1,036,219.47				2	20:0
	YTD 2021 (%)	1 Year (%)	3 Year (%)*	5 Year (%)*	Since Inception
Total Return					
State of West Virginia Retro-Natl Union	-0.90	-0.57	3.99	2.06	2.36
Barclays US Government Intermediate	-1.12	-1.14	3.94	1.94	2.38
Value Added	0.22	0.57	0.05	0.12	-0.02
Market Value: \$1,332,585.48					
	YTD 2021 (%)	1 Year (%)	3 Year (%)*	5 Year (%)*	Since Inception 9/30/10 (%)*
Total Return					
State of West Virginia - BRIM 2010-11	-0.91	-0.58	4.03	2.09	2.03
Barclays US Government Intermediate	-1.12	-1.14	3.94	1.94	2.04
Value Added	0.21	0.56	0.09	0.15	-0.01
Market Value: \$2,069,262.55					
	YTD 2021 (%)	1 Year (%)	3 Year (%)*	5 Year (%)*	Since Inception
Total Return					
State of West Virginia - BRIM 2011-12	-0.98	-0.32	4.16	2.17	1.91
Barclays US Government Intermediate	-1.12	-1.14	3.94	1.94	1.87
Value Added	0.14	0.82	0.22	0.23	0.04

*Annualized performance Mellon Investments Corporation as of June 30, 2021. MELLON 12 See BNY MALLON | INVESTMENT MANAGEMENT

	YTD 2021 (%)	1 Year (%)	3 Year (%)*	5 Year (%)*	Since inception
Total Return					
State of West Virginia - BRIM 2012-13	-0.91	-0.59	4.02	2.09	1.80
Barclays US Government Intermediate	-1.12	-1.14	3.94	1.94	1.76
Value Added	0.21	0.55	0.08	0.15	0.04
Market Value: \$5,805,957.96					
	YTD 2021 (%)	1 Year (%)	3 Year (%)*	5 Year (%)*	Since Inception
Total Return					
State of West Virginia - BRIM 2013-14	-0.90	-0.52	4.01	2.09	2.11
Barclays US Government Intermediate	-1.12	-1.14	3.94	1.94	2.12
Value Added	0.22	0.62	0.07	0.15	-0.01
Market Value: \$5,770,297.35					
	YTD 2021 (%)	1 Year (%)	3 Year (%)*	5 Year (%)*	Since Inception
Total Return					for 1 to 10 to 10
State of West Virginia - BRIM 2014-15	-0.76	-0.41	4.09	2.13	2.21
Barclays US Government Intermediate	-1.12	-1.14	3.94	1.94	2.21
Value Added	0.36	0.73	0.15	0.19	00.0
Market Value: \$7,706,677.77					
	YTD 2021 (%)	1 Year (%)	3 Year (%)*	5 Year (%)*	Since Inception
Total Return					
State of West Virginia - BRIM 2015-16	-0.84	-0.43	4.08	2.11	2.34
Barclays US Government Intermediate	-1.12	-1.14	3.94	1.94	2.21
Value Added	0.28	0.71	0.14	0.17	0.13
Market Value: \$0.032.288.46					

*Annualized performance Mellon Investments Corporation as of June 30, 2021.

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YTD 2021 (%) 1 Year (%) 3 Year (%) 8 Total Return 5late of West Virginia - BRM 2016-17 -0.93 -0.54 4.04 Barclays US Government Intermediate -1.12 -1.14 3.94 Value Added 0.19 0.60 0.10 Market Value: \$15,555,535,535,536 .77D 2021 (%) 1 Year (%) 3 Year (%)* Total Return 0.19 0.60 0.10 0.10 State of West Virginia - BRM 2017-18 -0.88 -0.51 4.08 Barclays US Government Intermediate -1.12 -1.14 3.94 Value Added 0.24 0.63 0.14 Market Value: \$23,769,551,74 710 5 Total Return 0.24 0.63 0.14 Market Value: \$23,769,551,74 710 5 Market Value: \$23,769,551,74 710 5 Market Value: \$23,769,551,74 710 5 Market Value: \$23,769,551,74 7114 706 Barclays US Government Intermediate <th></th> <th>1707</th> <th>A A STATE OF A STATE OF A</th> <th></th> <th></th>		1707	A A STATE OF A STATE OF A		
I Virginia - BRM 2016-17 -0.33 -0.54 4.04 Government Intermediate -1.12 -1.14 3.34 Government Intermediate -1.12 -1.14 3.34 Government Intermediate 0.19 0.660 0.10 e: \$15,595,232.86 YTD 2021 (%) $1 Year (%)$ $3 Year (%)^*$ I Virginia - BRM 2017-18 -0.88 -0.51 4.08 Government Intermediate -1.12 -1.14 3.34 L Virginia - BRM 2017-18 -0.88 -0.51 4.08 Government Intermediate -1.12 -1.14 3.34 L Virginia - BRM 2015-13 YTD 2021 (%) $1 Year (%)$ 0.14 Sovernment Intermediate -1.12 -1.14 0.57 L Virginia - BRM 2015-20 -0.89 -0.57 -1.14 Sovernment Intermediate -1.12 -1.14 -1.14 L Virginia - BRM 2015-20 -0.93 0.57 -1.14 L Virginia - BRM 2015-20 -0.33 -0.51 -1.14 L Virginia - BRM 2015-20 -0.33 -0.51 -1.14		YTD 2021 (%)	1 Year (%)	3 Year (%)*	Since Inception
I Virginia - BRM 2016-17 -0.33 -0.54 4.04 Government Intermediate -1.12 -1.14 3.94 Government Intermediate 0.19 0.60 0.10 e: \$15,595,232.86 YTD 2021 (%) 1 Year (%) 3 Year (%) IVriginia - BRM 2017-18 -0.88 -0.51 4.08 IVriginia - BRM 2017-18 -0.88 -0.51 4.08 Government Intermediate -1.12 -1.14 3.94 IVriginia - BRM 2017-18 -0.88 -0.51 4.08 Government Intermediate -1.12 -1.14 3.94 IVriginia - BRM 2018-19 -0.89 -0.57 0.14 IVriginia - BRM 2018-19 -0.89 -0.57 -1.14 IVriginia - BRM 2019-20 -0.93 0.57 -1.14 IVriginia - BRM 2019-20 -0.93 0.51 -1.14 IVriginia - BRM 2019-20 -0.93 0.51 -1.14 IVriginia - BRM 2019-20 -0.13 0.51 <td< td=""><td>Total Return</td><td></td><td></td><td></td><td>(w) 010711010</td></td<>	Total Return				(w) 010711010
Government Intermediate -1.12 -1.12 -1.14 3.94 0.19 0.60 0.10 0.10 0.10 e: \$15,595,232.86 TTD 2021 (%) $1 Vear (\%)$ $3 Year (\%)^*$ NTD TTD 2021 (%) $1 Vear (\%)$ $3 Year (\%)^*$ N -0.88 -0.51 4.08 Government Intermediate -1.12 -1.14 3.94 Virginia - BRM 2018-19 0.24 0.63 0.14 Stage - Sta		-0.93	-0.54	4.04	2.13
0.19 0.60 0.10 e: \$15,595,232.86 YTD 2021 (%) 1 Year (%) 3 Year (%)* YTD 2021 (%) 1 Year (%) 3 Year (%)* I Virginia - BRM 2017-18 -0.88 -0.51 4.08 Government Intermediate -1.12 -1.14 3.94 Government Intermediate -1.12 1.14 3.94 I Virginia - BRM 2017-18 0.24 0.653 0.14 Sovernment Intermediate -1.12 1.14 3.94 I Virginia - BRM 2018-19 0.63 0.61 0.14 Sovernment Intermediate 0.23 0.57 1.14 Government Intermediate 0.23 0.57 1.14 Government Intermediate 0.13 0.57 1.14 I Virginia - BRM 2018-20 0.03 0.57 1.14 Government Intermediate 0.13 0.57 1.14 I Virginia - BRM 2019-20 0.03 0.51 1.14 I Virginia - BRM 2019-20 0.03 0.53 1.14 I Virginia - BRM 2019-20 0.93 0.53 1.14 I Virginia - BRM 2019-20 0.93 0.53 I Virginia - BRM 2019-20 0.93 0.53 I Virginia - BRM 2019-20 0.93 0.53	Barclays US Government Intermediate	-1.12	-1.14	3.94	2 00
e: 515,595,232.86 TD 2021 (%) 1 Year (%) 3 Year (%)* I Virginia - BRM 2017-18 -0.88 -0.51 4.08 Government Intermediate -1.12 -1.14 3.94 0.24 0.63 0.14 3.94 0.24 0.63 0.14 0.25 -1.14 3.94 0.25 -1.14 0.63 0.14 0.25 0.57 Government Intermediate -1.12 -1.14 i Yrear (%) 1 Year (%) I Year (%) 0.53 I Year (%) 1 Year (%) I Year (%) I Year (%) I Year (%) I Year (%) I Year (%) I Year (%) I Year (%) I Year (%) I Year	Value Added	0.19	0.60	0,10	0.13
YTD 2021 (%) TVear (%) 3 Year (%)* t Virginia - BRM 2017-18 -0.88 -0.51 4.08 Government Intermediate -1.12 -1.14 3.94 Government Intermediate -1.12 -1.14 3.94 Image: S29,769,551.74 VTD 2021 (%) 1 Year (%) 3.94 Image: S29,769,551.74 VTD 2021 (%) 1 Year (%) 0.14 Image: S29,769,551.74 VTD 2021 (%) 1 Year (%) 0.14 Image: S29,769,551.74 VTD 2021 (%) 1 Year (%) 0.14 Image: S45,949,508.57 VTD 2021 (%) 1 Year (%) 1 Image: S45,949,508.57 VTD 2021 (%) 1 Year (%) 1 Image: S45,949,508.57 VTD 2021 (%) 1 Year (%) 1 Image: S45,949,508.57 VTD 2021 (%) 0.57 1 Image: S45,949,508.57 VTD 2021 (%) 1 Year (%) 1 Image: S45,949,508.57 VTD 2021 (%) 1 Year (%) 1 Image: S45,949,508.57 VTD 2021 (%) 0.53 0.53 Image: S57,789,351,58 0.53 </td <td>Market Value: \$15,595,232.86</td> <td></td> <td></td> <td></td> <td>2</td>	Market Value: \$15,595,232.86				2
I Virginia - BRM 2017-18 -0.88 -0.51 4.08 Government Intermediate -1.12 -1.14 3.94 Government Intermediate -1.12 -1.14 3.94 e: \$29,769,551.74 0.63 0.14 3.94 YTD 2021 (%) 1 Year (%) 0.14 3.94 i: Ytginia - BRM 2018-19 -0.89 -0.57 0.14 Government Intermediate -1.12 -1.14 3.94 i: Virginia - BRM 2018-19 0.23 0.57 0.57 e: \$45,949,508.57 YTD 2021 (%) 1 Year (%) Year (%) i: Virginia - BRM 2019-20 -0.93 -0.61 0.53 e: \$45,949,508.57 YTD 2021 (%) 1 Year (%) Year (%) i: 545,949,508.57 Yrss31,58 0.53 0.53 e: \$577,789,351,58 0.53 0.53 0.53		YTD 2021 (%)	1 Year (%)	3 Year (%)*	Since Inception
Virginia - BRM 2017-18 -0.88 -0.51 4.08 Government Intermediate -1.12 -1.14 3.34 Government Intermediate -1.12 -1.14 3.94 Rovernment Intermediate 0.24 0.63 0.14 e: \$29,769,551.74 TD 2021 (%) 1 Year (%) 0.14 r TD 2021 (%) 1 Year (%) 0.14 r Urginia - BRM 2018-19 -0.89 -0.57 Government Intermediate -1.12 -1.14 e: \$45,949,508.57 0.23 0.57 e: \$45,949,508.57 TD 2021 (%) 1 Year (%) r 0.57 -1.14 Government Intermediate -1.12 -1.14 r 0.57 -1.14 e: \$45,949,508.57 TD 2021 (%) 1 Year (%) r 0.53 0.53 e: \$45,949,508.57 -1.14 -1.14 government Intermediate -1.12 -1.14 government Intermediate -1.12 -1.14 government Intermediate -1.12 -1.14 government Intermediate -1.12 -1.	Total Return				(%) 110711CIO
Government Intermediate -1.12 -1.14 3.94 0.24 0.63 0.14 3.94 e: \$29,769,551.74 YTD 2021 (%) 1 Year (%) 0.14 e: \$29,769,551.74 YTD 2021 (%) 1 Year (%) 0.14 r YTD 2021 (%) 1 Year (%) 1 Year (%) r Virginia - BRIM 2018-19 -0.89 -0.57 overnment Intermediate -1.12 -1.14 0.57 e: \$45,949,508.57 0.57 -1.14 0.57 e: \$45,949,508.57 YTD 2021 (%) 1 Year (%) 1 r Virginia - BRIM 2019-20 -0.93 0.57 overnment Intermediate -1.12 -1.14 0.53 overnment Intermediate -1.12 -1.14 0.53 overnment Intermediate -1.12 -1.14 0.53 e: \$57,789,351.58 0.53 0.53 0.53		-0.88	-0.51	4.08	2 84
e: \$29,769,551.74 0.63 0.14 e: \$29,769,551.74 YTD 2021 (%) 1 Year (%) YTD 2021 (%) 1 Year (%) 1 Year (%) i Virginia - BRIM 2018-19 -0.89 -0.57 Government Intermediate -1.12 -1.14 Government Intermediate -1.12 -1.14 Government Intermediate 0.23 0.57 e: \$45,949,508.57 NTD 2021 (%) 1 Year (%) e: \$45,949,508.57 Yrear (%) e: \$45,949,508.57 0.57	Barclays US Government Intermediate	-1.12	-1.14	3.94	2.71
e: \$29,769,551,74 YTD 2021 (%) 1 Year (%) I Virginia - BRM 2018-19 Government Intermediate 545,949,508.57 e: \$45,949,508.57 E: \$45,949,508.57 MTD 2021 (%) 1 Year (%) I Year (%) MTD 2021 (%) 0.57 0.53	/alue Added	0.24	0.63	0.14	0.13
YTD 2021 (%) T Vear (%) Virginia - BRIM 2018-19 -0.89 -0.57 Government Intermediate -1.12 -1.14 Government Intermediate -1.12 -1.14 BRIM 2018-19 0.23 0.57 E: \$45,949,508.57 0.57 -1.14 It Virginia - BRIM 2019-20 -0.93 0.57 It Virginia - BRIM 2019-20 -0.93 -0.61 Covernment Intermediate -1.12 -1.14 It Virginia - BRIM 2019-20 -0.93 -0.61 Sovernment Intermediate -1.12 -1.14 It Virginia - BRIM 2019-20 -0.93 -0.61 Sovernment Intermediate -1.12 -1.14 It Virginia - BRIM 2019-20 -0.93 -0.61 Sovernment Intermediate -1.12 -1.14 It Virginia - BRIM 2019-20 -0.93 -0.61 Sovernment Intermediate -1.12 -1.14 It Virginia - BRIM 2019-20 -0.93 -0.61 Sovernment Intermediate -1.12 -1.14 It Mass Solds -1.12 -1.14 It Mass Solds -1.35 0.	Market Value: \$29,769,551.74				2
t Virginia - BRIM 2018-19 -0.89 -0.57 Government Intermediate -1.12 -1.14 Government Intermediate 0.23 0.57 e: \$45,949,508.57 e: \$45,949,508.57 f 0.53 e: \$45,949,508.57 0.53 f 0.57 0.57 0.57 0.57 0.57 0.57 0.57 0.57		YTD 2021 (%)	1 Year (%)		Since Inception
t Virginia - BRIM 2018-19 -0.89 -0.57 Government Intermediate -1.12 -1.14 Government Intermediate 0.23 0.57 e: \$45,949,508.57 0.23 0.57 e: \$45,949,508.57 0.23 0.57 e: \$45,949,508.57 0.23 0.57 e: \$45,949,508.57 YTD 2021 (%) 1 Year (%) r YTD 2021 (%) 1 Year (%) r Virginia - BRIM 2019-20 -0.93 -0.61 Government Intermediate -1.12 -1.14 c.13 0.53 0.53	Total Return				(e/) 0107/10/0
Government Intermediate -1.12 -1.14 0.23 0.57 0.57 e: \$45,949,508.57 0.57 0.57 e: \$45,949,508.57 0.57 0.57 e: \$45,949,508.57 0.57 0.57 e: \$45,949,508.57 YTD 2021 (%) 1 Year (%) r YTD 2021 (%) 1 Year (%) r Virginia - BRIM 2019-20 -0.93 -0.61 Government Intermediate -1.12 -1.14 0.53 e: \$57,789,351.58 0.53 0.53 0.53	State of West Virginia - BRIM 2018-19	-0.89	-0.57		4.18
e: \$45,949,508.57 e: \$45,949,508.57 YTD 2021 (%) 1 Year (%) I Virginia - BRIM 2019-20 C.093 -0.61 Government Intermediate -1.12 -1.14 0.19 0.53 e: \$57,789,351.58	3arclays US Government Intermediate	-1.12	-1.14		4.07
e: \$45,949,508.57 YTD 2021 (%) 1 Year (%) I Virginia - BRIM 2019-20 Covernment Intermediate -1.12 -1.14 0.19 0.53 e: \$57,789,351.58	/alue Added	0.23	0.57		0.11
YTD 2021 (%) 1 Year (%) I -0.61 I -0.61 Government Intermediate -1.12 I -1.12 I -0.53	Market Value: \$45,949,508.57				
r Virginia - BRIM 2019-20 -0.93 -0.61 Government Intermediate -1.12 -1.14 0.19 0.53 e: \$57,789,351.58		YTD 2021 (%)	1 Year (%)		Since Inception
t Virginia - BRIM 2019-20 -0.93 Government Intermediate -1.12 0.19 e: \$57,789,351.58	Total Return				8/31/2019 (%)
Government Intermediate -1.12 0.19 e: \$57,789,351.58	State of West Virginia - BRIM 2019-20	-0.93	-0.61		2.56
0.19 e: \$57,789,351.58	Barclays US Government Intermediate	-1.12	-1.14		2.33
	Value Added	0.19	0.53		0.23
	Market Value: \$57,789,351.58				

*Annualized performance Mellon Investments Corporation as of June 30, 2021.

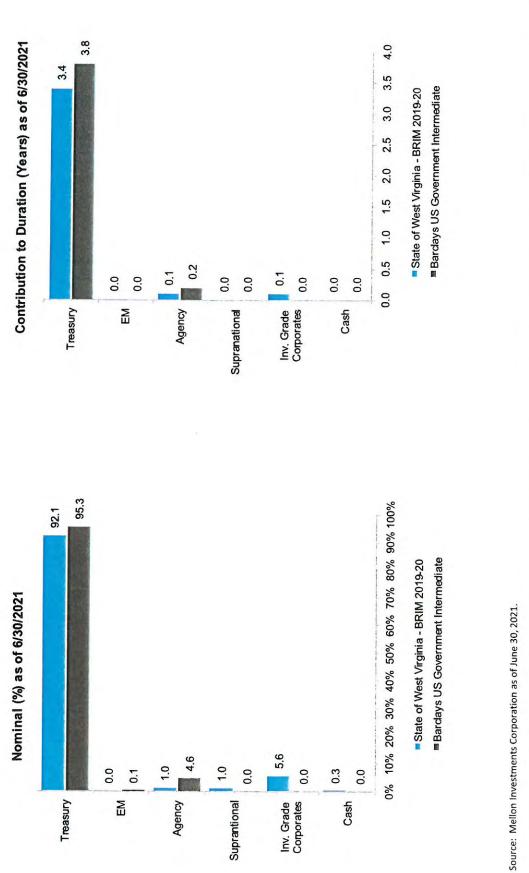
S BNY MELLON | INVESTMENT MANAGEMENT

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YTD 2021 (%) Since Inception Total Return 8/31/2020 (%) State of West Virginia - BRIM 2020-21 -0.98 Barclays US Government Intermediate -1.12 Value Added 0.14	L'UTIONO L'ENOTINATICE AS OL 0/30/202	21	
-0.98 -1.12 0.14		YTD 2021 (%)	Since Inception
-0.98 -1.12 0.14	Total Return		8/31/2020 (%)
htermediate -1.12 0.14	State of West Virginia - BRIM 2020-21	-0.98	-1 08
0.14	Barclays US Government Intermediate	-1.12	-145
	Value Added	0.14	0.37

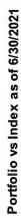
*Annualized performance Mellon Investments Corporation as of June 30, 2021. MELLON 15 ➤ BNY MELLON | INVESTMENT MANAGEMENT

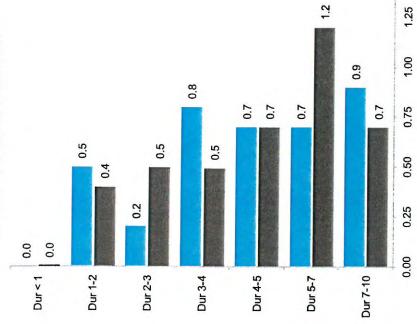












Source: Mellon Investments Corporation as of June 30, 2021.

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Bardays US Government Intermediate State of West Virginia - BRIM 2019-20

Portfolio Duration: 3.6 years Index Duration: 4.0 years

1.2



Corporate Holdings as of June 30, 2021

Cilent Name	Pct % Cusip	Security Name	Quantity	Market Value	Maturity I	Duration	Yield to Worst	Moody Coupon Rating	S&P Rating
	0.61 045167EH2	ASIAN DEVELOPMENT BANK MIN	6,000	6,301	3/17/2023	1.67	0.27	2.75 Aaa	AAA
	0.54 931142BM	WALMART INC	5,000	5,546	7/8/2026	4.54	1.04	3.05 Aa2	AA
	0.53 037833DB3	APPLEINC	5,000	5,494	9/12/2027	5.56	1.32	2.90 Aa1	+A+
	0.53 89236TEW1	TOYOTA MOTOR CREDIT CORP MIN	5,000	5,494	4/14/2025	3.56	0.93	3.40 A1	++
STATE OF WEST VIRGINIA - BRIM 2009-10	0.52 594918BB9	MICROSOFT CORP	5,000	5,406	2/12/2025	3.26	0.57	2.70 Aaa	AAA
	0.52 891140C48	TORONTO-DOMINION BANK/THE MTN	5,000	5,396	7/19/2023	1.97	0,39	3.50 Aa1	-AA-
	0.50 742718EU9	PROCTER & GAMBLE COMPANY	5,000	5,147	8/11/2022	1.10	0.24	2.15 Aa3	-AA-
	0.49 166764AT7	CHEVRON CORP	5,000	5,094	3/3/2022	0.51	0.25	2.41 Aa2	-AA-
	0.49 30231GAJ1	EXXON MOBIL CORP	5,000	5,094	3/6/2022	0.52	0.22	2.40 Aa2	-AA-
	0.80 931142EM	WALMART INC	15,000	16,639	7/8/2026	4.54	1.04	3.05 Aa2	AA
	0.80 037833DB3	APPLEINC	15,000	16,482	9/12/2027	5.56	1.32	2.90 Aa1	AA+
	0.80 89236TEW1	0.80 89236TEW1 TOYOTA MOTOR CREDIT CORP MIN	15,000	16,481	4/14/2025	3.56	0.93	3.40 A1	+¥
	0.78 594918BB9	MICROSOFT CORP	15,000	16,218	2/12/2025	3.26	0.57	2.70 Aaa	AAA
STATE OF WEST VIRGINIA - BRIM 2010-11	0.78 891140C48	TORONTO-DOMINION BANK/THE MTN	15,000	16,187	7/19/2023	1.97	0.39	3.50 Aa1	-AA-
	0.76 045167BH2	ASIAN DEVIELOPMENT BANK MIN	15,000	15,754	3/17/2023	1.67	0.27	2.75 Aaa	AAA
	0.75 742718EU9	PROCTER & GAMBLE COMPANY	15,000	15,442	8/11/2022	1.10	0.24	2.15 Aa3	-AA-
	0.74 166764AT7	CHEVRON CORP	15,000	15,282	3/3/2022	0.51	0.25	2.41 Aa2	-AA-
	0.74 30231GAJ1	EXXON MOBIL CORP	15,000	15,282	3/6/2022	0.52	0.22	2.40 Aa2	-AA-
	0.86 931142EM	WALMART INC	45,000	49,918	7/8/2026	4.54	1.04	3.05 Aa2	AA
	0.85 037833DB3	APPLEINC	45,000	49,446	9/12/2027	5.56	1.32	2.90 Aa1	+A4
	0.84 89236TEW1	TOYOTA MOTOR CREDIT CORP MIN	45,000	49,443	4/14/2025	3.56	0.93	3.40 A1	++
	0.84 594918BB9	MICROSOFT CORP	45,000	48,655	2/12/2025	3.26	0.57	2.70 Aaa	AAA
STATE OF WEST VIRGINIA - BRIM 2012-2013	0.83 891140C48	TORONTO-DOMINION BANK/THE MTN	45,000	48,560	7/19/2023	1.97	0.39	3.50 Aa1	-AA-
	0.82 045167842	ASIAN DEVELOPMENT BANK MIN	45,000	47,261	3/17/2023	1.67	0.27	2.75 Aaa	AAA
	0.80 742718EU9	PROCTER & GAMBLE COMPANY	45,000	46,327	8/11/2022	1.10	0.24	2.15 Aa3	-AA-
	0.79 166764AT7	CHEV RON CORP	45,000	45,847	3/3/2022	0.51	0.25	2.41 Aa2	-AA-
	0.79 30231GAJ1	EXXON MOBIL CORP	45,000	45,847	3/6/2022	0.52	0.22	2.40 Aa2	-AA-
	1.26 045167042	ASIAN DEVELOPMENT BANK MIN	69,000	72,466	3/17/2023	1.67	0.27	2.75 Aaa	AAA
	0.76 037833DB3	APPLEINC	40,000	43,952	9/12/2027	5.56	1.32	2.90 Aa1	+A4
	0.76 89236TEW1	TOY OTA MOTOR CREDIT CORP MIN	40,000	43,950	4/14/2025	3.56	0.93	3.40 A1	++
	0.75 594918BB9	MICROSOFT CORP	40,000	43,249	2/12/2025	3.26	0.57	2.70 Aaa	AAA
STATE OF WEST VIRGINIA - BRIM 2013-2014	0.75 8911400048		40,000	43,165	7/19/2023	1.97	0.39	3.50 Aa1	AA-
	0.71 742718EU9	PROCTER & GAMBLE COMPANY	40,000	41,179	8/11/2022	1.10	0.24	2.15 Aa3	-AA-
	0.71 166764AT7	0.71 166764AT7 CHEVRON CORP	40,000	40,753	3/3/2022	0.51	0.25	2.41 Aa2	-AA-
	0.71 30231GAJ1	0.71 30231GAJ1 EXXON MOBIL CORP	40,000	40,753	3/6/2022	0.52	0.22	2.40 Aa2	-AA-
	0.71 89114QBL1	0.71 89114QBL1 TORONTO-DOMINION BANK/THE MTN	40,000	40,354	7/13/2021	0.04	0.38	1.80 Aa1	-AA-

Mellon Investments Corporation as of June 30, 2021.

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Corporate Holdings as of June 30, 2021

Cilent Name	Pct % Cusip	Security Name	Quantity	Market Value	Maturity I	Duration	Yield to Worst	Moody Coupon Rating	S&P Rating
	1.36 045167BH2	ASIAN DEVILOPMENT BANK MIN	100,000	105,024	3/17/2023	1.67	0.27	2.75 Aaa	AAA
	1.14 742718EU9	PROCTER & GAMBLE COMPANY	85,000	87,506	8/11/2022	1.10	0.24	2.15 Aa3	AA-
	1.12 166764AT7	CHEVRON CORP	85,000	86,600	3/3/2022	0.51	0.25	2.41 Aa2	-AA-
	1.12 30231GAJ1	EXXON MOBIL CORP	85,000	86,600	3/6/2022	0.52	0.22	2.40 Aa2	-AA-
STATE OF WEST VIRGINIA - BRIM 2014-2015	1.12 891140C48	TORONTO-DOMINION BANK/THE MTN	80,000	86,329	7/19/2023	1.97	0.39	3.50 Aa1	-AA-
	1.11 89114QBL1	TORONTO-DOMINION BANK/THE MIN	85,000	85,753	7/13/2021	0.04	0.38	1.80 Aa1	AA-
	1.05 4581X0DL9	INTER-AMERICAN DEVELOPMENT BAN	80,000	80,668	4/3/2025	3.69	0.71	0.88 Aaa	AAA
	1.00 89236TEW1	.00 89236TEW1 TOYOTA MOTOR CREDIT CORP MIN	70,000	76,912	4/14/2025	3.56	0.93	3.40 A1	++
	0.84 594918BB9	MICROSOFT CORP	60,000	64,874	2/12/2025	3.26	0.57	2.70 Aaa	AAA
	1.69 045167842	ASIAN DEVILOPMENT BANK MTN	145,000	152,285	3/17/2023	1.67	0.27	2.75 Aaa	AAA
	0.89 4581X0DL9	INTER-AMERICAN DEVELOPMENT BAN	80,000	80,668	4/3/2025	3.69	0.71	0.88 Aaa	AAA
	0.79 037833DB3	APPLEINC	65,000	71,422	9/12/2027	5.56	1.32	2.90 Aa1	+A4
	0.78 594918889	MICROSOFT CORP	65,000	70,280	2/12/2025	3.26	0.57	2.70 Aaa	AAA
STATE OF WEST VIRGINIA - BRIM 2015-2016	0.74 7427188U9	PROCTER & GAMBLE COMPANY	65,000	66,916	8/11/2022	1.10	0.24	2.15 Aa3	-AA-
	0.74 931142BM1	WALMART INC	60,000	66,557	7/8/2026	4.54	1.04	3.05 Aa2	AA
	0.73 166764AT7	CHEVRON CORP	65,000	66,224	3/3/2022	0.51	0.25	2.41 Aa2	-AA-
	0.73 30231GAJ1	EXXON MOBIL CORP	65,000	66,223	3/6/2022	0.52	0.22	2.40 Aa2	-AA-
	0.73 89236TEW1	TOYOTA MOTOR CREDIT CORP MIN	60,000	65,924	4/14/2025	3.56	0.93	3.40 A1	++
	1.14 045167BH2	ASIAN DEVELOPMENT BANK MIN	170,000	178,540	3/17/2023	1.67	0.27	2.75 Aaa	AAA
	0.76 594918BB9	MICROSOFT CORP	110,000	118,935	2/12/2025	3.26	0.57	2.70 Aaa	AAA
	0.76 8911400048	TORONTO-DOMINION BANK/THE MTN	110,000	118,702	7/19/2023	1.97	0.39	3.50 Aa1	-AA-
	0.74 89236TEW1	TOY OTA MOTOR CREDIT CORP MIN	105,000	115,367	4/14/2025	3.56	0.93	3.40 A1	++
STATE OF WEST VIRGINIA - BRIM 2016-17	0.69 742718EU9	PROCTER & GAMBLE COMPANY	105,000	108,096	8/11/2022	1.10	0.24	2.15 Aa3	-AA-
	0.69 166764AT7	CHEVRON CORP	105,000	106,977	3/3/2022	0.51	0.25	2.41 Aa2	-AA-
	0.69 30231GAJ1	EXXON MOBIL CORP	105,000	106,976	3/6/2022	0.52	0.22	2.40 Aa2	-AA-
	0.68 89114QBL1	TORONTO-DOMINION BANK/THE MIN	105,000	105,930	7/13/2021	0.04	0.38	1.80 Aa1	-AA-
	0.57 931142BM1	WALMART NC	80,000	88,743	7/8/2026	4.54	1.04	3.05 Aa2	AA
	0.83 045167EH2	ASIAN DEVELOPMENT BANK MIN	235,000	246,806	3/17/2023	1.67	0.27	2.75 Aaa	AAA
	0.76 037833DB3	APPLEINC	205,000	225,254	9/12/2027	5.56	1.32	2.90 Aa1	+A4
	0.74 594918889	MICROSOFT CORP	205,000	221,652	2/12/2025	3.26	0.57	2.70 Aaa	AAA
	0.69 89114QBL1	TORONTO-DOMINION BANK/THE MIN	205,000	206,816	7/13/2021	0.04	0.38	1.80 Aa1	-AA-
STATE OF WEST VIRGINIA - BRIM 2017-18	0.69 931142BM1	WALMART NC	185,000	205,217	7/8/2026	4.54	1.04	3.05 Aa2	AA
	0.68 166764AT7	CHEVRON CORP	200,000	203,765	3/3/2022	0.51	0.25	2.41 Aa2	-AA-
	0.68 30231GAJ1	EXXON MOBIL CORP	200,000	203,764	3/6/2022	0.52	0.22	2.40 Aa2	-AA-
	0.67 89114QC48	0.67 89114QC48 TORONTO-DOMINION BANK/THE MIN	185,000	199,636	7/19/2023	1.97	0.39	3.50 Aa1	-AA-
	0.66 89236TEW1	0.66 89236TEW1 TOYOTA MOTOR CREDIT CORP MIN	180,000	197,773	4/14/2025	3.56	0.93	3.40 A1	++

Mellon Investments Corporation as of June 30, 2021.

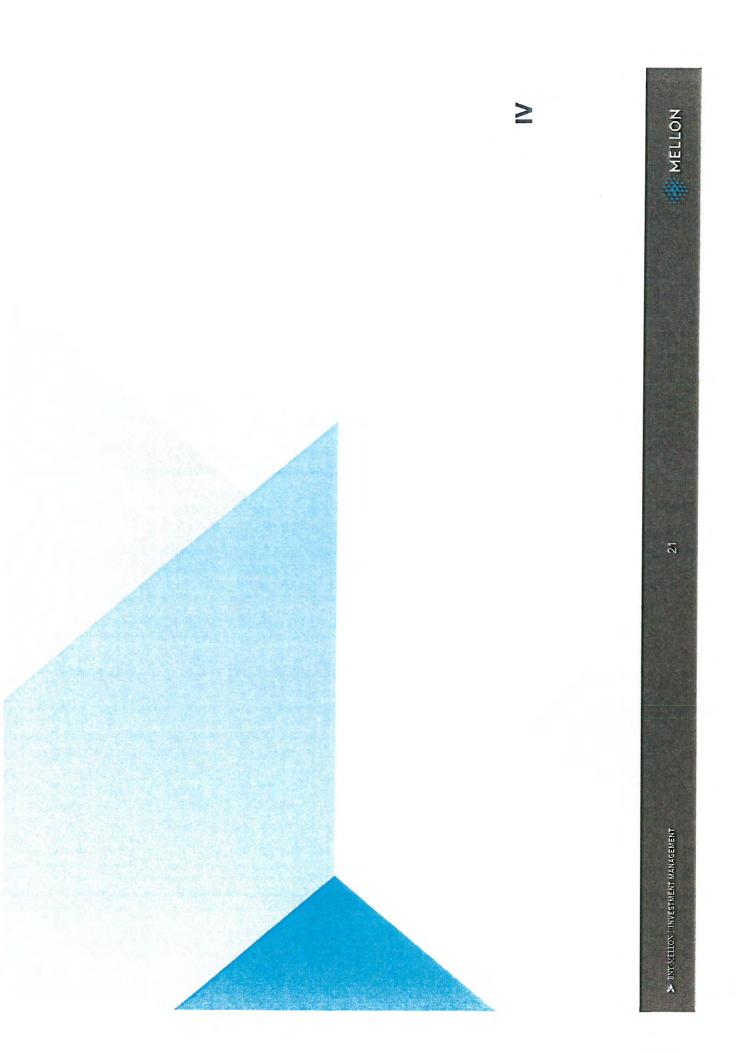
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Corporate Holdings as of June 30, 2021

Client Name	Pct % Cusip	Security Name	Quantity	Market Value	Maturity [Duration	Yield to Worst C	Moody Coupon Rating	S&P Rating
	0.83 045167H2	ASIAN DEVELOPMENT BANK MTN	235,000	246,806	3/17/2023	1.67	0.27	2.75 Aaa	AAA
	0.76 037833DB3	APPLEINC	205,000	225,254	9/12/2027	5.56	1.32	2.90 Aa1	+AA+
	0.74 594918BB9		205,000	221,652	2/12/2025	3.26	0.57	2.70 Aaa	AAA
	0.69 89114QBL1	TORONTO-DOMINION BANK/THE MTN	205,000	206,816	7/13/2021	0.04	0.38	1.80 Aa1	AA-
SIATE OF WEST VIRGINIA - BRIM 2017-18	0.69 931142BM1	WALMART INC	185,000	205,217	7/8/2026	4.54	1.04	3.05 Aa2	AA
	0.68 166764AT7	CHEVRON CORP	200,000	203,765	3/3/2022	0.51	0.25	2.41 Aa2	AA-
	0.68 30231GAJ1	EXXON MOBIL CORP	200,000	203,764	3/6/2022	0.52	0.22	2.40 Aa2	-AA-
	0.67 891140C48	0.67 89114 QC48 TORONTO-DOMINION BANK/THE MTN	185,000	199,636	7/19/2023	1.97	0.39	3.50 Aa1	-AA-
	0.66 89236TEW1	TOYOTA MOTOR CREDIT CORP MIN	180,000	197,773	4/14/2025	3.56	0.93	3.40 A1	A+
	0.72 037833DB3 APPLEINC	APPLEINC	300,000	329,640	9/12/2027	5.56	1.32	2.90 Aa1	AA+
	0.69 931142BM	WALMART INC	285,000	316,145	7/8/2026	4.54	1.04	3.05 Aa2	AA
	0.68 594918BB9	MICROSOFT CORP	290,000	313,557	2/12/2025	3.26	0.57	2.70 Aaa	AAA
	0.68 89236TEW1	TOY OTA MOTOR CREDIT CORP MIN	285,000	313,140	4/14/2025	3.56	0.93	3.40 A1	A+
STATE OF WEST VIRGINIA - BRIM 2018-19	0.67 742718819		300,000	308,844	8/11/2022	1.10	0.24	2.15 Aa3	-AA-
	0.67 891140C48	TORONTO-DOMINION BANK/THE MTN	285,000	307,547	7/19/2023	1.97	0.39	3.50 Aa1	-AA-
	0.66 89114QBL1	TORONTO-DOMINION BANK/THE MIN	300,000	302,658	7/13/2021	0.04	0.38	1.80 Aa1	-AA-
	0.65 045167B-2	ASIAN DEVELOPVENT BANK MIN	285,000	299,318	3/17/2023	1.67	0.27	2.75 Aaa	AAA
	0.64 166764AT7	CHEVRON CORP	290,000	295,459	3/3/2022	0.51	0.25	2.41 Aa2	AA-
	0.91 89114QBL1	TORONTO-DOMINION BANK/THE MIN	520,000	524,607	7/13/2021	0.04	0.38	1.80 Aa1	AA-
	0.81 30231GAJ1	EXXON MOBIL CORP	460,000	468,657	3/6/2022	0.52	0.22	2.40 Aa2	-AA-
	0.77 166764AT7	CHEVRON CORP	435,000	443,189	3/3/2022	0.51	0.25	2.41 Aa2	-AA-
	0.65 742718809	PROCTER & GAMBLE COMPANY	365,000	375,761	8/11/2022	1.10	0.24	2.15 Aa3	-AA-
STATE OF WEST VIRGINIA - BRIM 2019-20	0.64 045167842	ASIAN DEVELOPMENT BANK MIN	350,000	367,583	3/17/2023	1.67	0.27	2.75 Aaa	AAA
	0.56 891140C48	TORONTO-DOMINION BANK/THE MIN	300,000	323,734	7/19/2023	1.97	0.39	3.50 Aa1	AA-
	0.53 594918BB9	MICROSOFT CORP	285,000	308,151	2/12/2025	3.26	0.57	2.70 Aaa	AAA
	0.52 89236TEW1	TOYOTA MOTOR CREDIT CORP MIN	275,000	302,153	4/14/2025	3.56	0.93	3.40 A1	++
	0.50 931142BM1	WALMART INC	260,000	288,413	7/8/2026	4.54	1.04	3.05 Aa2	AA
	0.66 037833DB3	APPLEINC	300,000	323,466	9/12/2027	5.82	1.60	2.90 Aa1	AA+
	0.64 89236TEW1	TOYOTA MOTOR CREDIT CORP MIN	285,000	314,461	4/14/2025	3.75	1.17	3.40 A1	A+
	0.63 931142EM1	WALMART INC	285,000	311,816	7/8/2026	4.81	1.28	3.05 Aa2	AA
	0.63 594918BB9	MICROSOFT CORP	290,000	310,649	2/12/2025	3.54	0.80	2.70 Aaa	AAA
STATE OF WEST VIRGINIA - BRIM 2020-21	0.63 742718EU9	PROCTER & GAMBLE COMPANY	300,000	308,759	8/11/2022	1.35	0.22	2.15 Aa3	AA-
	0.63 89114QC48	0.63 89114QC48 TORONTO-DOMINION BANK/THE MIN	285,000	307,213	7/19/2023	2.22	0.40	3.50 Aa1	-AA-
	0.62 89114QBL1	0.62 89114QBL1 TORONTO-DOMINION BANKTHE MTN	300,000	302,472	7/13/2021	0.28	0.27	1.80 Aa1	-AA-
	0.61 045167BH2	ASIAN DEVELOPMENT BANK MTN	285,000	299,205	3/17/2023	1.92	0.25	2.75 Aaa	AAA
	0.60 166764AT7 CHEVRON CORP	CHEVRON CORP	290,000	295,297	3/3/2022	0.76	0.24	2.41 Aa2	-AA-

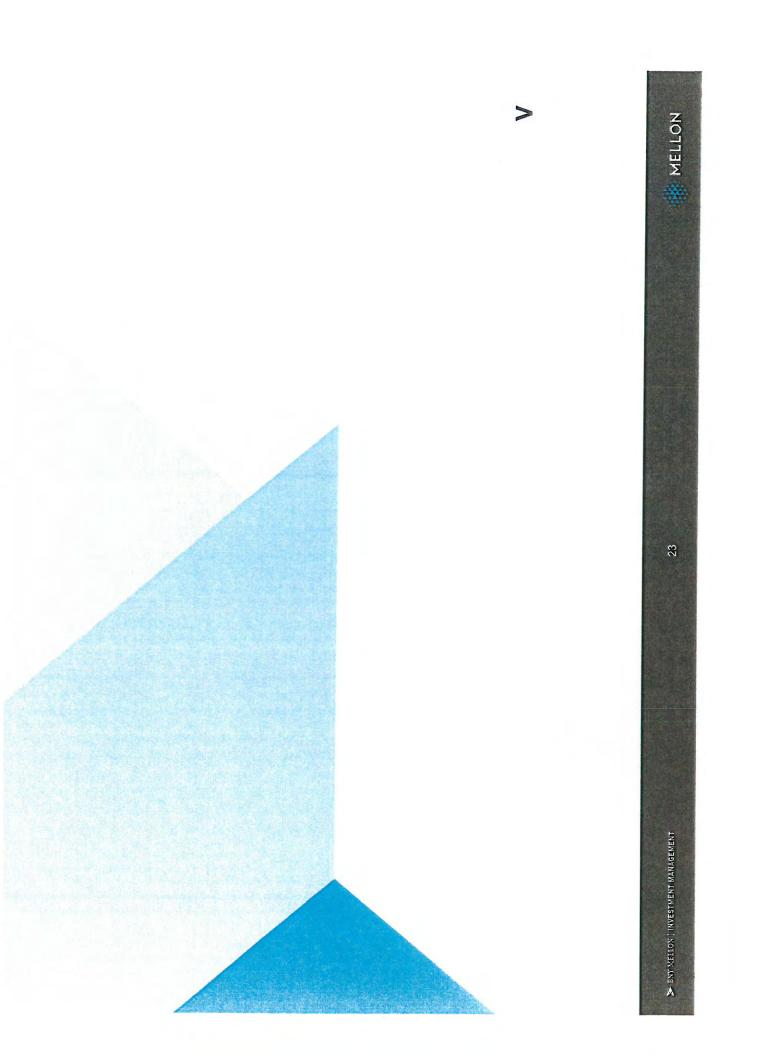
Mellon Investments Corporation as of June 30, 2021.

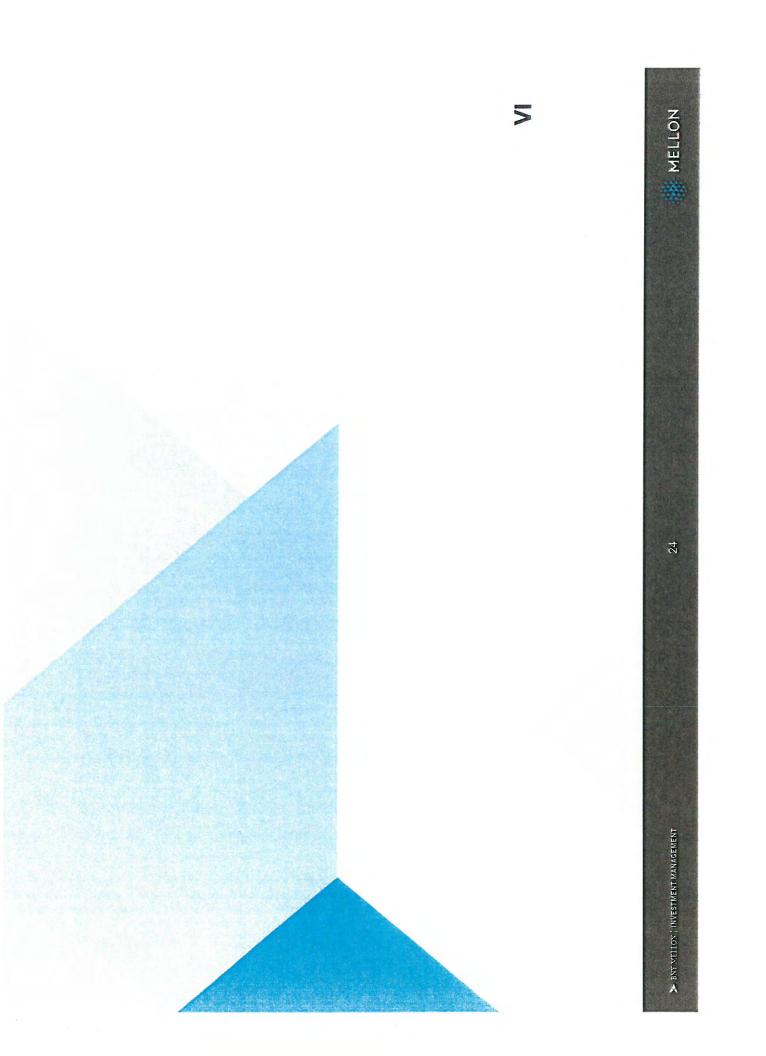
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Investment Themes	The environment favors active fixed income and efficient beta strategies.	Be blased to a short duration stance in sovereign securities, especially so in the US.	Maintain short US dollar exposure versus other G10 currencies.	Maintain exposure to attractive idiosyncratic corporate risk in both IG and HY markets, although be biased to shorter durations.	Keep the duration of municipal portfolios close to the benchmark.	Maintain overweight EM dollar and local currency exposure.	Maintain overweight in high quality securitized products.		MELLON
Fixed Income Valuation	Improving economic fundamentals support fixed income assets. However, the uneven incidence of the pandemic shock across industries and economies favors active security selection in capturing value.	Sovereign yields and their inflation-break-even components are generally biased to drift higher, and probably more so ultimately in the US.	While fundamentals and technicals support both investment- grade and high-yield credit, valuations have become stretched. Moreover, the extension of credit duration over the past several years implies that only a thin widening in spreads would offset the carry offered.	Securitized assets are also supported by fundamentals, with asset backed securities attractive for portfolios that have an emphasis on safety. Our rate view means there is some extension risk in mortgage related assets.	While high grade municipal securities are modestly rich relative to their Treasury counterparts, technicals are solid. Additional aid to state and local governments bolsters fundamentals.	The travails of emerging market economies in 2020 offer the prospect of more pronounced recoveries among them in the next few years, especially as global trade and commodity prices improve.	With safe-haven demands abating, dollar weakness will continue and be more pronounced against developing market currencies versus other DM currencies.	Keep risk budgets near the middle of normal portfolio targets.	22
ECONOMIC LANUSCAPE	Vaccinations offer the promise that many countries will reach effective herd immunity within the year. However, the vaccine rollout varies materially around the world, and the virus has become more contagious.	US economic activity has pulled ahead of its peers on the back of its vaccination efforts, easing of lockdowns and significant fiscal	stimulus. More stimulus will likely be forthcoming under the guise of infrastructure legislation.	Monetary accommodation remains considerable world-wide and reaches into many different asset classes through new facilities. Federal Reserve (Fed) officials are signaling tolerance for inflation to reassure investore that roution catuo will out inconcord	The US economy has regained its level of real GDP of early 2020. For those lagging,	repound is not recovery, and it will take several years to climb back to prior peaks of activity. Still major central banks are ultimately likely	to be successful in allowing inflation to rise, putting upward pressure on asset-price volatility.	See Additional Information in Disclosure Statements. [28079]	➤ BNT MELLON HAVESTMENT MANAGEMENT

The Investment Map: August 2021





Important Disclosures

Mellon Investments Corporation ("Mellon") is a registered investment advisor and subsidiary of The Bank of New York Mellon Corporation ("BNY Mellon"). The Firm also includes assets managed by Mellon personnel acting as dual officers of affiliated companies. Prior to changing its legal name on January 2, 2019, the firm was defined as BNY Mellon Asset Management North America Corporation ("BNY Mellon AMNA") a registered investment advisor and subsidiary of The Bank of New York Mellon Corporation ("BNY Mellon AMNA") a registered investment advisor and subsidiary of The Bank of New York Mellon Corporation ("BNY Mellon"). The Firm was formed on January 31, 2018, through the merger of The Boston Company Asset Management, LLC ("TBCAM") and Standish Mellon Asset Management Corporation ("BNY Mellon"). The Firm was formed on *January* 31, 2018, through the merger of The Boston Company Asset Management, LLC ("TBCAM") and Standish Mellon Asset Management Corporation ("Bath Management, LLC ("TBCAM") and Standish Mellon Asset Management LC ("Standish") into Mellon Capital Management Corporation ("Mellon Capital"). AUM, client and employee counts are as of December 31, 2018, unleas noted otherwise. Firm Assets managers, encompassing BNY Mellon's affiliated investment management organizations and one of the top U.S. wealth managers, encompassing BNY Mellon's affiliated investment management firms, wealth management services and global distribution companies. BNY Mellon is the corporate through December 31, 2018, incluse sence the Corporation as a whole or its various usubsidiaries generally.

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ranking may not include the same mix of firms. This portfolio data should not be relied upon as a complete listing of the Portfolio's holdings (or top holdings) as information on particular holdings may be withheld if it is in the client's best interest to do so. Portfolio holdings are subject to change without notice and may not represent current or future portfolio composition. The

portfolio date is "as of" the date indicated. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holding.

It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

The allocation distribution and actual percentages may vary from time-to-time. The types of investments the allocation distribution and actual percentages may vary from time-to-time. The types of investments presented in the allocation chart will not always have the same comparable risks and returns. The actual performance of the portfolio will depend on the Investment Manager's ability to identify and access appropriate investments, and balance assets to maximize return while minimizing its risk. The actual investments in the portfolio may or may not be the same or in the same proportion as those shown above.

The Firm believes giving an proprietary Average Quality Credit rating to the holdings in a portfolio more accurately captures its characteristics versus using a single rating agencies ratings. The Firm has a ratings/number hierarchy whereby we assign a number between 0 (unrated bond) and 21 (S&P or Moody's AAA) to all bonds in a portfolio based on the ratings of one or more of the rating agencies (with the lower of the 2 vailable agencies

ratings prevailing), and then take a weighted numerical average of those bonds (with weighting based on each bonds percentage to the total portfolio assets). The resulting number is then compared back to the ratings/number hierarchy to determine a portfolio's average quality. For example, if Moody's AAA, S&P AAa- 21, Moody's A1, S&P A+= 17, Moody's Ba1 and S&P BBA=-14, Moody's B1 and S&P BA+=7. The numeric average of the 4 equally weighted holdings is 14.75, rounded up to the next whole number of 15. 15 converts to an average to do even to even the even of the even of the even whole number of 15. 15 converts to an average to do even the even of the even of the next whole number of 15. 15 converts to an average

To the extent the strategy invests in foreign securities, its performance will be influenced by political, social and economic factors affecting investments in foreign companies. Special risks associated with investments in foreign companies include exposure to currency fluctuations and controls, less liquidity, less developed or less efficient trading markets, less governmental supervision and regulation, lack of comprehensive company information, political instability, greater market volatility, and differing auditing and legal standards. Further, investments in foreign markets can be affected by a host of factors, including political or social

To uner, investments in notegin markets can be arrected by a host of factors, including political or social conditions, diplomatic relations, limitations on removal of funds or assets or imposition of for change in exchange control or tax regulations in exchange. Additionally, investments denominated in a foreign currency will be subject to changes in exchange rates that may have an adverse effect on the value, price or income of the threat of the transmoster.

These risks are magnified in emerging markets and countries since they generally have less diverse and less mature economic structures and less stable political systems than those of developed countries.

These benchmarks are broad-based indices which are used for illustrative purposes only and have been selected as they are well known and are easily recognizable by investors. Comparisons to benchmarks have limitations because benchmarks have volatility and other material characteristics that may differ from the portfolio. For example, investments made for the portfolio may differ significantly in terms of security holdings, industry weightings and asset allocation from those of the benchmark. Accordingly, investment results and volatility of the portfolio may differ from those of the benchmark. Also, the indices noted in this presentation are unmanaged, are not available for direct investment, and are not subject to management fees, transaction costs or other types dividends and, where applicable, capital gain distributions. Therefore, investors should carefully consider these dividends and, where applicable, capital gain distributions. Therefore, investors should carefully consider these dividends and, where applicable, capital gain distributions. Therefore, investors should carefully consider these the information researching the indices to handow the home the and the set the and the set the and the set the set the set of the indices of the indices and where applicable, capital gain distributions. Therefore, investors should carefully consider these dividends and, where applicable, capital gain distributions. Therefore, investors should carefully consider these the information researching the ondex to the set of the mater.

The information regarding the index is included merely to show the general trends in the periods indicated and is not interest on the second The strends of the second s

The strategy may use alternative investment techniques (such as derivatives) which carry additional risks. The low initial margin deposits normally required to establish a position in such instruments may permit a high degree of leverage. As a result, a relatively small movement in the price of a contrast may result in a profit or loss that is high in proportion to the amount of funds actually placed as initial margin and may result in a disproportionate loss exceeding any margin deposited. Transactions in over-the-counter derivatives may involve additional risk as there is no exchange on which to close out a position, only the original counterparty. Such transactions may there is no exchange on which to close out a position, only the original counterparty. Such transactions may therefore be difficult to liquidate, to value, or to assess the exposure. The strategy may at times use certain types of investment derivatives, such as options, futures, forwards and swaps. These instruments involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments.

The Firm sector models use regression analysis such as multi-linear data inputs, panel data, and probit function. Variables that the models take into account are: PMI, US Core CPI, Fed Fund rate, 3-month Libor, 3-month T-bill rate, foreign purchases of US Government bonds, Commodity Indices, Capacity Utilization, Deficit as a percent of GDP, S&P 500 return, Chicago Fed Index, IGOV, US output gap, Europe Core CPI, US unemployment rate, EU unemployment rate, and slope of the yield curve. Assumptions made are that samples are representative of the population for the inference prediction; regression residuals are approximately normally distributed, uncorrelated, and have constant in the short term; and no structural shift in the short term; and no structural shift in the short term.

The Firm claims compliance with the CFA institute Asset Manager Code of Professional Conduct. This claim has not been verified by CFA institute

➤ BNT MELLON | INVESTMENT MANAGEMENT

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Mark D. Scott Cabinet Secretary

Mary Jane Pickens Executive Director Deputy Cabinet Secretary MaryJane.Pickens@wv.gov

AGENDA BOARD MEETING OF THE WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT January 18, 2022

Meeting held in person and telephonically to practice social distancing guidelines for the COVID-19 pandemic response. Notice to the public provided on BRIM's web page. The meeting meets Open Meeting laws requirements for public access. Join meeting by phone: Dial-in number: +1 484-403-0253 PIN#: 112 066 320#

Chairman Price

Call to Order

Chairman Price

Approval of Board Minutes September 21, 2021 - Meeting

REPORTS

Norman Mosrie, Partner Dixon Hughes Goodman LLP

Mary Jane Pickens Executive Director

Stephen W. Schumacher, CPA Chief Financial Officer

Jeremy C. Wolfe Deputy Director/Claim Manager Audited Financial Report June 30, 2021 Dixon Hughes Goodman LLP

Executive Director's Report

Financial Report PCard Report

Loss Control Report

Ashley E. Summitt Chief Privacy Officer **Privacy Report**

UNFINISHED BUSINESS

NEW BUSINESS

ADJOURNMENT

ldm

1124 Smith Street, Suite 4300 Charleston, West Virginia 25301 www.brim.wv.gov (304) 766-2646 (304) 558-6004 FAX (800) 345-4669 TOLL FREE WV

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Mark D. Scott Cabinet Secretary

Mary Jane Pickens **Executive Director** Deputy Cabinet Secretary

DRAFT MINUTES OF THE MEETING WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT September 21, 2021

(The meeting held telephonically to practice social distancing guidelines for the COVID-19 pandemic response)

BOARD MEMBERS

Joseph Price, Chairman Gordon Lane, Jr., Vice Chairman Edward Magee, Ed.D., CPA, Member Leah Cooper, Member Terry Rose, Member Tonya Gillespie, CPA, West Virginia Office of the Insurance Commissioner

BRIM PERSONNEL:

Mary Jane Pickens, Executive Director Robert Fisher, Deputy Director/Claims Manager Melody Duke, Deputy Director/Underwriting Manager Stephen W. Schumacher, CPA, CFO Jeremy Wolfe, Risk & Insurance Manager Ashley Summitt, Chief Privacy Officer John Fernatt, Senior Claim Representative Valerie Poindexter, Senior Claim Representative Stephen W. Panaro, CPA, Controller Lora Myers, Recording Secretary

BRIM PROGRAM Steve Fowler, Esg., BRIM Counsel REPRESENTATIVES: Edgar Poe, Esq., BRIM Counsel Chuck Waugh, AIG Claim Services Brenda Samples, USI Insurance Services, LLC Bob Ayers, USI Insurance Services, LLC

GUESTS: Allan L. McVey, Secretary, Department of Administration Sandy Price, WVU Health Sciences Center Stacie Homaker, WVU Health Sciences Center Kelsey Richards, WVU Risk Management

CALL TO ORDER

- Chairman Price called the board meeting of the West Virginia Board of Risk and Insurance Management to order on Tuesday, September 21, 2021 @ 1:05PM. The meeting was held telephonically to practice social distancing guidelines for the COVID-19 pandemic response.
- Chairman Price called roll for the board members; all five (5) were in attendance. Chairman Price requested everyone joining the call email Lora Myers to confirm attendance.

APPROVAL OF MINUTES

- Chairman Price asked for a motion to approve the Minutes of the June 15, 2021, board meeting. Member Leah Cooper moved the approval of the June 15, 2021, board meeting minutes. The motion was seconded by Member Terry Rose.
- Being no discussion, a vote took place and the MOTION ADOPTED.

REPORTS

West Virginia Investment Management Board

- Chairman Price welcomed Tom Sauvageot to make his presentation for the WV Investment Management Board. Mr, Sauvageot thanked the Board for the opportunity to attend.
- Mr. Sauvageot referenced a handout which was emailed to the Board prior to the meeting. He reviewed the handout and made specific comments regarding the BRIM Investment Review September 21, 2021.
- Market Highlights were reviewed. Mr. Sauvageot mentioned the strong economic rebound in FY2021. He pointed out 6.6% GDP; corporate earnings at a record high in the second quarter 2021; and interest rates historically low. Concerns ahead include - low bond yields; continued COVID-19 spikes; and risk of inflation.
- Mr. Sauvageot reviewed Asset Allocation; Performance (which was above expectation; Bonds performed well; and Hedge Funds performed very well.
- Mr. Sauvageot concluded his presentation and asked for any questions, no questions. Chairman Price thanked Mr. Sauvageot for his review.

 The WV Investment Management Board – BRIM Investment Review (September 21, 2021) was received, a copy is attached and made part of the record.

BNY Mellon Investment Management

- Chairman Price introduced Robert Bayston and Scott Mountain to give an account and investment update for BNY Mellon Investment Management.
- A handout was referenced which was distributed by email to the Board before the meeting. The handout entitled: State of West Virginia BRIM (January 21, 2021) was reviewed.
- Mr. Mountain provided an overview of Mellon including they have \$673.2 billion in asset management; they employ over 450 people; and have headquarters both in the United States and internationally.
- Mr. Bayston reviewed the Market Update regarding U S Treasury Bond yields. There is a commitment to continue low interest rates currently. The portfolio performance was reviewed and explained. Corporate holdings were presented.
- There is much uncertainty in the market. COVID 19, the Delta variant is contributing to the uncertainty. The gentlemen concluded their presentation and asked for questions, no questions. The Chairman thanked Mr. Mountain and Mr. Bayston for their time.
- The State of West Virginia BRIM (January 21, 2021) was received, a copy is attached and made part of the record.

Executive Director's Report

- Chairman Price called on Mary Jane Pickens to present the Executive Director's Report.
- Ms. Pickens reviewed the Marshall University and West Virginia University Medical Malpractice Programs. She reported on the amount deposited into escrow; the cumulative interest totals and disbursements so far in FY2022 for each program.
- Ms. Pickens reviewed the State Agency/Senate Bill #3 Liability Claim and Litigation Information. Three cases have been tried to verdict, two plaintiff verdicts and one defense verdict thus far in 2021. Her report included information regarding trials, paid claims, outstanding claims, claim counts, closed claims and closing ratio.
- Ms. Pickens informed the board of BRIM 's is handling of the COVID-19 Pandemic. On August 16, 2021, BRIM implemented a telework policy that was adopted earlier in August. The policy is based om a template

developed by the Division of Personnel. A written agreement was entered into by every employee participating in telework. Mask requirements were also reinstated when an employee is outside his/her office or cubical.

- The Patient Injury Compensation Fund (PICF) was reviewed. Final prorata payments to claimants were made in August. All claims are now paid in full. The main liability of the fund is now retired. The only remaining issue is whether the Legislature provided BRIM with authority in the Code to refund payments made into the fund after the obligation to do so ended under W. Va. Code Section 29-12D-1a(d). Ms. Pickens told the board that she and Mr. Schumacher were working with the State Auditor to resolve the matter.
- Ms. Pickens commented briefly on the Capitol Building Appraisal. Mr. Wolfe will discuss this project during his Loss Control review. However, Ms. Pickens shared the kind words she received from Tom Creager, the appraiser engaged by Aon that Jeremy Wolfe and Kari Dean (GSD) worked with on this project. The appraisal was a success largely because of their due diligence.
- Review of the Property Appraisal RFP. The timeline for the Property Appraisal Request for Proposal discussed during the June meeting had to be changed. The change was to address an error made by BRIM when we responded to written questions submitted by some vendors. The new timeline requires bids be submitted today (September 21, 2021) and the contract being awarded November 1, 2021.

We are also planning another procurement for Claim Audit Services, the RFP should go out by the end of the year. This will replace our in-house review of claims files at AIG and internally at BRIM. This recommendation came when we had the review of our program, two years ago.

- Regarding the Risk Management Information System, we have finally achieved reconciliation of data between the legacy system and the new system. The plan is to begin using the new system for Underwriting on January 1, 2022. Also, plans to conclude our Finance review and determine what needs the vendor should develop.
- Reviewing website updates, Ms. Pickens reported that we have signed a Statement of Work with WV Interactive, following our approval of the new website prototypes for computer and mobile devices. A meeting is schedule September 28, 2021, with WV Interactive to start implementation of the updates.
- Ms. Pickens updated the board on our records management project. The number of scanned liability records remains the same as last reported (1,010). The reason the records team has not unboxed any files which fall within the retention period. Boxes from Iron Mountain have been ready to be destroyed. The liability file master destroyed list now stands at 9,781 files recorded and securely destroyed. The property file master destroyed

4

list is 2,297 files. Our records team retrieved and processed 665 boxes from storage. We have approximately 300 claim boxes in storage still and those will continue to be retrieved 50 at a time. Underwriting staff is organizing files to get ready for scanning and destruction. The status om Underwriting files remains unchanged since the June report. We have approximately 230 boxes still in storage.

- STRIMA conference was attended this year by Robert Fisher, Melody Duke and I. This year the conference was held in Boise, Idaho. It was informative and educational. The common challenge reported among members is renewal of cyber liability policies.
- Ms. Pickens announced upcoming Board Meeting dates for 2021: Tuesday, December 21, 2021 @t 1PM
- The Executive Director's Report was received and filed, a copy is attached and made part of the record.

BRIM Financial Report

- Chairman Price called on Mr. Schumacher to present the Chief Financial Officer's Report.
- Mr. Schumacher discussed PCard activity for May June 2021.
- Regarding the Audit Update, Mr. Schumacher reported that audit work has been completed remotely this year and no audit issues were mentioned. The draft of the June 30, 2021 - audited financial statements were submitted. The final audited financial statements will be submitted by the deadline of October 15, 2021. BRIM's audited financial statements will be available on BRIM's website following the issue of the auditor's opinion.
- Mr. Schumacher reported on the Actuarial Results. Aon's risk fund study as of June 30, 2021, has been completed and reviewed. The provision for insured events of prior fiscal years saw a decrease of \$7.3 million in FY'21. Last year saw a \$4.5 million decreases in the provision for insured events of prior fiscal years. These decreases indicate favorable claims development for fiscal years prior to FY'21 and FY'20 and improved operating results for both years.

FY'21 retained unpaid cases reserves decreased by \$10.8 million when compared to last year. Current fiscal year saw a \$4.4 million decrease in the IBNR total vs. the prior year. The resulting net change in retained case reserves and IBNR produced a year over year decrease in total retained unpaid of \$15.2 million.

FY'20 the year over year total retained unpaid case reserves increased by \$15.1 million while IBNR decreased. The combined total retained unpaid increased by \$13.9 million vs. FY'19, reflecting the negative impact of unfavorable loss development last year.

- Mr. Schumacher reported om the Financial Results. He commented on premium revenue for FY'21 was a little higher than the previous year. The reason for the increase was additional premium billed during the fiscal year based on updated exposure data for FY'21. Claims and claims adjustment expenses increased by \$4.9 million when compared to FY'20. The year over year overall decrease of \$415.2 million in total retained reserves was related to higher net claims payments of \$20.1 million for the current year that created the overall increase in claims and claims adjustment expenses.
- Mr. Schumacher reported additionally on Financial Results. Including investment income for FY'21 is \$6.0 million higher than FY'20. Equity returns were the driver for BRIM's improved investment earnings for FY'21. Trust funds, the rate of return was a negative 0.5% with losses totaling \$1.4 million for FY'21. This compares to a 6.8% return in FY'20 with earnings of \$46.2 million. As rates rose across the short end of the yield curve in FY'21, the market value of fixed income investments held in the trust suffered declines that resulted in the net investment losses in the trust.
- BRIM's funds invested with the WVIMB made about \$30.2 million or 18.3% vs. \$6.0 million or 3.8% last year. The strong rally in the equity markets during FY'21 that drove these results has cooled in early FY'22. The perception is that stocks may be somewhat overpriced recently due to the Delta variant's impact on the level of economic activity going forward. This has resulted in some pullback and volatility in the equity markets near-term.
- BRIM's overall financial results provided an improvement in net position of \$19.1 million for FY'21 verses an improvement in net position of \$28.1 million for FY'20. Better investments for FY'21 were partially offset by the transfer of \$13.5 million from the Mine Subsidence Fund. Overall results for the current fiscal year verses last fiscal year.
- BRIM's current net position of \$276.9 million includes the mine subsidence program's restricted net position of \$80.2 million, leaving BRIM's unrestricted net position at \$196.7 million as of June 30, 2021.
- Using only unrestricted net position, BRIM's loss reserve to net position ratio for FY'21 improved. This compares to the FY'20 loss reserve to net position ratio.
- Mr. Schumacher asked for questions regarding the Financial Report. No questions.
- The Chief Financial Officer's Report was received and filed, a copy is attached and made part of the record.

Loss Control Report

- Chairman Price called upon Mr. Wolfe to present the Loss Control Report.
- Mr. Wolfe reported State Agency loss control questionnaires were due August 1, 2021. Questionnaires have been evaluated and will be used to calculate loss control credits and surcharges for the upcoming premiums. Mr. Wolfe was pleased to announce 80% of our book of business will receive a credit in premium.
- Due to Covid-19, BRIM and Liberty Mutual Insurance will not host the annual boiler safety and operational seminars again this fall. However, we will be providing educational material to participating insured regarding maintenance and safety needs associated with boilers and air conditioning units. The goal is to resume the seminars in 2022.
- Mr. Wolfe in partnership with Aon Global Risk Consulting and General Services Division led a team to conduct a building appraisal of the main capitol building and its east and west wings. The appraisal will provide BRIM with a functional replacement and reproductive cost value for the property. The physical work was completed over a long two-day period but the bulk of the work has been researching the historical, architectural and design maps of the structure with assistance from the Division of Culture and History. This appraisal was an important historical process. We expect to have the draft report this month.
- During the months of June, July, and August. Aon conducted 185 inspections and Liberty Mutual Insurance conducted 331 inspections. The reports are being processed according to established procedures.
- Our loss control technical staff reports the following activity:

17 Loss Control Visits

These are standard loss control visits focusing on all coverages and which result in information and/or loss control recommendations being provided.

5 Standards of Participation Visits

These visits are designed to provide assistance to insured who are seeking to become compliant with the BRIM Standards of Participation program.

3 Flood Mitigation Visits

These visits assist with the developing and implementing a Flood Preparedness and Mitigation Plan as a result of insured locations being in areas prone to flooding.

 Mr. Wolfe commented that as usual, the number of Loss Control visits is reduced during the period when we evaluate Loss Control questionnaire

7

submissions, no consultation visits have occurred during this reporting period.

 The Loss Control Report was received and filed, a copy is attached and made part of the record.

Privacy Report

- Ashley Summitt was called to present the Privacy Report by Chairman Price.
- Ms. Summitt reported on the Privacy Management Team meeting, which was held virtually on July 13, 2021. This meeting featured an Artificial Intelligence presentation by Brandon Chinn, the State Privacy Office's summer intern. The presentation was *entitled Artificial Intelligence and Machine Learning*. Additionally, the PMT was presented with legislative review of the WV 2021 Legislative Session by Misty Peal, Department of Administration's Deputy Counsel, and Brandon Chinn. James Meadows, the General Counsel for the Purchasing Division explained the recently enacted SB 587, which is designed to make procurement easier for agencies operating under purchasing guidelines. Lastly, President Biden's Executive Order 14028, *Improving the Nation's Cybersecurity* was summarized by Department of Environmental Protection's department privacy officer Neil Chakrabarty. There were 35 members in attendance.
- Ms. Summitt reported on the Privacy Management Team meeting held virtually on September 14, 2021. A presentation by Brian Freedman, from Security Risk Solutions, Inc working with the State on a Security Risk Assessment program which will be available to agencies in the Executive Branch. There were 35 members in attendance.
- The next Privacy Management Team meeting is scheduled for November 9th.
- Ms. Summitt reported on Privacy Trainings. During the second quarter of 2021, 0 members of the Executive Branch workforce took the online course *Think WV Privacy*; 303 members took the online course *WV Confidentiality Agreement*; and 131 members took the online course *HIPAA/HITECH*.
- Discussion regarding the training events held by the SPO since the last board meeting. On July 16th, State Privacy Staff presented general Departmental Privacy Officer orientations and HIPPA covered agency orientation to new departmental officers from the Governor's office, WVU and Veteran's Assistance.

- On August 23rd, Privacy Staff presented virtually a privacy webinar entitled *Purchasing as a Privacy Powerhouse*, for the annual WV Purchasing Division conference.
- Ms. Summitt explained Privacy impact Assessment (PIA) which is a tool used to assess the privacy impact and risks to the personally identifiable information (PII) stored, used and exchanged by information systems. A PIA evaluates privacy implications when information systems are created, when existing systems are significantly modified, or new technology is purchased.
- For the second quarter, 12 PIAs have been completed and submitted. Due to the state transition to a Google platform, SPO staff have had to recreate the PIA form in a format compatible with Google. Due to the need to create this form, staff have taken the opportunity to make fundamental changes to the form, providing a shortcut for the form's use for removeable media, the request for which has been increased,
- Ms. Summitt reported the State Privacy Office had a very pleasant and productive experience with our summer legal intern. His name is Brandon Chinn and he is beginning his third year of law school at WVU. He completed his summer work projects which included a draft of a consumer data protection bill and a SPO internal guidance outline for Executive Branch agencies that have policies and procedures that protect privacy. He is completing his combined JD and MPA degree and will present his summer internship with the State Privacy Officer to the WVU Public Administration Department. Members from BRIM will be invited and plan to attend.
- Privacy Report was received and filed, a copy is attached and made part of the record.

UNFINISHED BUSINESS

NEW BUSINESS

- Member Leah Cooper moved to go to Executive Session. The motion was seconded by Chairman Joseph Price.
- Being no discussion, a vote took place and the MOTION ADOPTED.
- Met in Executive Session to discuss a claim, no action was taken. Member Leah Cooper moved to return to Public Session. The motion was seconded by Member Terry Rose.

ADJOURNMENT

- Member Leah Cooper moved to adjourn meeting. The motion was seconded by Member Ed Magee.
- Being no discussion, a vote took place and the MOTION ADOPTED.

Board Chairman

Date

ldm

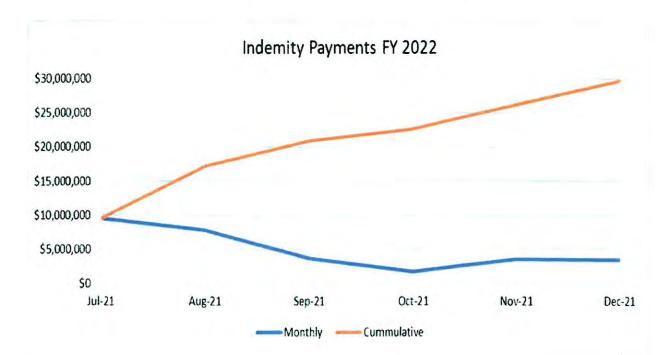
STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT

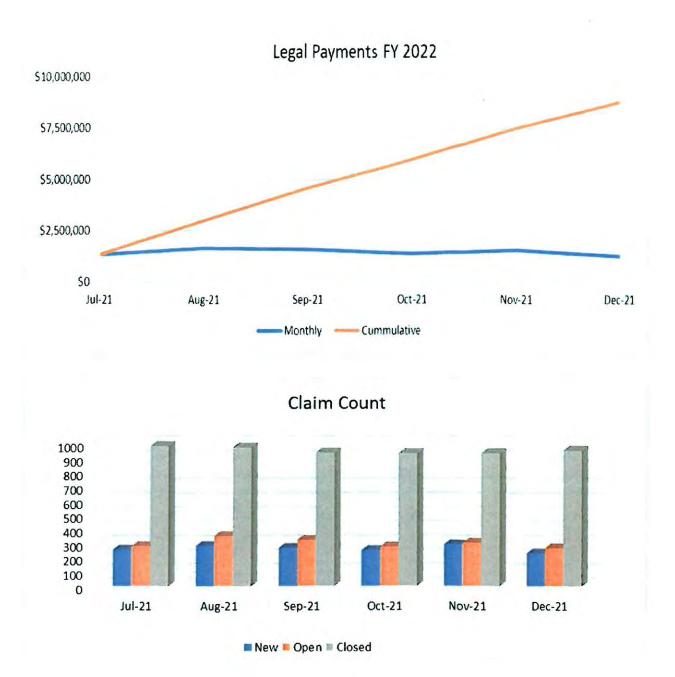


Mark D. Scott Cabinet Secretary Mary Jane Pickens Executive Director Deputy Cabinet Secretary

Executive Director's Report January 18, 2022

- A. Marshall University and West Virginia University Medical Malpractice Program
- As of January 11, 2022, Marshall has deposited \$2,225,000.00 into the escrow account for FY 2022. The fiscal year-to-date cumulative interest totals \$429.48. Disbursements totaling \$2,309,286.68 have been paid thus far in FY 2022.
- As of January 11, 2022, a total of \$2,131,157.72 has been deposited into WVU's escrow account for FY 2022. The fiscal year-to-date cumulative interest totals \$959.62. Disbursements totaling \$2,470,921.27 have been paid thus far in FY 2022.
- B. State Agency/Senate Bill #3 Liability Claim & Litigation Information





TRIALS

In 2021, we tried five cases to verdict, with two plaintiff verdicts and three defense verdicts. (Bold cases are new to the list.)

Candy Jo Angel vs. Westbrook Heath Services; 12/8/2021; Wood Co. Cir. Ct.; Plaintiff alleged insured employees told her they would take her to a bridge to jump off. Demand was \$130,000. Offer was \$500. Defense Verdict.

Dorothy Hatfield vs. WV DHHR; 9/15/2021; Kanawha Co. Cir. Ct.; Plaintiff alleged discrimination and constructive discharge. Demand was \$10,000. Offer \$0. Defense Verdict.

Ryan Nichols vs. WV State Police; 7/5/2021; U.S. Dist. Ct -So. WV – Charleston; Plaintiff alleged excessive force during his arrest. Demand was \$55,000. Offer was \$10,000. Defense verdict.

Larissa Kessler & Daniel Sindledecker vs. Potomac Center; 5/14/2021; Hardy Co. Cir. Ct.; Plaintiffs alleged abuse at facility. Although no evidence of abuse of plaintiffs, others were abused there. Demand was \$2 million. Offer was \$200,000. Plaintiff verdict for \$3.5 million. Case will be appealed.

Rocky Cutright vs. Upshur Co. B.O.E.; 5/21/2021; Upshur Co. Cir. Ct.; Insured driver lost control and drove through the Plaintiff's yard and struck his house. The case was tried on damages. The last demand was \$99,000 and the last offer was \$60,000. Plaintiff verdict for \$116,000, with credit for \$5,000 advance payment.

PAID CLAIMS (December 2021 Data)

December 2021 Indemnity payments total \$3,435,837 vs. December 2020 payments of \$29,683,346 a decrease of 88.4%. (There was a large group of settlements in December 2020.)

December 2021 Legal payments total \$1,258,916 vs. December 2020 Legal payments of \$1,794,770, a decrease of 29.9%.

OUTSTANDING CLAIMS (December 2021 Data)

December 2021 Indemnity reserves total \$78,066,767 vs. December 2020 Indemnity reserves of \$58,752,026 an increase of 32.9%.

December 2021 Expense reserves total \$27,629,852 vs. December 2020 Expense reserves of \$26,158,834, an increase of 5.6%.

CLAIMS COUNTS (December 2021 Data)

December 2021 New claims of 231 vs. December 2020 of 193, an increase of 19.7%.

December Closed claims of 268 vs. December 2020 of 255, an increase of 5.8%.

December 2021 Open claims of 956 vs. December 2020 of 938, an increase of 1.9%.

DURATION - CLOSED CLAIMS (December 2021 Data)

December 2021 Duration of 120.634 Days vs. December 2020 Duration of 205.035 Days, a decrease of 41.2%.

CLOSING RATIO (December 2021 Data)

December 2021 Closing Ratio of 116% vs. December 2020 Closing Ratio of 132.1%, a decrease of 12.

C. Telework -- We adopted a telework policy in August and adjusted the days for remote work with new telework agreements with staff for calendar year 2022. BRIM staff seem to appreciate being able to work remotely 2 days per week and we feel that productivity and quality of work remains good.

- D. Patient Injury Compensation Fund (PICF) Final pro-rata payments to claimants were made in August. All claims are now paid in full. I've obtained a legal opinion that BRIM has general authority in the statute to refund payments made into the fund after the obligation to do so ended under W. Va. Code Section 29-12D-1a(d). Out of an abundance of caution, however, I plan to seek introduction of a bill providing BRIM that express authority as well as the manner in which refunds must be made. On January 7, 2022, we filed the annual PICF report providing an update on status of claims, financial information showing collections into the fund since enactment of SB 602 in 2016, and discussing the proposed legislation.
- E. Discussion with USI on Reinsurance/Stop Loss Coverage -- We've had a few discussions with USI and others regarding stop loss coverage and how it might improve our liability program. We are now at the point of determining our goals and defining how we would want to approach the market. We've been informed that there is capacity in the market if we can focus on providing certainty around the claims and determining the attachment point. We are going to continue to discuss internally and when appropriate we will take next steps to approach the market.
- F. Contract Updates -- The contract for property appraisal services was awarded to CBIZ in early November, 2021. We have had several meetings with CBIZ representatives, including a meeting with USI and RT Specialty, to discuss implementation of the program in a way that best supports our efforts when we go to market for the 7/1 property program renewal. We've received some proposed documents from CBIZ for review and once we firm up those items CBIZ will be ready to schedule appraisals with our insured.

In Loss Control, the property inspection RFP will go out in February and we will work with USI to get quotes for the boiler program in early March.

In Claims, RFP's for Adjuster and Engineer services were published in Spring of 2021 and new contracts were in place by July 1, 2021. These RFP's will be issued again in the spring of 2024 to begin on July 1, 2024.

In Finance, RFP's or Independent Audit and Actuary Services will be published in the Spring.

We are still reviewing the draft RFP for Claim Audit services. We were unable to publish that RFP in calendar year 2021 but we hope to work on that in the coming weeks. It remains my plan to seek Claim Audit services to review claim handling.

G. Risk Management Information System Update – We continue to work with our Aon actuaries and our vendor AssetWorks to ensure that the data we send from the new risk management information system for projecting claims costs and for allocating premium will enable them to perform these functions in much the same way as in the past.

Melody Duke has worked extensively with AssetWorks staff assigned to this project and deserves our heartfelt appreciation for all the time she's put into this. We continue to move toward reliance on the new system for our Underwriting section in the next few months, and we've made good progress with use of the system by Loss Control.

H. Records Management – We retrieved all of our paper records from Iron Mountain, the current vendor providing record storage for the state, several weeks ago. While the boxes are stacked in various areas of the office and not very attractive, we are saving the cost of storage with Iron Mounting pending scanning or destruction of those old records.

The total number of claim file <u>boxes</u> retrieved from storage is 967. This is a final number on the claim file boxes. In September, the number of claim file boxes retrieved was 665.There are no claim boxes remaining to be processed.

As for the claim <u>files</u> themselves, the liability file master destroyed list final number is 13,056 files recorded and securely destroyed. The September report stood at 9,781.

All remaining property and mine subsidence claim files had already been scanned during normal BRIM operations over the past several years so we didn't record exact numbers of paper prop/mine sub files securely destroyed - we simply destroyed them.

Chuck Mozingo has met with Underwriting Manager Melody Duke and has instructions on how to proceed with the approximate 200 boxes of underwriting records. Although the sheer volume of documents for underwriting is far less than the number of claim documents, the process is going to be more tedious, and the time to process each box much slower. Further, the entire underwriting process will involve unboxing, triage and purging, then reboxing, then re-shelving, and finally, final prepping and scanning. We expect the process on Underwriting boxes to take several months - perhaps a year.

- STRIMA I reported at the September Board meeting that the STRIMA Executive Committee voted to approve BRIM's bid to host the conference in 2023. However, after a sincere internal discussion, I informed the Executive Committee that we were withdrawing our bid. We had concerns about several factors including whether we had the resources to plan and carry out something this big.
- J. Upcoming Board Meeting schedule for 2022:

Tuesday, March 15, 2022 @ 1pm Tuesday, June 28, 2022 @ 1pm Tuesday, September 27, 2022 @ 1pm Tuesday, December 20, 2022 @ 1pm

Very truly yours,

Mary Jane Pickens Executive Director

MJP/ldm



Mark D. Scott Cabinet Secretary

Mary Jane Pickens Executive Director Deputy Cabinet Secretary MaryJane.Pickens@wv.gov

Chief Financial Officer's Report January 18, 2022

A. P Card Report

CD copies contain the supporting detail for P card purchases for the months of July, August, September and October 2021. These totals are:

July	\$53,687.99
August	\$30,916.62
September	\$55,524.77
October	\$54,942.38

B. Management Discussion & Analysis for June 30, 2021

- IBNR decreased \$4.4 million and retained case reserves decreased \$10.8 million for FY'21 vs. FY'20. The combined net decrease of \$15.2 million resulted in the year over year reduction in the estimated unpaid claims and claims adjustment expense.
- The impact of the settlement and payment of claims related to one insured in FY'21 reduced outstanding reserves but also increased claims expense for FY'21 vs the prior year. Higher net claims payments are the reason for the higher claims expense in FY'21.
- A \$7.5 million decrease in the provision for insured events of prior fiscal years improved operating
 results for the current fiscal year (FY'21). Excluding this \$7.5 million reduction, BRIM would have had
 incurred an operating loss of (\$3.8) million for FY'21. For FY'20, excluding a \$4.5 million pickup from
 the decrease in the provision for insured events of prior fiscal years, BRIM's adjusted operating results
 for FY'20 would have been \$0.8 million.
- The overall return on BRIM funds invested, including restricted funds, was 6.3% for FY'21 and 5.2% for FY'20; both years exceeded BRIM's target rate of return of 4%.

C. Premium to Net Asset Reserve Ratio and Other Financial Ratios

- On August 27, 2013, the Board approved a premium to net asset reserve ratio policy. The policy
 established a process to help guide BRIM's Board in assessing BRIM's overall financial condition. A
 calculated composite benchmark establishes a target range of net assets to assist BRIM in maintaining
 an adequate level of capital to help stabilize rates from year to year and to assist in monitoring BRIM's
 financial stability.
- The net asset reserve policy formulates a composite benchmark by combining a group of external insurance entities premiums to net assets to calculate a net asset ratio. This is then used as a basis to evaluate BRIM's premium to net assets ratio.
- A range of premium to net assets is used as a guide to help evaluate the current risk level for BRIM's
 calculated ratio and how BRIM is tracking versus similar type insurance entities that comprise the
 benchmark study.
- The attached range exhibit shows that BRIM has a higher risk than the calculated composite of the benchmark group of entities. However, BRIM does fall between the highest and lowest ratio of entities within the benchmark study.

C. Premium to Net Asset Reserve Ratio and Other Financial Ratios (cont'd)

- The premium to net asset ratio indicates that BRIM would need an additional \$98 million in net assets to fall near the middle of the range for a comparable level of risk to the benchmark. BRIM's net position (i.e. capital) is about 33% below the calculated mid-point for the level of net premium generated by BRIM for FY'21 vs. the composite benchmark. This compares to last year's 32% shortfall.
- Any premium increases without a pro-rata increase in net assets adversely affects BRIM's risk level relative to the benchmark.
- The premium to net asset ratio, also referred to as the premium to surplus ratio, is only one measure of financial stability/strength and should be considered in conjunction with other useful benchmarks to gauge BRIM's overall financial position and stability.
- BRIM's loss reserve to surplus ratio for FY'21 (.68 to 1.0) is better than the ratio for property and casualty insurance carriers for the first half of 2021 (.74 to 1.0) per ISO and APCIA analysis.
- BRIM's FY'21 loss ratio of 89% is higher than the industry average of 70% for the first half of 2021.
- BRIM's expense ratio of 6% is very favorable versus the industry average of 27% for the first half of 2021.
- BRIM's combined ratio of 95% is slightly better than the industry average of 97%, based on property
 and casualty industry results as reported by ISO and AIPCA for the first half of 2021.

D. Current Financial Results for the Five Months Ended November 30, 2021

- The current results reflect the actuarial estimate of unpaid losses from AON's review as of September 30 for both years plus and an additional accrual for IBNR thru November.
- Net premium revenue for the first five months of both FY'22 and FY'21 was reduced by a credit that
 was provided to insureds for the estimated impact of Covid-19 pandemic on the utilization and
 exposure of owned and leased vehicles covered by the policy. Otherwise, the actuarially projected loss
 pics for FY'22 increased premiums slightly when compared to the prior year.
- FY'22 thru November reflects accruals increasing claims liabilities by \$2.5 million for the current year vs. a \$3.2 million increase for the same period last year.
- Net claims payments for the first five months of FY'22 is approximately \$5.0 million higher than last year. Net claims payments year to date, ALAE, along with retained claims reserve changes, and ALAE and ULAE are included in estimated unpaid claims and claims adjustment expenses.
- Smaller equity returns did not offset fixed income losses and created the current year's negative investment returns of (\$0.3) million. The strong market recovery the second half of calendar year 2020 provided much better overall investment income for the first five months of last year.
- This month (January), Fed Chairman Powell indicated that the recent higher inflation could last longer than originally anticipated and has become a focus of the Fed. It is expected that the Fed will end additional bond purchases by the end of March and will have at least three rate increases thru the end of 2022. This is a dramatic shift from just a few months ago.
- The anticipated increases in the fed funds rate have impacted the short end of the yield curve and will
 minimize any positive returns on BRIM's fixed income holdings for the foreseeable future as rising rates
 will most likely be offset by declining market prices on BRIM holdings through the rest of 2022.
 Hopefully, positive equity returns will continue and help to mitigate any negative fixed income returns
 going forward.
- In the prior fiscal year, strong investment income of \$15.3 million offset a small operating loss of (\$0.1) million resulted in an increase of \$15.2 million to BRIM's net position thru November 30.
- The current year's negative operating results of (\$3.1) million plus negative investment returns of (\$0.3) million resulted in an overall decrease in BRIM's net position of (\$3.4) million YTD.

Respectfully submitted,

Stephen W. Schumacher, CPA Chief Financial Officer

West Virginia Board of Risk and Insurance Management

Statements of Net Position

For the Five Months Ended November 30th

		2021	2020
		(In Thouse	unds)
Assets			
Current assets:			
Cash and cash equivalents	\$	14,657	
Advance deposits with insurance company and trustee Receivabales		251,081	269,394
		8,358	8,117
Prepaid insurance		2,898	2,563
Restricted cash and cash equivalents Premiums due from other entities		13,042	22,843
Total current assets	-	1,184	1,134
Total cultent assets		291,220	322,586
Noncurrent assets:			
Equity position in internal investments pools		123,893	113,701
Restricted investments	1	71,548	65,662
Total noncurrent assets		195,441	179,362
Total assets		486,661	501,948
Deferred Outflows of Resources		438	215
Deferred Outflows of Resources - OPEB		115	84
Liabilities			
Current liabilities:			
Estimated unpaid claims and claims adjustment expense		61,326	69,336
Unearned premiums		18,016	17,694
Agent commissions payable		672	596
Claims Payable		68	44
Accrued expenses and other liabilities		1,830	2,215
Total current liabilities		81,911	89,885
Estimated unnoid claims and claims adjustment and second second second		130,770	120 004
Estimated unpaid claims and claims adjustment expense net of current portion Compensated absences		130,770	138,691
Net pension liability		533	150
Total noncurrent liabilities		131,475	214 139,055
Total liabilities		213,386	228,940
Deferred Inflows of Resources		35	145
Deferred Inflows of Resources - OPEB		351	171
Net position:			
Restricted by State code for mine subsidence coverage Unrestricted		80,155	78,617
Net Assets (Deficiency)		196,713 (3,427)	179,166
Net position	•		15,209
		273,441 \$	272,991

Unaudited

West Virginia Board of Risk and Insurance Management

Statements of Revenues, Expenses, and Changes in Net Position

For the Five Months Ended November 30th

		2021			
	N 8 1	2021 2020 (In Thousands)			
Operating revenues					
Premiums	\$	34,771	\$ 33,805		
Less coverage/reinsurance programs		(1,860)	(1,875)		
Net operating revenues		32,911	31,930		
Operating expenses					
Claims and claims adjustment expense		34,187	29,906		
General and administrative		1,854	2,138		
Total operating expenses		36,041	32,044		
Operating income (loss)		(3,130)	(114)		
Nonoperating revenues					
Investment income (loss)		(297)	15,322		
Net nonoperating revenues		(297)	15,322		
Changes in net position		(3,427)	15,209		
Total net position, beginning of year		276,868	257,782		
Total net position, end of period	\$	273,441	\$ 272,991		
Unaudited					

External Benchmark Comparison (FY'21)

(BRIM Net Premium/Net Position)

Step 1: Calculation of the Average Premium to Net Assets Ratio (PNAR) - Similar Organizations

1	Premium or		Premium to Net	
	Operating	Net Assets	Asset Ratio	
	Revenue		(PNAR)	Type of Insured Entities
\$	24,275,432	\$ 77,743,527	0.312	Local Governments
\$	11,212,148	\$ 44,574,066	0.252	Community Centers
\$	5,014,788	\$ 9,252,226	0.542	Municipalities
\$	12,664,386	\$ 57,488,266	0.220	Local Governments
\$	30,110,376	\$ 141,452,272	0.213	Municipalities and Special Districts
\$	6,085,830	\$ 23,683,217	0.257	Water Districts and River Authorities
\$	89,362,960	\$ 354,193,574	0.252	Combined Entities

Step 2: Derivation of Statistics

Entity Count Per Above	6	Number of Similar Organizations Included in Analysis
(0.542 - 0.213)/2 = .165	0.165	Average of the Range Between the Highest & Lowest PNAR
\$ 89,363,000 \$ 354,194,000	0.252	Combined PNAR of Similar Organizations (Average Risk)
\$ 74,228,000 \$ 196,714,000	0.377	BRIM's Premium Revenue, Net Position and Calculated PNAR

Step 3: Matrix of Net Assets Risk Ratings for Various Premium Levels (\$ rounded to nearest 100,000)

	Actual	Lower Risk	<-				Average Risk				>	Higher Risk
	Premium	(PNAR Factor &	(F	NAR Factor &	P	NAR Factor &	(PNAR Factor &	(1	PNAR Factor &	(F	NAR Factor &	(PNAR Factor
	Levels	NAR \$ Level)		NAR \$ Level)		NAR \$ Level)	NAR \$ Level)		NAR \$ Level)	1	NAR \$ Level)	& NAR \$ Level)
-		0.102		0.152		0.202	0.252		0.302		0.352	0.402
\$	89,400,000	\$ 876,500,000	\$	588,200,000	\$	442,600,000	\$ 354,200,000	\$	296,000,000	\$	254,000,000	\$222,400,000
\$	86,900,000	\$ 852,000,000	\$	571,700,000	\$	430,200,000	\$ 344,800,000	\$	287,700,000	\$	246,900,000	\$216,200,000
\$	84,400,000	\$ 827,500,000	\$	555,300,000	\$	417,800,000	\$ 334,900,000	\$	279,500,000	\$	239,800,000	\$210,000,000
\$	81,900,000	\$ 802,900,000	\$	538,800,000	\$	405,400,000	\$ 325,000,000	\$	271,200,000	\$	232,700,000	\$203,700,000
\$	79,400,000	\$ 778,400,000	\$	522,400,000	\$	393,100,000	\$ 315,100,000	\$	262,900,000	\$	225,600,000	\$197,500,000
\$	76,900,000	\$ 753,900,000	\$	505,900,000	\$	380,700,000	\$ 305,200,000	\$	254,600,000	\$	218,500,000	\$191,300,000
\$	74,400,000	\$ 729,400,000	\$	489,500,000	\$	368,300,000	\$ 295,200,000	\$	246,400,000	\$	211,400,000	\$185,100,000
\$	71,900,000	\$ 704,900,000	\$	473,000,000	\$	355,900,000	\$ 285,300,000	\$	238,100,000	\$	204,300,000	\$178,900,000
\$	69,400,000	\$ 680,400,000	\$	456,600,000	\$	343,600,000	\$ 275,400,000	\$	229,800,000	\$	197,200,000	\$172,600,000
\$	66,900,000	\$ 655,900,000	\$	440,100,000	\$	331,200,000	\$ 265,500,000	\$	221,500,000	\$	190,100,000	\$166,400,000
\$	64,400,000	\$ 631,400,000	\$	423,700,000	\$	318,800,000	\$ 255,600,000	\$	213,200,000	\$	183,000,000	\$160,200,000
\$	61,900,000	\$ 606,900,000	\$	407,200,000	\$	306,400,000	\$ 245,600,000	\$	205,000,000	\$	175,900,000	\$154,000,000
\$	59,400,000	\$ 582,400,000	\$	390,800,000	\$	294,100,000	\$ 235,700,000	\$	196,700,000	\$	168,800,000	\$147,800,000
\$	56,900,000	\$ 557,800,000	\$	374,300,000	\$	281,700,000	\$ 225,800,000	\$	188,400,000	\$	161,600,000	\$141,500,000
\$	54,400,000	\$ 533,300,000	\$	357,900,000	\$	269,300,000	\$ 215,900,000	\$	180,100,000	\$	154,500,000	\$135,300,000
\$	51,900,000	\$ 508,800,000	\$	341,400,000	\$	256,900,000	\$ 206,000,000	\$	171,900,000	\$	147,400,000	\$129,100,000
\$	49,400,000	\$ 484,300,000	\$	325,000,000	\$	244,600,000	\$ 196,000,000	\$	163,600,000	\$	140,300,000	\$122,900,000
\$	46,900,000	\$ 459,800,000	\$	308,600,000	\$	232,200,000	\$ 186,100,000	\$	155,300,000	\$	133,200,000	\$116,700,000
\$	44,400,000	\$ 435,300,000	\$	292,100,000	\$	219,800,000	\$ 176,200,000	\$	147,000,000	\$	126,100,000	\$110,400,000
\$	41,900,000	\$ 410,800,000	\$	275,700,000	\$	207,400,000	\$ 166,300,000	\$	138,700,000	\$	119,000,000	\$104,200,000

Net Premium	\$ 74,200,000
Calculated N.A.	\$ 294,400,000

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Mark D. Scott Cabinet Secretary

Mary Jane Pickens Executive Director Deputy Cabinet Secretary

Loss Control Report to the Board January 2022

We completed the evaluations of state agencies fiscal year 2023 loss control questionnaire submissions. Approximately 126 agencies will be receiving a premium credit for their participation in our Standards of Participation program that is designed to help our insured reduce and control insurable claims through active risk management initiatives.

In October, we sent out loss control questionnaires to our senate bill #3 insured. The completed questionnaires and supporting documentation were due to BRIM on January 1, 2022. Since that time, we have been evaluating those questionnaires to apply credits or surcharges based on insured participation in our Standards of Participation program. To date, we have completed 145 evaluations.

For the year 2021, the Department completed 107 consultation visits which was an increase from the year 2020's total completed visits. We are pleased with the numbers due to the restraints of face-to-face meetings and the ongoing pandemic. We remain hopeful to resume face-to-face meetings in the Spring of 2022.

During the months of October, November, and December Aon conducted 229 inspections and Liberty conducted 437. The reports are being processed according to established procedures.

Since my last report, our loss control technical staff reports the following activity:

13 Loss Control Visits

These are standard loss control visits which focus on all coverage areas and which result in information and/or loss control recommendations being provided.

Insured Accounts Visited Include: Mountain CAP of West Virginia, Youth Services Systems, Randolph County Committee on Aging, Jackson County Junior Fair, Glenville State College, West Virginia Division of Corrections, Regional Jail & Correctional Facility Authority, West Virginia State University, Camp Barbour, Inc., Child Development Center of Central West Virginia, Appalachian Bible College, Kanawha Valley Youth Basketball League, and Children's Therapy Clinic, Inc.

1124 Smith Street, Suite 4300 Charleston, West Virginia 25301 www.brim.wv.gov

(304) 766-2646 (304) 558-6004 FAX (800) 345-4669 TOLL FREE WV 31 Standards of Participation Visits

These are visits which are designed to provide assistance to our insured who are seeking to become compliant with the BRIM Standards of Participation program.

Insured Accounts Visited Include: Interact Children's Museum, Morris Creek Watershed Association, Calhoun County Resource Network, Martinsburg Housing Authority, United Way of Central West Virginia, Barbour County Board of Education, Grant County Board of Education, Town of Bolivar, Calhoun County Board of Education, Mingo County Board of Education, Hardy County Board of Education, Braxton County Board of Education, Supreme Court of Appeals, School Building Authority, West Virginia Can't Wait, West Virginia Citizen Action Group, United Technical Center, Berkeley County Board of Education, Ohio County Board of Education, Jefferson County Board of Education, Marshall County Board of Education, James Rumsey Technical Institute, Preston County Board of Education, Hampshire County Board of Education, Woman's Club of Logan Library, Community Health Systems, Morgan County Board of Education, Wetzel County Board of Education, Highlands Trail Foundation, Brooke County Board of Education, and Mineral County Board of Education.

3 Flood Mitigation Visits

These visits assist insured in developing and implementing a Flood Preparedness and Mitigation Plan as a result of insured location(s) being located in high risk areas prone to flooding.

Insured Accounts Visited Include: West Virginia State Parks, General Services Division, and Greater Huntington Parks & Recreation District.

Dated: January 13, 2022

Respectfully submitted,

Jeremy C. Wolfe Risk & Insurance Manager

1124 Smith Street, Suite 4300 Charleston, West Virginia 25301 www.brim.wv.gov



Mark D. Scott Cabinet Secretary

Mary Jane Pickens Executive Director Deputy Cabinet Secretary

Chief Privacy Officer's Report January 18, 2022

A. Management Team Meetings

 On November 9, 2021, the Privacy Management Team held a virtual meeting via Google Meet with a presentation by Adam Poe of Pullen, Fowler, Flanagan, Brown & Poe, PLLC. The presentation was the annual update of the 2021 HIPAA Preemption Analysis conducted by the law firm. Thirty-one attendees from nineteen agencies participated. The new form of the Post Incident Response Assessment (PIRA) was introduced to the members.

B. Privacy Training

- During the Fourth Quarter of 2021, 0 members of the Executive Branch workforce completed the online course *Think WV Privacy*, which is a general privacy awareness training course. This training is being replaced as a result of an RFP.
- During the Fourth Quarter of 2021, 575 members of the Executive Branch workforce completed the online course *WV Confidentiality Agreement*, which is required of all workforce members.
- During the Fourth Quarter of 2021, 598 members of the Executive Branch workforce completed the online course *HIPAA/HITECH*, which is a general HIPAA training course and a new *HIPAA Refresh Training (2021)* which PEIA has requested.

The following training events were held by the SPO since the last board meeting:

- On September 30, 2021, members of the Privacy Office presented to the Association of Governmental Accountants (AGA) a presentation entitled West Virginia Privacy Program. The program was meant to educate AGA members about what PII (personally identifiable information) is and how to report an incident. Approximately 20 members attended.
- On December 1-3, 2021, the Chief Privacy Officer attended the NASCIO (National Association of State Chief Information Officers) Chief Privacy Officer conference in Lexington, Ky. This was the first time that NASCIO had convened a CPO (Chief Privacy Officer) meeting as a resource for state CPOs. During this conference, the Chief Privacy Officer presented to the group the history of BRIM and the current status of West Virginia's cyber insurance.
- As a result of the CPO attending the NASCIO Chief Privacy Officer conference, the West Virginia State Privacy Office was contacted by the Utah State Privacy

Office for some guidance and help in setting up their new privacy program. Utah passed a statute last legislative session establishing a state privacy program. Privacy staff provided multiple meetings and presentations with the Utah CPO, including new departmental privacy officer (DPO) orientation training.

 On December 17, 2021, three new departmental privacy officers (DPOs) received their new privacy officer orientation training.

C. Privacy Impact Assessments/ Privacy Incident Response Assessments

- A privacy impact assessment (PIA) is a tool used to assess the privacy impact and risks to the personally identifiable information (PII) stored, used, and exchanged by information systems. A PIA evaluates privacy implications when information systems are created, when existing systems are significantly modified, or new technology is purchased.
- Since September 21, 2021, nine (9) PIAs have been completed and submitted.
- At this point, PIA completion is not mandatory for agencies, but the Purchasing Division is requiring that agencies purchasing a technology/software product speak with the Privacy Office regarding the need for a Privacy Impact Assessment.
- The State Privacy Office had reformatted the Privacy Incident Response Assessment (PIRA) due to conflicts within the Google environment. While the reformatting was taking place, the PIRA was constructed to combine the information required for the ROHA (Risk of Harm Assessment for Non-HIPAA covered agencies) and ROCA (Risk of Compromise Assessment for HIPAA covered entities), eliminating the need for separate documents. This allows for a more simplified and easier submission process for privacy officers, post incident.

D. Privacy Office Personnel

• The State Privacy Office's Administrative Assistant has given notice of her intention to terminate her employment. The Office will begin their search for candidates to fill this position.

Very truly yours,

Ashley Summitt

Ashley Summitt, JD Chief Privacy Officer WV Executive Branch



Report to the Board of Directors

West Virginia Board of Risk and Insurance Management

June 30, 2021

DHG is registered in the U.S. Patent and Trademark Office to Dixon Hughes Goodman LLP.



Table of Contents

Contacts	1
Communication with Those Charged with Governance	2
Appendix A - Management Representation Letter	

DHG is registered in the U.S. Patent and Trademark Office to Dixon Hughes Goodman LLP.



Contacts

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Lindsey Kerns, CPA Manager Dixon Hughes Goodman LLP 500 Virginia Street East, Suite 800 Charleston, WV 25301 304.414.3912 Lindsey.Kerns@dhg.com

DHG

Communication with Those Charged with Governance

October 8, 2021

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

We have audited the basic financial statements of West Virginia Board of Risk and Insurance Management ("BRIM") for the year ended June 30, 2021, and have issued our report thereon dated Friday, October 8, 2021. Professional standards require that we provide you with information about our responsibilities in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 12, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the West Virginia Board of Risk and Insurance Management are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management, and are based on management's knowledge and experience about past and current events, and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the estimated liabilities for claims payable is based on actuarial calculations by the West Virginia Board of Risk and Insurance Management's consulting actuaries. We evaluated the key factors and assumptions used to develop the estimated liabilities for claims payable in determining that it is reasonable in relation to the financial statements taken as a whole. In addition, we engaged an independent actuary to review the calculation and methods used by the West Virginia Board of Risk and Insurance Management's consulting actuary.



Certain financial statement disclosures are particularly sensitive because of their significance to financial statements users. The most sensitive disclosures affecting the financial statements were:

Note 3 of the financial statements includes disclosures related to the West Virginia Board of Risk and Insurance Management's investments with the West Virginia Investment Management Board and the West Virginia Board of Treasury Investments. Such disclosures include information on the various pools invested in and their respective risks (i.e., credit, custodial, concentration, interest rate).

The unpaid claims and claims adjustment expense liability disclosures in Notes 2 and 4 are particularly sensitive because of the various assumptions involved in the estimation process.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no corrected or uncorrected misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain written representations from management that are included in the management representation letter included at Appendix A.

Management Consultation with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the West Virginia Board of Risk and Insurance Management's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.



Other Significant Matters, Findings, or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the BRIM's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

With respect to the required supplementary information accompanying the basic financial statements as described below, we applied certain limited procedures in accordance with the auditing standards generally accepted in the United States of America, 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.

The required supplementary information included with the basic financial statements is as follows:

- Management's Discussion and Analysis
- Ten-Year Claims Development Information
- Reconciliation of Unpaid Claims and Claims Adjustment Expense Liability by Type of Contract
- Schedule of Proportionate Share of the Net Pension Liability in PERS
- Schedule of Contributions to PERS
- Schedule of Proportionate Share of the Net OPEB Liability in RHBT
- Schedule of Contributions to RHBT

With respect to the other supplementary information accompanying the basic financial statements as described below, this information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining information is for purposes of additional analysis of the basic financial statements rather than to present the financial position or results of operations of the individual entities. This combining and other supplementary 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole. The other supplementary financial information included with the basic financial statements is as follows:

- Combining Statement of Net Position
- Combining Statement of Revenues, Expenses, and Changes in Net Position



- Form 7 Deposits Disclosure
- Form 8 Investments Disclosure
- Form 8-A Deposits and Investments Disclosure
- Form 9 Schedule of Receivables (Other Than State Agencies)
- Form 10 Schedule of Accounts Receivable From Other State Agencies
- Form 13 Schedule of Changes in Long-Term Obligations Compensated Absences

This information is intended solely for the use of the Board of Directors and management of West Virginia Board of Risk and Insurance Management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Dixon Hughes Goodman LLP

Charleston, WV



Appendix A Management Representation Letter



West Virginia Board of Risk and Insurance Management 1124 Smith Street Suite 4300 Charleston, WV 25301

October 8, 2021

Dixon Hughes Goodman LLP 500 Virginia Street East Suite 800 Charleston, WV 25301

This representation letter is provided in connection with your audits of the financial statements of West Virginia Board of Risk and Insurance Management "the BRIM"), which comprise the Statement of Net Position as of June 30, 2021 and 2020, and the related statements of Revenue, Expenses, and Changes in Net Position and Statements of Cash Flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter:

Financial Statements

- 1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated January 29, 2021, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all
 properly classified funds and other financial information of the primary government and all component units
 required by generally accepted accounting principles to be included in the financial reporting entity.
- West Virginia Board of Risk and Insurance Management is an agency of The State of West Virginia and, accordingly, is included as part of the primary government in the State's Comprehensive Annual Financial Report.
- 4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 6. The following have been properly accounted for and disclosed in the financial statements:
 - a. Related-party relationships and transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties
 - b. Guarantees, whether written or oral, under which the BRIM is contingently liable
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB 62, Accounting for Contingencies, and there are no accruals for loss contingencies included in the Statement of Net Position or gain contingencies reflected in earnings that are not in conformity with the provisions of GASB 62.

DHG

Dixon Hughes Goodman LLP October 8, 2021 Page 2 of 8

- 7. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that "near term" means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the BRIM vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
- 8. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
 - a. To reduce receivables to their estimated net collectable amounts.
 - b. Reduce investments, intangibles, and other assets that have permanently declined in value to their realizable values.
 - c. For risk retention, including uninsured losses or loss retentions (deductibles) attributable to events occurring through June 30, 2021, and/or for expected retroactive insurance premium adjustments applicable to periods through June 30, 2021.
 - d. For pension obligations, postemployment benefits other than pensions and deferred compensation agreements attributable to employee services rendered through June 30, 2021.
 - e. For any material loss to be sustained in the fulfillment of, or from the inability to fulfill, any service commitments.
- Significant assumptions we used in making accounting estimates, including estimates of fair value, are reasonable.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- 11. There are no instances where any officer or employee of BRIM has an interest in a company with which BRIM does business that would be considered a "conflict of interest." Such an interest would be contrary to BRIM policy.
- 12. There are no uncorrected misstatements or omitted disclosures.
- 13. We represent to you the following for the BRIM's fair value measurements and disclosures:
 - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- 14. We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or other third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as of the measurement date in accordance with the requirements of Government Auditing Standards Board. In addition, our disclosures related to fair value measurements are consistent with the objectives outlined in GASB standards.



Dixon Hughes Goodman LLP October 8, 2021 Page 3 of 8

15. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements of GASB standards.

Information Provided

16. We have provided you with:

- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.
- b. Additional information that you have requested from us for the purpose of the audit.
- c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- d. Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 17. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 18. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 19. We have no knowledge of any fraud or suspected fraud affecting the BRIM involving:
 - a. Management,
 - Employees who have significant roles in internal control.
 - c. Others when the fraud could have a material effect on the financial statements.
- 20. We have no knowledge of any allegations of fraud or suspected fraud affecting the BRIM's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
- 21. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- 22. There are no known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.
- 23. We have disclosed to you the identity of all the BRIM's related parties and all the related party relationships and transactions of which we are aware.
- 24. The BRIM has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 25. As part of your audit, you provided on consultation on accounting matters and assisted with preparation of the financial statements and related notes, and you have aslos assisted with the preparation and reviewed BRIM's Comprehensive Annual Financial Report prior to submission to the Government Finance Officers Association ("GFOA"). We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities. We have designated an individual within senior management with suitable skill, knowledge, or experience to oversee your services, have evaluated the adequacy and results of the services performed, have made all management decisions and performed all management functions, and accept responsibility for the results of those services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes. We have evaluated and maintained internal controls, including

DHG

Dixon Hughes Goodman LLP October 8, 2021 Page 4 of 8

monitoring ongoing activities.

- 26. With respect to management's discussion and analysis, required supplementary information (the Ten-Year Claims Development Information, the Schedule of Proportionate Share of the Net Pension Liability in PERS, the Schedule of Proportionate Share of the Net OPEB Liability in RHBT, Schedule of Contributions to PERS, Schedule of Contributions to RHBT, and Reconciliation of Unpaid Claims and Claims Adjustment Expense Liability by Type of Contract), and the other supplementary information (Combining Statement of Revenues, Expenses, and Changes in Net Position, and Financial and Reporting Section of the State of WV closing book forms, accompanying the financial statements :
 - a. Management's discussion and analysis is based on facts, decisions, or conditions currently known to management and does not contain forecasts or other prospective information.
 - b. We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. We believe the significant assumptions and interpretations are reasonable. The combining information is for purposes of additional analysis of the financial statements rather than to present the financial position and results of operations of each of the individual programs.
 - c. We are responsible for the fair presentation of the Closing Book Forms (the "supplementary information") in accordance with Financial Accounting and Reporting Section of the State of West Virginia (FARS). We believe the supplementary information, including its form and content, is fairly stated in all material respects in conformity with FARS criteria. There have been no changes in the methods or measurement or presentation of the supplementary information from those used in the prior period. There are no significant assumptions or interpretations underlying the measurement or presentation of the information.
 - d. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 27. We acknowledge our responsibility for the fair presentation of the introductory and statistical sections of the comprehensive annual financial report. We believe the introductory and statistical sections, including its form and content, is fairly stated in all material respects in conformity with the Government Finance Officers' Association criteria. There have been no changes in the methods of measurement or presentation of this information from those used in the prior period. There are no significant assumptions or interpretations underlying the measurement or presentation of the information.
- 28. Except for properties capitalized under capital leases, the BRIM has satisfactory title to all assets appearing in the statements of net position. No security agreements have been executed under the provisions of the Uniform Commercial Code, and there are no liens or encumbrances on assets, nor has any asset been pledged. All assets to which the BRIM has satisfactory title appear in the statement of net position.
- 29. Amounts due to and from American International Group (AIG) are properly presented net for financial purposes as we have a legal write of offset.
- 30. BRIM has certain cash equivalents in pools of the West Virginia Bureau of Treasury Investments (BTI) and West Virginia Investment Management Board (IMB). The management of these entities is not under BRIM's control.
 - a. GASB 79 establishes criteria for making the election to measure investments at amortized cost for financial reporting purposes. BRIM participates in BTI's West Virginia Money Market Pool, which has been deemed to meet the criteria and is 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



Dixon Hughes Goodman LLP October 8, 2021 Page 5 of 8

> 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 the Authority measures its investment in this pool at amortized cost that approximates market value. The earnings from these pooled investments have been properly distributed to investment pool participants based on their pro rata participation in the pools. The methods and assumptions used to determine recorded value at amortized cost of financial instruments are appropriate for financial statement measurement and disclosure purposes.

- b. Certain cash equivalents and investments are reported by IMB at fair value and are accounted for by BRIM accordingly, with changes in the fair value included in investment income. The methods and assumptions used to determine fair values are appropriate for financial statement measurement and disclosure purposes. The earnings from these pooled investments are distributed to investment pool participants based on their pro rate participation in the pools.
- c. Adequate disclosures required under applicable GASB standards for deposits and investments have been included in the financial statements for risk disclosures. To our knowledge, none of the BRIM's investments has permanently declined in value to an amount less than the carrying value in the financial statements.
- 31. Receivables represent valid claims against the debtors indicated and do not include amounts for goods shipped or services provided subsequent to the statement of net position dates, goods shipped on consignment, or other types of arrangements not constituting sales. All revenue recognized as of the statement of net position dates has been realized (or is realizable) and earned. Revenue has not been recognized before (1) persuasive evidence of an arrangement exists, (2) goods have been delivered or services rendered, (3) consideration to be received is fixed or determinable and (4) collectability is reasonably assured.
- 32. Adequate provision has been made for losses, costs and expenses that may be incurred subsequent to the statement of net position dates in respect of sales and services rendered prior to those dates and for uncollectible accounts, discounts, returns and allowances, etc., that may be incurred in the collection of receivables at those dates.
- 33. We have adequately disclosed a description of our major revenue-generating sources, the types of arrangements (including multiple-element arrangements), and a description of the applicable revenue recognition policies.
- 34. We have disclosed to you all sales terms (both expressed and implied), including all rights of return or price adjustments and warranty provisions. We have made available to you all significant contracts, communications (either written or oral), and other relevant information pertaining to arrangements with our customers, including distributors and resellers.
- 35. All claims identified in prior years as being on the detail of claims paid by an insurance company, which do not represent claims covered by the retrospective rating plans, have been excluded from the section of the retrospective rating report that summarizes claims paid during the current year. Thus, the summary of claims paid by an insurance company only represents claims actually paid through the retrospective rating plans and no adjustments for such items need to be made to claims paid during the determination of advanced deposits held with an insurance company or trustee.
- 36. The liabilities for unpaid claims (and claim adjustment expenses) include estimates of amounts due on reported claims and claims that have been incurred but that were not reported as of June 30, 2021 and 2020. Such estimates are based on actuarial projections applied to historical claim payment data. Such liabilities represent the BRIM's best estimate of amounts that are reasonable and adequate to discharge the BRIM's obligations for claims incurred but unpaid as of June 30, 2021 and 2020. We have estimated that a premium deficiency reserve is not necessary at June 30, 2021 or June 30, 2020.

DHG

Dixon Hughes Goodman LLP October 8, 2021 Page 6 of 8

- 37. The estimated liabilities for unpaid claims and claims adjustment expense and premium deficiency are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations. We have made available to you all documentation and analyses used to develop management's best estimate. Although the estimate of the liability for unpaid claims and claims adjustments expenses and premium deficiency at June 30, 2021 and 2020, are reasonable in the circumstances, it is possible that the BRIM's actual incurred claims and claims adjustment expenses will not conform to the assumptions inherent in the determination of the liability; accordingly, the ultimate settlement of claims and the related claims adjustment expenses may vary from the estimates included in the BRIM's financial statements.
- 38. The loss reserve specialists used by management in estimating the loss and loss adjustment expense and premium deficiency reserves had a sufficient level of competence and experience in loss reserving, including knowledge about the type of insurance for which a reserve has been established and an understanding of the appropriate methods for calculating such reserve estimates. We agree with the findings of specialists in evaluating the liability for unpaid claims and claims adjustment expense and premium deficiency analysis and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.
- 39. The reinsurance contracts provided to you by the BRIM represent all of the BRIM's agreements with respect to its ceding and assuming reinsurance activities, and there are no modifications, either written or oral, of the terms of the BRIM's reinsurance contracts or additional reinsurance agreements that have not been provided to you.
- 40. We have properly accounted for our pension liability and related accounts and disclosures in accordance with adoption of GASB Statement No. 68, Accounting and Financial Reporting for Pensions an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date an Amendment of GASB Statement No. 68. We believe that the actuarial assumptions and methods used to measure the pension liability and cost for financial reporting purposes are appropriate in the circumstances. We also agree with and have also properly disclosed the State's proportionate share of the net pension liability associated with BRIM as of June 30, 2021 and 2020.
- 41. We have disclosed to you all significant pension benefits promised and have made available to you all significant summary plan descriptions, benefit communications and all other relevant information, including plan changes that constitute the plan. The actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes, including prescribed assumptions, are determined by State statute and the Consolidated Public Retirement Board.
- 42. We have properly accounted for our postemployment benefits other than pensions (OPEB) obligation and related accounts and disclosures in accordance with adoption of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions and GASB Statement No. 85, Omnibus 2017. We believe that the actuarial assumptions and methods used to measure the OPEB liability and cost for financial reporting purposes are appropriate in the circumstances. We also agree with and have also properly disclosed the State's proportionate share of the net OPEB liability associated with BRIM as of June 30, 2021 and 2020.
- 43. We have disclosed to you all significant postemployment benefits other than pensions promised and have made available to you all significant summary plan descriptions, benefit communications and all other relevant information, including plan changes that constitute the plan for each significant OPEB. The actuarial assumptions and methods used to measure OPEB liabilities and costs for financial accounting purposes, including prescribed assumptions, represent our best estimate of future conditions and are appropriate in the circumstances.

Report to the Board of Directors / West Virginia Board of Risk and Insurance Management DHG is registered in the U.S. Patent and Trademark Office to Dixon Hughes Goodman LLP.



Dixon Hughes Goodman LLP October 8, 2021 Page 7 of 8

- 44. We do not plan to withdraw from the multiemployer pension or OPEB benefit plans.
- 45. We are responsible for compliance with and have complied with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 46. We are not aware of any instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 47. We are not aware of any instances, that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 48. We are not aware of any instances, that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 49. We have identified and disclosed to you, all provisions of laws and regulations that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- 50. We have followed all applicable laws and regulations in adopting, approving and amending budgets, tax or debt limits and covenants and secondary market disclosures, deposits and investments, including collateral requirements on depository accounts and investments and tax levies and refunds.
- 51. BRIM does not have any component units or joint ventures.
- 52. The financial statements properly classify all funds and activities.
- Components of net position (net investment in capital assets; restricted; and unrestricted), are properly classified and, if applicable, approved.
- 54. Expenses have been appropriately classified in or allocated to functions and programs, as applicable, in the statements of revenues, expenses and changes in net position, and allocations have been made on a reasonable basis.
- 55. Revenues are appropriately classified in the statements of revenues, expenses and changes in net position within program revenues, general revenues, contributions to term or permanent endowments or contributions to permanent fund principal.
- 56. Provisions for uncollectible receivables have been properly identified and recorded.
- 57. Interfund, internal and intraentity activity and balances have been appropriately classified and reported.
- 58. There are no special or extraordinary items.
- Risk disclosures associated with deposits and investment securities and derivatives transactions are presented in accordance with GASB requirements.
- 60. Investments, derivative transactions, and land and other real estate held by endowments are properly valued.
- 61. Our policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available, determines the fund balance classifications for financial reporting purposes.

Report to the Board of Directors / West Virginia Board of Risk and Insurance Management DHG is registered in the U.S. Patent and Trademark Office to Dixon Hughes Goodman LLP.

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Dixon Hughes Goodman LLP October 8, 2021 Page 8 of 8

- 62. We have made available to you all significant contracts, including amendments, and agreements and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance, including all covenants, conditions or other requirements of all outstanding debt.
- 63. There are no risks and uncertainties related to significant estimates and current vulnerabilities due to material concentrations that have not been disclosed.
- 64. There are no unasserted claims or assessments, including those our lawyers have advised us of that are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, Accounting for Contingencies.
- 65. There have been no violations or possible violations of laws or regulations in any jurisdiction whose effects should be considered for disclosure in the basic financial statements or as a basis for recording a loss contingency.
- 66. There have been no internal investigations or communications from regulatory agencies or government representatives concerning investigations or allegations of noncompliance with laws or regulations in any jurisdiction, noncompliance with or deficiencies in financial reporting practices, or other matters that could have a material effect on the basic financial statements.
- 67. There are no other liabilities or gain or loss contingencies considered material, individually or in the aggregate, that are required to be accrued or disclosed by GASB Statement No. 62, nor are there any accruals for loss contingencies included in the statement of net position or gain contingencies reflected in earnings that are not in conformity with the provisions of GASB Statement No. 62.
- 68. There are no oral or written guarantees, including guarantees of the debt of others.
- 69. We have not completed the process of evaluating the impact that will result from adopting Governmental Accounting Standards Board (GASB) No. 87, Leases, as discussed in Note 2. Management is therefore unable to disclose the impact that adopting this GASB will have on its financial position or results of operation when the GASB is adopted.
- 70. We have disclosed all key information to you and updated the disclosures to the financial statements related to our planned response to the COVID-19 pandemic. We believe that we will have sufficient cash flows to meet our obligations as they become due through one year from the date of this letter.
- 71. BRIM administers the Patient Injury Compensation Fund, a fiduciary fund of the State of West Virginia. The activities of this fund are reflected as a fiduciary fund of the State of West Virginia.

We have evaluated subsequent events through the date of this letter, which is the date the financial statements were available to be issued. No events have occurred subsequent to the Statement of Net Position and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

West Virginia Board of Risk and Insurance Management

Stephen W. Schumacher

Stephen W. Schumacher, Chief Financial Officer

Stephen W. Panaro

Stephen W. Panaro, Controller

Mary Jane Pickens

Mary Jane Pickens, Executive Director

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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

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Table of Contents

Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Statements of Net Position	10
Statements of Revenues, Expenses and Changes in Net Position	11
Statements of Cash Flows	
Notes to Financial Statements	14
Required Supplementary Information:	
Ten-Year Claims Development Information	58
Reconciliation of Unpaid Claims and Claims Adjustment Expense Liability by Type of Contract	59
Schedule of Proportionate Share of the Net Pension Liability in PERS	60
Schedule of Contributions to PERS	61
Notes to Required Supplementary Information – Schedule of Proportionate Share of the Net Pension Liability in PERS and Schedule of Contributions to PERS	62
Schedule of Proportionate Share of the Net OPEB Liability in RHBT	64
Schedule of Contributions to RHBT	65
Other Supplementary Information:	
Combining Statement of Net Position	66
Combining Statement of Revenues, Expenses, and Changes in Net Position	67
Form 7 - Deposits Disclosure	68
Form 8 - Investments Disclosure	69
Form 8-A - Deposits and Investments Disclosure	70
Form 9 - Schedule of Receivables (Other Than State Agencies)	71
Form 10 - Schedule of Accounts Receivable From Other State Agencies	72
Form 13 - Schedule of Changes in Long-Term Obligations - Compensated Absences	73
Report of Independent Auditors 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	74

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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)

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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.

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:

				Change 20		Change 20	
	2021	2020	2019	Amount	Percent	Amount	Percent
Cash and cash equivalents Advance deposits with carrier/trustee Receivables	\$ 30,131 251,189 2,856	\$ 42,079 264,014 4,186	\$ 46,278 224,786 <u>4,335</u>	\$ (11,948) (12,825) (1,330)	(28.4)% (4.9) (31.8)	\$ (4,199) 39,228 <u>(149</u>)	(9.1)% 17.5 (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 Unearned premiums Agent commissions payable Accrued expenses	61,326 10,079 1,462 359	69,336 9,664 1,486 <u>440</u>	62,656 10,179 1,514 1,038	(8,010) 415 (24) (81)	(11.6) 4.3 (1.6) (18.4)	6,680 (515) (28) (598)	10.7 (5.1) (1.8) (57.6) 7.3
Total current liabilities	73,226	80,926	75,387	(7,700)	(9.5)	5,539	1.5
Estimated unpaid claims and claims adjustment expense, net of current portion Compensated absences Net pension liability Net other post-employment benefits liability	128,270 172 533 113	135,460 150 214 391	128,322 124 249 470	(7,190) 22 319 (278)	(5.3) 14.7 149.1 (71.1)	7,138 26 (35) <u>(79</u>)	5.6 21.0 (14.1) (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 Unrestricted Net position	80,155 <u>196,714</u> <u>\$ 276,869</u>	78,617 <u>179,166</u> <u>\$257,783</u>	72,466 <u>157,206</u> <u>\$ 229,672</u>	1,539 	2.0 9.8 7.4%	6,151 	8.5 14.0 12.2%
Premiums Less excess coverage	\$ 83,238 (4,438)	\$ 82,567 (6,915)	\$ 83,301 (6,627)	\$ 671 2,477	0.8% (35.8)	\$ (734) <u>(288</u>)	(0.9)% 4.3
Net operating revenues	78,800	75,652	76,674	3,148	4.2	(1,022)	(1.3)
Claims and claims adjustment expense General and administrative	70,259 <u>4,811</u>	65,349 5,034	80,169 <u>4,519</u>	4,910 (223)	7.5 (4.4)	(14,820) <u>515</u>	(18.5) 11.4
Total operating expenses	75,070	70,383	84,688	4,687	6.7	(14,305)	16.9
Operating income (loss) Nonoperating revenues:	3,730	5,269	(8,014)	(1,539)	(29.2)	13,283	(165.7)
Investment income Legislative appropriation to the State OPEB nonoperating income	28,845 (13,500) 11	22,818 24	21,044 <u>30</u>	6,027 (13,500) (13)	26.4 100.0 (54.2)	1,774 <u>(6</u>)	8.4 100.0 (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%	<u>\$ 28,111</u>	12.2%
Total revenues	\$ 94,156	\$ 98,494	\$ 97,748	<u>\$ (4,338)</u>	(4.4)%	<u>\$ 746</u>	0.8%
Total expenses	<u>\$ 75,070</u>	<u>\$ 70,383</u>	<u>\$ 84,688</u>	<u>\$ 4,687</u>	6.7%	<u>\$ (14,305</u>)	(16.9)%

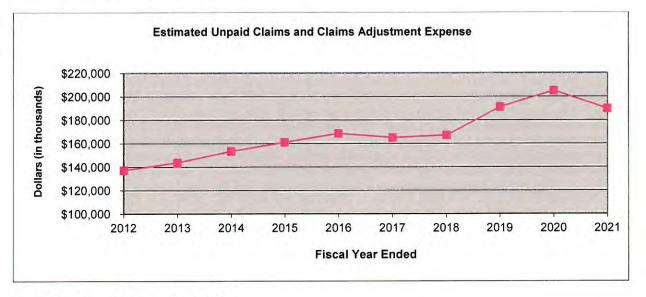
- Total assets increased by \$4,075 in 2021 and increased by \$40,846 in 2020. The increase in 2021 is the
 result of an improvement of returns on noncurrent investments that were partially offset by a decrease in
 advance deposits and a decrease in cash and cash equivalents. Additional cash was held 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 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.

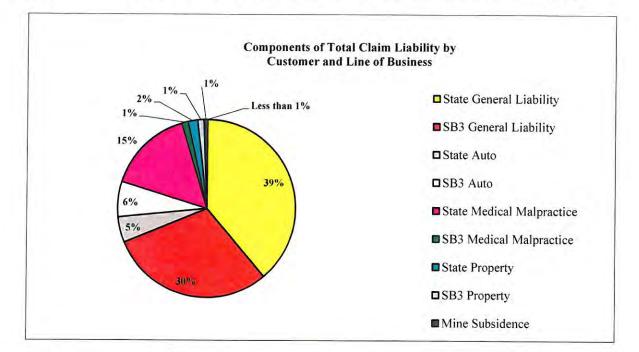


Results by Line of Business for BRIM

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).

West Virginia Board of Risk and Insurance Management Management's Discussion and Analysis (in thousands)

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

Management's Plan to Maintain Net Position by Line of Business

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.

Risk Management

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)

DHG is registered in the U.S. Patent and Trademark Office to Dixon Hughes Goodman LLP.

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

		2021		2020
ASSETS			100	
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
				257,783

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)

0		2021	2020	
Operating revenues:		42.262		
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	<u> </u>	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

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	2	(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

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

(Continued)

	_	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		19 1 10		
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



Notes to Financial Statements (in thousands)

DHG is registered in the U.S. Patent and Trademark Office to Dixon Hughes Goodman LLP.

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 plan investments, differences between expected and actual earnings on pension plan investments, differences between expected and actual earnings on pension plan investments, 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 experiences between employer contributions and proportionate share of contributions of 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 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.

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 I	Rating	2021		202	0
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 note	es* Aaa	AA+	1,325,680	19.37	445,700	8.66
U.S. Agency bonds and notes		AA+	17,920	0.26		
			\$ 6,843,002	100.00%	<u>\$ 5,149,351</u>	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.

	2021			2020		
Investment Type	Fa	ir 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		
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	
	<u>s</u>	6,843,002	52	<u>\$ 5,149,351</u>	44	

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

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).

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.)

Asset Class	Base A	Base Allocation		
	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		1	
International equity	12,652	20,242	19,619	19,416	
International nongualified	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	<u>\$ 164,664</u>	<u>\$ 194,840</u>	<u>\$ 158,798</u>	<u>\$ 164,662</u>	

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

Investment (loss) income:	-	2021	-	2020
Interest (loss) income including realized gains/losses on sale of securities Unrealized gain on investments	\$	(1,331) 30,176	\$	16,954 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.

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	. <u></u>	· · · · · · · · · · · · · · · · · · ·	82,999
Total	<u>\$ 4,691,140</u>	<u>\$</u>	<u>\$</u>	<u>\$ 4,691,140</u>

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 Money market mutual fund	\$	367,198 <u>5,700</u>	\$		\$	-	\$	367,198 5,700
Total	<u>\$</u>	372,898	<u>\$</u>		\$	<u> </u>	5	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 threeto 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.

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	\$		\$	1	\$	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	<u>\$</u>	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.

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:

Currency	2021							
	Equity Investments	Cash	Foreign Currency <u>Spot Contracts</u>	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	1.1.4		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	11 Q	121,097				
Indonesian Rupiah	33,103	1	1	33,105				
sraeli Shekel	542	(1)	2.0	541				
Japanese Yen	383,698	1,535	2	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	4	419				
Norwegian Krone	34,169	14	-	34,183				
Philippine Peso	5,102	4		5,106				
Polish Zloty	3,913	15	2,0	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	- 2.	(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				
J.S. Dollar	877,326			877,326				
Total	\$ 3,812,660	<u>\$ 11,799</u>	\$(4)	\$ 3,824,455				

		2020									
Currency		Equity Investments		Cash	Foreign Currency Spot Contracts			Total			
Australian Dollar	\$	82,579	\$	373	\$	-	\$	82,952			
Brazil Real		61,732		397		-		62,129			
British Pound		89,226		409				189,635			
Canadian Dollar		93,508		70		-		93,578			
Chilean Peso		5,906				1		5,906			
Chinese Yuan		12,809		3.460		-		16,269			
Czech Koruna		40		-		1.2		40			
Danish Krone		10.965		3		-		10,968			
Emirati Dirham		8,021		10		-		8,031			
Euro Currency Unit	3	54,338		4,828		1.20		359,166			
Hong Kong Dollar		04,086		2,525		-		406,611			
Hungarian Forint		14,000		32		-		14,032			
Indian Rupee		04,809		1,694		-		106,503			
Indonesian Rupiah		30,263		36		-		30,299			
Israeli Shekel		7,399		2		-		7,401			
Japanese Yen	3	65,408		2,270				367,678			
Malaysian Ringgit		10,968		4		_		10,972			
Mexican Peso		39,362		42				39,404			
New Taiwan Dollar		19,629		404		1		120,033			
New Zealand Dollar		289		26				315			
Norwegian Krone		16,412		196		12.0		16,608			
Philippine Peso		7,480		8				7,488			
Polish Zloty		1,337		0				1,33			
Qatari Riyal		125		6				13			
Singapore Dollar		12.316		211		1.1		12,527			
South African Rand		29,989		56		1.0		30,045			
South Korean Won		83,138		1,747				184,885			
Swedish Krona		79,152		29		5.1		79,18			
Swiss Franc		00.002		46		1		100,049			
Thailand Baht		36,076		-0				36.082			
Turkish Lira		11,034	-	1,711			-	12,745			
Total	2,3	92,398		20,601		1		2,413,000			
U.S. Dollar	9	81,212	_				_	981,212			
Total	\$ 3,3	73,610	\$	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:

		2021									
Assets	Level 1	Leve	Level 2		vel 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						<u>\$ 3,936,878</u>					

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

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					
В		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	<u>\$</u>	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 Ioan are collateralized to a minimum of 102% for U.S. Dollar denominated Ioans and 105% for foreign denominated Ioans, 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.

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:

		2	021	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.

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		3	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 (a. 14)				1,105		1,105		
Colombian Peso		4,703		1 2				4,703		
Deutsche Mark		230		1 .		-		230		
Dominican Peso		4,018		i,€C				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		2 0				3,347		
Mexican Peso		63,982		e i rt		593		64,575		
New Zealand Dollar		- 10 ÷		(4)		823		823		
Peruvian Nuevo Sol		146						146		
Russian Ruble		75,397		-		- ea		75,397		
South African Rand		13,536				100		13,536		
Swedish Krona				-		515		515		
Turkish Lira		3,106				-		3,106		
Uruguayan Peso		6,875		à là		-		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		

	2020										
Currency		Foreign Fixed Income	Foreign Equity <u>Investments</u>		Cash		Total				
Argentine Peso	\$	5,597	\$	100.42	\$	1,770	\$	7,367			
Australian Dollar		1.1		1.00		2,350		2,350			
Belarusian Ruble		1,819		L÷.				1,819			
Brazil Real		30,899				52		30,951			
British Pound		15,154		-		2,690		17,844			
Canadian Dollar		1.11		-		(858)		(858			
Colombian Peso		4,620				- think -		4,620			
Deutsche Mark		640		1-		- -		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			
ndonesian Rupiah		2,713		1.8		1.11.2		2,713			
lapanese 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			
furkish Lira				· · · ·		1		1			
Jruguayan Peso	-	5,050			-		-	5,050			
Total foreign denominated investments	5	193,652		6		16,235		209,893			
J.S. Dollar	_	350,541		<u> </u>		34,398	2	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.

				20	021			
Assets	Lev	el 1	L	Level 2		Level 3		Total
Corporate ABS residual	\$	÷.	\$	1,637	\$		\$	1,637
Corporate asset backed issues				88,145		0 -		88,145
Corporate CMO		1.0		68,170				68,170
Corporate CMO interest-only				6		0		6
Corporate preferred securities		10,851				r ècr		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		1.540		331,607		190		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		- 60		42,292
U.S. corporate bonds				406,148		0.00		406,148
U.S. Government agency bonds				170		140		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		12		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							<u>\$</u>	3,222,999
Liabilities	Lev	el 1	L	evel 2	Leve	el 3		Total
Foreign currency forward contracts	\$		\$	(2,456)	\$		\$	(2,456
Futures contracts	7	(8,416)		(_,)			T.	(8,416
Options contracts written		(1,850)		(61)				(1,911
Securities sold short		(1,000)		(2,274)				(2,274
Swaps		-		(25,987)				(25,987
		Constant of the	-				-	
Total	\$	(10, 266)	\$	(30,778)	\$		5	(41,044

	2020										
Assets	Leve	el 1		Level 2	Leve	13	-	Total			
Corporate ABS residual	\$	- 67	\$	1,943	\$		\$	1,943			
Corporate asset backed issues				54,349			-	54,349			
Corporate CMO		-		59,639		2		59,639			
Corporate CMO interest-only		1. c.f.		138		- 6		138			
Corporate preferred securities		10,307		1.12		- 20		10,307			
Foreign asset backed issues				28,152				28,152			
Foreign corporate bonds		4		264,553		20		264,553			
Foreign currency forward contracts				1,054		-		1,054			
Foreign government bonds				251,488		-0		251,488			
Futures contracts		1,457				-		1,457			
Money market mutual fund	8	30,424				- Andrews		80,424			
Municipal bonds		÷		33,423				33,423			
Options contracts purchased		94		347				441			
Securities lending collateral		4,029		-		-		4,029			
Swaps		10.14		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		- (2 .		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		1.4		2,599		-		2,599			
U.S. Treasury bonds		1.4		209,690		÷		209,690			
U.S. Treasury inflation protected securities			-	105,609			-	105,609			
Total	<u>\$</u> 9	6,311	\$	1,841,937	\$			1,938,248			
Commingled debt funds							-	206,712			
Total							<u>\$</u>	2,144.960			
Liabilities	Leve	1	.2	Level 2	Level	3		Total			
Foreign currency forward contracts	\$		\$	(2,323)	\$		\$	(2,323)			
Futures contracts		2,609)		(=,0=0)		_	÷	(12,609)			
Options contracts written	×.	(525)		(354)		20		(879)			
Securities sold short				(526)				(526)			
Swaps				(40,804)				(40,804)			
Total	\$ (1	3,134)	\$	(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.

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

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:

		2	021		202	0
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			1.1		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		<u>\$</u>	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.

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		1	Total		
Corporate asset backed issues	\$	÷	\$	122,533	\$		\$	122,533		
Corporate CMO		- A		96,489				96,489		
Corporate CMO interest-only				197				197		
Corporate CMO principal-only				47		1.80		47		
Corporate preferred securities		-		1,226		(e)		1,226		
Foreign asset backed issues				3,508		(H)		3,508		
Foreign corporate bonds		÷		116,081		1.61		116,081		
Foreign government bonds				6,606				6,606		
Money market mutual fund		112,553		1.0				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		÷ 1		108,672		
U.S. Government agency CMO interest-only				3,402		c , e		3,402		
U.S. Government agency CMO principal-only				3,225		-		3,225		
U.S. Government agency MBS		2		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			1	482		
Total	\$	146,259	\$	1,239,086	\$		\$	1,385,345		

	2020									
Assets	1	evel 1		_evel 2		evel 3	-	Total		
Corporate asset backed issues	\$	4	\$	104,830	\$	-	\$	104,830		
Corporate CMO				46,117		-		46,117		
Corporate CMO interest-only		-		212		19		212		
Corporate CMO principal-only		(#)		64				64		
Foreign asset backed issues		-		2,168		~		2,168		
Foreign corporate bonds				61,479		9 c		61,479		
Foreign government bonds		1000		5,870		-		5,870		
Money market mutual fund		10,949				-		10,949		
Municipal bonds		-		12,331		-		12,331		
Securities lending collateral		4,868		1.2.5		-		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		1		2,144		-		2,144		
U.S. Government agency CMO principal-only		1.00		4,409		÷		4,409		
U.S. Government agency MBS		-		180,583		-		180,583		
U.S. Government agency TBAs		-		5,924		- 9 -		5,924		
U.S. Treasury bonds				201,453		-		201,453		
U.S. Treasury inflation protected securities	-		-	459	-		0	459		
Total	\$	15,817	\$	919,104	\$		\$	934,921		

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 Hedge funds	<u>\$ 85,669</u>	<u>\$</u>	<u>s -</u>	\$ 85,669 <u>2,231,493</u>						
Total				<u>\$ 2,317,162</u>						
		20	020							
Assets	Level 1	Level 2	Level 3	Total						
Manager and structure from the	¢ 10		¢							
Money market mutual fund Hedge funds	<u>\$ 12</u>	<u>\$</u>	<u>></u>	\$ 12 <u>1,893,312</u>						

	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							

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

Hedge Fund Strategies	2020							
	F;	air 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 <u>\$ 1,893,312</u>

- (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 trendfollowing 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.
- (9) 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.

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								
	Level 1	Level 2	Level 3	Total					
	<u>\$ 478,962</u>	<u>\$</u>	<u>\$</u>	<u>\$ 478,962</u>					
Total	<u>\$ 478,962</u>	<u>\$</u>	<u>s</u>	<u>\$ 478,962</u>					
				7.44					
	and the second second	Level 2	Level 3	Total					
	\$ 290,665 2	\$-	\$ -	\$ 290,665 2					
Total	<u>\$ 290,667</u>	<u>\$</u>	<u>s -</u>	<u>\$ 290,667</u>					
	-	\$ 478,962 Total \$ 478,962 	Level 1 Level 2 \$ 478,962 \$ - Total \$ 478,962 \$ -	\$ 478,962 \$ - \$ - Total \$ 478,962 \$ - \$ - 2020 2020 2020 Level 1 Level 2 Level 3 \$ 290,665 \$ - \$ - 2 - -					

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.

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 arrying Value	WAM (Days)	c	2020 arrying 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	\$	2014	\$	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	<u>\$</u>	177,476	<u>\$</u>	-	<u>\$</u>	217,229	

	2020								
Assets	Level 1		Level 2		Level 3		Total		
Repurchase agreement	\$	100	\$	75,658	\$	-	\$	75,658	
Money market mutual fund		25,896				4		25,896	
U.S. Government agency bonds				265,950		2		265,950	
U.S. Treasury bills	-		-	274,978	-		-	274,978	
Total	<u>\$</u>	25,896	<u>\$</u>	616,586	\$		\$	642,482	

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:

		2	021				2	020		
Security Type	Moody's	S&P		Fair 'alue	Percent of Assets	Moody's	S&P		Fair 'alue	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-		a - 141	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	2	38,616	91.15
	NR	NR		13,566	5.43	NR	NR			0.00
				229,779	91.90			2	38,616	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%			\$ 2	61.791	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.

Interest Rate Risk

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

	1.83	20	21	2020			
Investment Type		air 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		<u> </u>			_	1,398	
Total	\$	250,033	\$	-	\$		\$	250,033	

	2020								
Assets	Level 1		Level 2		Level 3		Total		
Corporate bonds and notes	\$	16,096	\$	-	\$	- F.	\$	16,096	
U.S. Treasury bonds		238,616		-		-		238,616	
U.S. Agency debenture		5,565		-		. ÷		5,565	
Money market funds	_	1,514		<u> </u>	-	- 6	-	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.

	_	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 (Decrease) increase in provision for insured events of prior years		77,590 (7,331)		69,809 (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 Claims and claims adjustment expense attributable to insured events of prior years		(13,159) <u>(72,300</u>)		(12,300) <u>(39,231</u>)
Total payments		(85,459)	_	(51,531)
Total unpaid claims and claims adjustment expense liability at end of year	\$	189,596	\$	204,796

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

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 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.

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 multipleemployer 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				
	Outf	ferred lows of ources	Inflo	erred ows of ources	Outf	ferred lows of ources	Inflo	ferred ows of ources
Net difference between projected and actual earnings on pension plan investments	\$	169	\$	а).	\$	-	\$	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		<u>.</u>		152		1
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.

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

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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.

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 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				
	Outfl	ferred lows of ources	Inflo	ferred ows of ources	Outfle	erred ows of ources	Infle	ferred ows of ources	
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		4.1		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.

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:

Year ending June 30:

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.

	2	021	2	2020
BRIM's proportionate share of the net OPEB liability: State of WV's special funding proportionate share of the net OPEB	\$	113	\$	391
Liability associated with BRIM		25		80
Total portion of the net OPEB liability associated with BRIM	\$	138	<u>\$</u>	471

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.

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 <u>Rate (6.65%)</u>		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% D	ecrease	ncare Cost nd Rates	1% Increase		
Net OPEB liability	\$	68	\$ 113	\$	168	

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)

DHG is registered in the U.S. Patent and Trademark Office to Dixon Hughes Goodman LLP.

West Virginia Board of Risk and Insurance Management Ten-Year Claims Development Information Fiscal and Policy Year Ended June 30 (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 we ach policy year's incurred claims increased or decreased as of the end of successive years for each policy year, this anount to result 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. The columns of the table show data for successive 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						2442	1300			
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:	and the second	1000	in here				70.000		70 100	
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	<u> </u>	593	
Net incurred	57,864	57,276	58,389	62,342	66,740	70,705	72,033	69,092	69,809	77,590
 Paid (cumulative) claims and claims adjustment expense as of: 										
	10,156	10,870	10,560	11,146	12,863	11,922	11,846	10,321	12,300	13,159
End of policy year One year later	20,830	18,936	19,965	24,010	23,494	23,067	22,032	22,279	21,954	10,100
	30,577	30,649	29,077	34,801	34,585	37,673	32,994	38,212	21,004	
Two years later	43.021	40,132	45,059	43.864	44,997	44,538	41,881	50,212		
Three years later	43,021	40,132	45,059	48,379	49,631	50,017	41,001			
Four years later	51,004	52,093	53,383	50,322	51,867	50,017				
Five years later	53,155	53,802	54,454	51,125	51,807					
Six years later	53,155	54,126	63,242	51,125						
Seven years later			03,242							
Eight years later	55,578	58,220								
Nine years later	60,900									
5) Reestimated ceded claims and expenses	248	-			2,782		596	- P	· 2	-
6) Reestimated net incurred claims and allocated										
claims adjustment expense:		67 076	50.000	00.040	66,740	70,705	72,033	69,092	69,809	77,590
End of policy year	57,864	57,276	58,389	62,342		65,589	65,418	69,463	63,910	11,590
One year later	58,812	56,883	57,772	65,545	64,655	65,151	62,380	72,909	03,810	
Two years later	61,106	63,767	61,216	62,727	62,537 59,700	62,032	58,836	12,508		
Three years later	62,460	61,150	61,249	59,235		62,032	20,020			
Four years later	57,109	58,836	59,741	55,907	57,468	02,000				
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									
 (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)	
itom end or policy year	4,152	2,121	1,200	(0,102)	(0,400)	(0, (/2)	1.0,1017	0,017	(0,000)	

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.

West Virginia Board of Risk and Insurance Management Reconciliation of Unpaid Claims and Claims Adjustment Expense Liability by Type of Contract

Fiscal and Policy Year Ended June 30

(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	Propert		ine idence	Total	Liability	ity Property			Mine Property Subsidence					
Unpaid claims and claims adjustment expense liability at beginning of fiscal year Incurred claims and claims	\$ 198,815	\$ 4,45	4\$	1,487	\$ 204,796	<u>\$ 183,378</u>	\$	6,022	\$	1,578	\$ 1	190,978			
adjustment expense: Provision for insured events of the current fiscal year Increase (decrease) in provision for	69,028	7,56	D	1,002	77,590	63,552		5,307		950		69,809			
insured events of prior fiscal years Total incurred claims	(6,319)	(43	<u>1)</u>	(581)	(7,331)	(6,888)	-	2,834		(406)	_	(4,460)			
and claims adjustment expense	62,709	7,12	9	421	70,259	56,664	_	8,141	_	544	<u>, (</u>	65,349			
Payments: Claims and claims adjustment expense attributable to insured events of the current fiscal year Claims and claims adjustment expense attributable to insured events of the prior	9,899	3,08	3	172	13,159	9,694		2,507		99		12,300			
fiscal years	68,766	3,11	<u> </u>	416	72,300	31,533	_	7,162	_	536	_	39,231			
Total claims and claims adjustment expense payments Total unpaid claims and claims adjustment expense liability at	78,665	6,20	<u> </u>	588	85,459	41,227	_	9,669	-	635		51,531			
end of the fiscal year	\$ 182,859	\$ 5,41	<u>\$</u>	1,320	\$ 189,596	\$ 198,815	\$	4,494	\$	1,487	\$ 2	04,796			

See notes to required supplementary information.

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.

	_	2021	1	2020	1	2019	11	2018	1	2017		2016		2015		2014	5	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)	2	(149)	_	(127)	_	(133)	_	(129)
Contribution deficiency (excess)	\$		\$	-	\$	4	\$		\$		\$	<u> </u>	\$		\$		5	
Covered payroll	\$	1,635	\$	1,573	5	1,432	s	1,275	s	1,013	\$	1,100	5	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.

West Virginia Board of Risk and Insurance Management

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

(in thousands)

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.

West Virginia Board of Risk and Insurance Management

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

(in thousands)

3. Changes in Assumptions

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

	2019	
Projected salary increases:		
State	3.1 – 5.3%	3.0 - 4.6%
Non-state	3.35 - 6.50%	3.0 - 4.6%
nflation rate	3.0%	3.0%
Aortality rates	Healthy males -108% of Pub 2010	Healthy males -110% of RP-2000
	Non-Annuitant, Scale MP-2018	Non-Annuitant, Scale AA
	Healthy females-122% or Pub 2010	Healthy females-101% or RP-2000
	Non-Annuitant, Scale MP-2018	Non-Annuitant, Scale AA
	Disabled males - 118% of Pub 2010	Disabled males - 96% of RP-2000
		Disabled males - 90% of RP-2000
	Disabled annuitant, Scale MP-2018	
	Disabled females - 117% of Pub 2010	Disabled females - 107% of RP-2000
	Disabled annuitant, Scale MP-2018	Disabled annuitant, Scale AA
/ithdrawal rates:		
State	2.275 - 45.630%	1.75 - 35.1%
Non-state	2.500 - 35.880%	2 - 35.8%
isability rates	0.005 - 0.540%	0675%
isobility rates		
	2017	2016
rojected salary increases:		
State	3.0 - 4.6%	3.0 - 4.6%
Non-state	3.0 - 4.6%	
flation rate	3.0%	
lortality rates	Healthy males-110% of RP-2000	Healthy males -110% of RP-2000
	Non-Annuitant, Scale AA	Non-Annuitant, Scale AA
	Healthy females-101% or RP-2000	Healthy females-101% or RP-2000
	Non-Annuitant, Scale AA	Non-Annuitant, Scale AA
	Disabled males - 96% of RP-2000	Disabled males - 96% of RP-2000
	Disabled annuitant, Scale AA	Disabled annuitant, Scale AA
	Disabled females - 107% of RP-2000	Disabled females - 107% of RP-2000
	Disabled annuitant, Scale AA	Disabled annuitant, Scale AA
/ithdrawal rates:		
State	1.75 - 35.1%	1.75 - 35.1%
Non-state	2 - 35.8%	2 - 35.8%
isability rates	0675%	0675%
lability fates	00/070	0.01010
	2015	2014
ojected salary increases:	2010	
State	3.0 - 4.6%	4.25 - 6.0%
Non-state	3.35 - 6.0%	4.25 - 6.0%
flation rate	1.90%	2.20%
		Healthy males – 1983 GAM
ortality rates	Healthy males -110% of RP-2000 Non-Annuitant, Scale AA	Healthy males - 1903 GAW
	Healthy females-101% or RP-2000	Healthy females-1871GAM
	Non-Annuitant, Scale AA	And the second sec
	Disabled males - 96% of RP-2000	Disabled males – 1971 GAM
	Disabled annuitant, Scale AA	
	Disabled females - 107% of RP-2000	Disabled females – Revenue Ruling 96-7
	Disabled annuitant, Scale AA	Steaster tentales Therefore training out
ithdrawal rates:	a national sector and a star starting and data and a	
	1.75 - 35.1%	1-26%
State		
	2 - 35.8%	2 - 31.2%
State Non-state isability rates	2 - 35.8% 0675%	2 – 31.2% 08%

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
	0.0256%		0.0236%		0.0219%		0.2080%
\$	113	\$	391	\$	470	\$	512
	25		80		97		105
\$	138	\$	471	\$	567	\$	617
\$	1,109	\$	1,040	\$	905	\$	812
	10.19%		37.60%		51.93%		63.05%
*	73.49%		39.69%		30.98%		25.10%
	\$ \$ \$	0.0256% \$ 113 <u>25</u> <u>\$ 138</u> \$ 1,109 10.19%	0.0256% \$ 113 \$ 25 <u>\$ 138 \$</u> \$ 1,109 \$ 10.19%	0.0256% 0.0236% \$ 113 \$ 391 25 80	0.0256% 0.0236% \$ 113 \$ 391 \$ 25 80	0.0256% 0.0236% 0.0219% \$ 113 \$ 391 \$ 470 25 80 97 \$ 567 \$ 567 \$ 905 \$ 905 \$ 10.19% \$ 37.60% 51.93% \$ <	0.0256% 0.0236% 0.0219% \$ 113 \$ 391 \$ 470 \$ 25 80 97

* 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)

	1000	2021		2020	_	2019		018	2	2017	2	2016
Statutorily required contribution	\$	37	\$	39	\$	45	5	44	\$	43	S	41
Contributions in relation to the statutorily required contribution	_	(37)	_	(39)		(45)	_	(44)		(43)	-	(41)
Contribution deficiency (excess)	5	-	\$		\$		\$	<u>×</u>	5		s	
Covered-employee payroll	5	1,081	5	1,109	\$	1,040	s	905	5	812	s	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 10year trend is compiled, information is presented in the schedule for those years for which information is available.



Other Supplementary Information (in thousands)

DHG is registered in the U.S. Patent and Trademark Office to Dixon Hughes Goodman LLP.

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		Conserved to	
Current assets:			
Cash and cash equivalents	\$ 18,911	\$ -	\$ 18,911
Advance deposits with carrier/trustee	251,189		251,189
Receivables, net	1,672	168 B	1,672
Prepaid insurance:			
Restricted cash and cash equivalents		11,220	11,220
Restricted receivables, net	<u> </u>	1,184	1,184
Total current assets	271,772	12,404	284,176
Noncurrent assets:			
Investments	123,512		123,512
Restricted investments	120,012	71,328	71,328
Total non current assets	123,512	71,328	194,840
		Sec.	1
Total assets	395,284	83,732	479,016
DEFERRED OUTFLOWS OF RESOURCES			
Pension	438	4	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		05
Other post-employment benefits	351		35 351
Total deferred inflows of resources	386		386
NET POSITION			
Restricted		00.465	24.122
Jnrestricted	196,714	80,155	80,155 196,714
		5 - 5-6	Sec. 32.5
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)

	L	Other ines of usiness	Su	Mine bsidence	Total		
Operating revenues:	\$	78,666	\$	4,572	\$	83,238	
Premiums	φ	70,000	φ	4,572	Ψ	05,250	
Less excess coverage/reinsurance premiums	_	(4,438)		<u>, 60</u>		(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		1.000		11	
Legislative appropriation	2		b	(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⁾ Agrees to audited statement of cash flows as follows: Cash with Treasurer Cash equivalents with BTI	\$	840 ⁽³ 29,291 ⁽³		
	\$	30,131 (
⁽²⁾ Agrees to Form 8-A				
⁽³⁾ Agrees to audited statement of net position as follows: Cash and cash equivalents Restricted cash and cash equivalents	\$	18,911 11,220		
	\$	30,131		

West Virginia Board of Risk and Insurance Management Form 8 - Investments Disclosure June 30, 2021 (in thousands)

Investment Pool		Amount restricted	_		mount estricted		Amount Reported		 Fair Value
BTI and WVIMB Investment Pools:									
Cash liquidity	\$	18,911	(1)	\$	11,220	(1)	\$ 30,131	(3)	\$ 30,131
Long-term	<u> </u>	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 Less investments classified as	\$	142,423	(1)	\$	82,548				
cash equivalents		18,911	-	_	11,220	Į.			
Total investments	\$	123,512	(2)	\$	71,328	(2)			

⁽²⁾ Agrees to audited statement of net position

⁽³⁾ Agrees to Form 8-A

West Virginia Board of Risk and Insurance Management Form 8-A - Deposits and Investments Disclosure June 30, 2021 (in thousands)

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	 	2
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)

	A	mount
Accounts receivable (other than State agencies): Total accounts receivable as of June 30, 2021 Less allowance for doubtful accounts	\$	2,856 (1)
Net receivable	\$	2,856
⁽¹⁾ Derived from the audited statement of net position as follows: Receivables Restricted receivables	\$	1,672 ⁽²⁾ 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	A	mount
Accounts receivable from other State agencies	\$	1 (1)
⁽¹⁾ Premiums due from other State agencies Premiums due from other entities	\$	1 1,671
Total receivables	\$	1,672 (2)

⁽²⁾ Agrees to audited statement of net position

West Virginia Board of Risk and Insurance Management 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		ine 30,		ther anges	Balance June 30, 2021	
Compensated absences – annual leave	Varies	\$	150	<u>\$</u>		\$ 22	\$	<u>172</u> ⁽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 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.



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

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Mark D. Scott Cabinet Secretary Mary Jane Pickens Executive Director Deputy Cabinet Secretary MaryJane.Pickens@wv.gov

AGENDA BOARD MEETING OF THE WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT *March 15, 2022*

Chairman Price

Call to Order

Chairman Price

Chairman Price

Roll Call

Approval of Board Minutes January 18, 2022 Meeting

REPORTS

Mary Jane Pickens Executive Director Executive Director's Report

EXECUTIVE SESSION

REPORTS (continued)

Terry C. Pfeifer, Senior Consultant Aon

Risk Funding Study As of June 30, 2021

Stephen W. Schumacher, CPA Chief Financial Officer Financial Report PCard Report

Jeremy C. Wolfe Deputy Director/Claim Manager

Loss Control Report

Ashley E. Summitt Chief Privacy Officer **Privacy Report**

UNFINISHED BUSINESS

NEW BUSINESS

ADJOURNMENT

ldm

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Mark D. Scott Cabinet Secretary

Mary Jane Pickens Executive Director Deputy Cabinet Secretary

DRAFT MINUTES OF THE MEETING WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT January 18, 2022 @ 1PM Rescheduled from December 21, 2021 @ 1PM

(Meeting held in person & telephonically to practice social distancing guidelines for COVID-19 pandemic response)

BOARD MEMBERS	Joseph Price, Chairman Gordon Lane, Jr., Vice Chairman Edward Magee, Ed.D., CPA, Member Leah Cooper, Member Terry Rose, Member Allan L. McVey, Board Secretary, Ex-Officio Member Commissioner, WV Office of the Insurance Commissioner Tonya Gillespie, CPA, WV Office of the Insurance Commissioner
BRIM PERSONNEL:	Mary Jane Pickens, Executive Director Robert Fisher, Deputy Director/Claims Manager Melody Duke, Deputy Director/Underwriting Manager Stephen W. Schumacher, CPA, CFO Jeremy Wolfe, Risk & Insurance Manager Ashley Summitt, Chief Privacy Officer Valerie Poindexter, Senior Claim Representative Stephen W. Panaro, CPA, Controller Lora Myers, Recording Secretary
BRIM PROGRAM REPRESENTATIVES:	Geoffrey Cullop, Esq., BRIM Counsel Chuck Waugh, AIG Claim Services Brenda Samples, USI Insurance Services, LLC Bob Ayers, USI Insurance Services, LLC
GUESTS:	Mark D, Scott, Secretary, Department of Administration Donna Hadrych, WVU Health Sciences Center Kelsey Richards, WVU Risk Management Norman Mosrie, Partner, Dixon Hughes Goodman LLP

CALL TO ORDER

- Chairman Price called the board meeting of the West Virginia Board of Risk and Insurance Management to order on Tuesday, January 18, 2022
 @ 1:04PM. The meeting was held both in person and telephonically to practice social distancing guidelines for COVID-19 pandemic response.
- Chairman Price called roll for the board members; all board members were in attendance. Chairman Price requested everyone joining the call email Lora Myers to confirm attendance.

APPROVAL OF MINUTES

- Chairman Price asked for a motion to approve the Minutes of the September 21, 2021, board meeting. Vice Chairman Gordon Lane, Jr. moved the approval of the September 21, 2021, board meeting minutes. The motion was seconded by Member Leah Cooper.
- Being no discussion, a vote took place and the MOTION ADOPTED.

REPORTS

Dixon Hughes Goodman LLP

- Chairman Price welcomed Norman Mosrie to present the Audited Financial Report for June 30, 2021, for Dixon Hughes Goodman LLP.
- Mr. Mosrie introduced himself and commented on his long-standing relationship with BRIM. He stated his first audit was in 1994.
- Mr. Mosrie made reference to the Report to the Board of Directors June 30, 2021, a handout provided by Dixon Hughes Goodman LLP. The BRIM audit went smoothly and once again, there were no audit adjustments.
- Mr. Mosrie reviewed the Report to the Board of Directors June 30, 2021. He commented on Net Position and an Overview of the Financial Statements. BRIM has experienced a positive increase overall.
- Mr. Mosrie asked for any questions concerning the presentation or the report, there were no questions.
- Mr. Mosrie complimented BRIM on again achieving the Award of Excellence. He thanked Steve Schumacher and Stephen Panaro for their assistance which makes the audit run smoothly. Mr. Schumacher thanked Mr. Panaro for his hard work and assistance to Norman's staff.

- The Chairman thanked Mr. Mosrie for his presentation.
- The Dixon Hughes Goodman LLP Audited Financial Report presentation was received, a copy is attached and made part of the record.

Executive Director's Report

- Chairman Price called on Mary Jane Pickens to present the Executive Director's Report.
- Ms. Pickens reviewed the Marshall University and West Virginia University Medical Malpractice Programs. She reported on the amount deposited into escrow; the cumulative interest totals and disbursements thus far in FY 2022 for each program.
- Ms. Pickens reviewed the State Agency/Senate Bill #3 Liability Claim and Litigation Information. Five cases have been tried to verdict, two plaintiff verdicts and three defense verdict thus far in 2021. Her report included information regarding trials, paid claims, outstanding claims, claim counts, closed claims and closing ratio.
- Ms. Pickens discussed the telework policy BRIM adopted and adjusted the days for remote work with new agreements signed by the staff for 2022.
 BRIM staff seem to appreciate working remotely 2 days per week and feel that productivity and the quality of work remain good.
- The Patient Injury Compensation Fund (PICF) was reviewed. Final prorata payments to claimants were made in August. Ms. Pickens reported that she obtained a legal opinion that BRIM has general authority in the statute to refund payments made into the fund after the obligation to do so ended under W. Va. Code Section 29-12D-1a(d). To be cautious, Ms. Pickens announced her plan to seek introduction of a bill providing BRIM that express authority as well as the manner which refunds must be made. On January 7, 2022, we filed the annual PICF report providing an update on claim status, financial information showing collections into the fund since enactment of SB 602 in 2016.
- Ms. Pickens reported on discussion USI and others regarding stop loss coverage and how it might improve our liability program. We are now at the point of determining goals and defining how we would approach the market. We have been informed that there is capacity in the market if we can focus on providing certainty around the claims and determining the attachment point. Continuing to discuss internally and when appropriate will take steps to approach the market. Mr. Rose made comments about the reinsurance.

 Contract Updates – The contract for the property appraisal services were awarded to CBIZ in early November 2021. We have had several meetings with CBIZ representatives, including a meeting with USI and RT Specialty, to discuss implementation in a way the best supports our efforts when we go to the market for the 7/1 property program renewal. We have received some proposed documents from CBIZ for review and once we firm up those items, CBIZ will be ready to schedule appraisals with our insured.

In Loss Control, the property inspection RFP will go out in February, and we will work with USI to get quotes for the boiler program in early March.

In Claims, RFPs for Adjuster and Engineer services were published in spring 2021 and new contracts were in place by July 1, 2021. These RFP's will be issued again in the spring 2024 to begin on July 1, 2024.

In Finance, RFPs or Independent Audit and Actuary Services will be published in the spring.

Still in the process of reviewing the draft RFP for Claim Audit services. We were unable to publish the RFP in 2021 but hope to work on that in the coming weeks. I am planning to seek Claim Audit services to review claims handling.

We are also planning another procurement for Claim Audit Services, the RFP should go out by the end of the year. This will replace our in-house review of claims files at AIG and internally at BRIM. This recommendation came when we had the review of our program, two years ago.

 Regarding the Risk Management Information System, we continue to work with our Aon actuaries and AssetWorks to make sure data we send from the new risk management information system for projexting claims costs and for allocating premium will enable them to perform functions in the same way as the past.

Melody Duke has worked extensively with AssetWorks staff and deserves our appreciation for all the time she's devoted to this. We continue to move toward having Underwriting and Finance to our new system. Loss Control is also making progress.

Ms. Pickens updated the board on our records management project. We
retrieved all paper records from Iron Mountain, the current storage vendor.
While the boxes are stacked in the various areas of the office, we are
saving money on the cost of storage pending scanning or destruction of
the old records.

The total number of claim file boxes retrieved from storage is 967. In September, the number retrieved was 665. No claim boxes remain to be processed.

The liability file master destroyed list final number is 13,056 files recorded and securely destroyed. The September report stood at 9,781.

All remaining property and mine subsidence files have already been scanned during BRIM operations over the past few years so we didn't record exact numbers of files destroyed.

Chuck Mozingo has met with Underwriting Manager Melody Duke and has instructions on how to proceed with the approximately 200 boxes of underwriting records. Although the volume of documents for underwriting is far less than claims, the process is more tedious and the time to process each box much slower. The process for Underwriting will involve unboxing, triage and purging, re-boxing and re-shelving. Then prepping and scanning. This process will take several months to a year.

- Mrs. Pickens reported at the last Board meeting that the STRIMA Executive Committee voted to approve BRIM's bid to host the conference in 2023. However, after a sincere internal discussion, the Executive Committee was informed that we were withdrawing our bid. There were concerns regarding several factors including whether we had the resources to plan and carry out an event this large.
- Ms. Pickens announced upcoming Board Meeting dates for 2022: Tuesday, March 15, 2022 @ 1PM Tuesday, June 28, 2022 @ 1PM Tuesday, September 27, 2022 @ 1PM Tuesday, December 20, 2022 @ 1PM

Several board members requested a change in date to the December meeting, which will be discussed later in the year.

 The Executive Director's Report was received and filed, a copy is attached and made part of the record.

BRIM Financial Report

- Chairman Price called on Mr. Schumacher to present the Chief Financial Officer's Report.
- Mr. Schumacher discussed PCard activity for July October 2021. He explained that claims and claims adjusting are the largest part of these expenses.
- Mr. Schumacher reported on Management Discussion and Analysis for June 30, 2021. He referenced page 10 from the audit report to the board that Mr. Mosrie reviewed. Mr. Schumacher reported that the impact of the settlement and payment of claims related to one insured in FY'21 reduced outstanding reserves but also increased claims expense for FY'21 vs the prior year. Higher net claims payments are the reason for the higher claims in FY'21. He also reported the overall return on BRIM funds

invested, including restricted funds was 6.3% for FY'21 and 5.2% for FY'20; both years exceeded BRIM's target rate of return of 4%.

 Mr. Schumacher reported on Premium to Net Asset Reserve Ratio and Other Financial Ratios. The premium to net asset ratio indicates that BRIM would need an additional \$98 million in net assets to fall near the middle of the range for a comparable level of risk to the benchmark. BRIM's net position is about 33% below the calculated mid-point for the level of net premium generated by BRIM for FY'21 vs. the composite benchmark. This compares to last year's 32% shortfall.

BRIM's combined ratio of 95% is slightly better than the industry average of 97% based on property and casualty insurance results as reported by ISO and AIPCA for the first half of 2021.

 Mr. Schumacher reported on the Current Financial Results for the Five Months Ended November 30, 2021. The current results reflect the actuarial estimate of unpaid losses from Aon's review as of September 30 for both years plus and an additional accrual for IBNR through November.

Smaller equity returns did not offset fixed income losses and created the current year's negative investment returns of (\$0.3) million. The strong market recovery the second half of calendar year 2020 provided much better overall investment income for the first five months of last year.

The anticipated increases in the fed funds rate have impacted the short end of the yield curve and will minimize any positive returns on BRIM's fixed income holdings for the foreseeable future as rising rates will most likely be offset by declining market prices on BRIM holdings through the rest of 2022. It is hopeful, positive equity returns will continue and help to mitigate any negative fixed income returns going forward.

- Mr. Schumacher asked for questions regarding the Financial Report. No questions.
- The Chief Financial Officer's Report was received and filed, a copy is attached and made part of the record.

Loss Control Report

- Chairman Price called upon Mr. Wolfe to present the Loss Control Report.
- Mr. Wolfe reported the completed evaluations of state agencies fiscal year 2023 loss control questionnaires. Approximately 126 agencies will be receiving a premium credit for their participation in our Standards of Participation program that is designed to help our insured reduce and control insurable claims through active risk management initiatives.

- In October, loss control questionnaires were sent to our senate bill #3 insured. These completed questionnaires were due to BRIM on January 1, 2022. Since then, we have been evaluating those questionnaires to apply credit or surcharges based on participation in our program. We have completed 145 evaluations.
- For the year 2021, the Department completed 107 consultation visits which was an increase from 2020's total completed visits. We are pleased with the numbers due to the restraints of personal meetings due to the pandemic.
- During the months of October, November and December Aon conducted 229 inspections and Liberty conducted 437 inspections. The reports are being processed according to established procedures.
- Our loss control technical staff reports the following activity:

13 Loss Control Visits

These are standard loss control visits focusing on all coverages and which result in information and/or loss control recommendations being provided.

31 Standards of Participation Visits These visits are designed to provide assistance to our insured who are seeking to become compliant with the BRIM Standards of Participation program.

3 Flood Mitigation Visits

These visits assist with the developing and implementing a Flood Preparedness and Mitigation Plan as a result of insured locations being in areas prone to flooding.

- Mr. Wolfe asked for questions, no questions.
- The Loss Control Report was received and filed, a copy is attached and made part of the record.

Privacy Report

- Ashley Summitt was called to present the Privacy Report by Chairman Price.
- Ms. Summitt reported on the Privacy Management Team meeting, which was held virtually on November 9, 2021. This meeting featured a presentation by Adam Poe of Pullen, Fowler, Flanagan, Brown & Poe, PLLC. The presentation was the annual update of the 2021 HIPAA Preemption Analysis conducted by the firm. Thirty-one attendees from nineteen agencies participated. The new form of the Post Incident Response Assessment (PIRA) was introduced.

- Ms. Summitt reported on the Privacy Management Team meeting held virtually on September 14, 2021. A presentation by Brian Freedman, from Security Risk Solutions, Inc working with the State on a Security Risk Assessment program which will be available to agencies in the Executive Branch. There were 35 members in attendance.
- Ms. Summitt reported on Privacy Trainings. During the fourth quarter of 2021, 0 members of the Executive Branch workforce took the online course *Think WV Privacy*; 575 members took the online course *WV Confidentiality Agreement*; and 598 members took the online course *HIPAA/HITECH*.
- Discussion regarding the training events held by the SPO since the last board meeting. On September 30,m 2021, members of the Privacy Office presented to the Association of Governmental Accountants (AGA) a presentation entitled WV Privacy Program. The program was meant to educate AGA members about what PII (personally identifiable information) is and how to report an incident. Approximately 20 people were in attendance.
- December 1 3, 2021, the Chief Privacy Officer attended the NASCIO (National Association of State Chief Information Officers) Chief Privacy Officer conference in Lexington, KY. This was the first time that NASCIO had convened a CPO meeting as a resource for state CPOs. During this conference, the Chief Privacy Officer presented the History of BRIM and the current status of West Virginia's cyber insurance.
- Due to the CPO attending the NASCIO Chief Privacy Officer conference, the West Virginia State Privacy Office was contacted by Utah State Privacy Office for guidance and help in setting up their new privacy program. Privacy staff provided multiple meetings and presentations with the Utah CPO, including new departmental privacy officer (DPO) orientation training.
- On December 17, 2021, three new departmental privacy officers (DPO) received their new privacy officer orientation training.
- Ms. Summitt explained Privacy impact Assessment (PIA) which is a tool used to assess the privacy impact and risks to the personally identifiable information (PII) stored, used and exchanged by information systems. A PIA evaluates privacy implications when information systems are created, when existing systems are significantly modified, or new technology is purchased.
- Since September 21, 2021, nine (9) PIAs have been completed and submitted.

- State Privacy Office had reformatted the Privacy Incident Response Assessment (PIRA) due to conflicts with Google. While the reformatting was underway, the PIRA was constructed to combine the information required for the ROHA (Risk of Harm Assessment) for Non-HIPPA covered agencies) and ROCA (Risk of Compromise Assessment for HIPAA covered entities), eliminating the need for separate documents. This allows for a more simplified submission process for privacy officers, post incident.
- The Administrative Assistant for the State Privacy Office has submitted her notice to terminate employment. The Privacy Office will begin to interview candidates for this position.
- Privacy Report was received and filed, a copy is attached and made part of the record.

UNFINISHED BUSINESS

NEW BUSINESS

ADJOURNMENT

- Member Leah Cooper moved to adjourn meeting. The motion was seconded by Member Ed Magee.
- Being no discussion, a vote took place and the MOTION ADOPTED.

Board Chairman

Date

ldm

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT

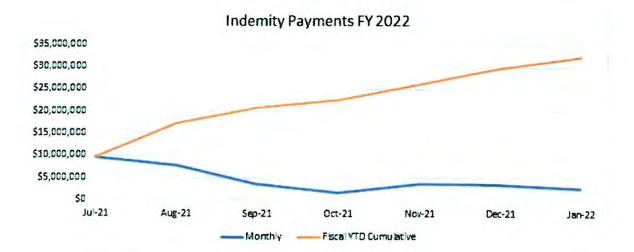


Mark D. Scott Cabinet Secretary

Mary Jane Pickens Executive Director Deputy Cabinet Secretary

Executive Director's Report March 15, 2022

- A. Marshall University and West Virginia University Medical Malpractice Program
- As of March 8, 2022, Marshall has deposited \$2,225,000.00 into the escrow account for FY 2022. The fiscal year-to-date cumulative interest totals \$561.69. Disbursements totaling \$3,450,146.37 have been paid thus far in FY 2022.
- As of March 8, 2022, a total of \$3,355,454.88 has been deposited into WVU's escrow account for FY 2022. The fiscal year-to-date cumulative interest totals \$1,445.66. Disbursements totaling \$3,356,947.92 have been paid thus far in FY 2022.
- B. State Agency/Senate Bill #3 Liability Claim & Litigation Information





Claim Count FY 2022



TRIALS

We have tried no cases to verdict yet in 2022.

PAID CLAIMS (February 2022 Data)

February 2022 Indemnity payments total \$985,748 vs February 2021 payments of \$1,917,976 a decrease of 48.6%.

February 2022 Legal payments total \$1,452,521 vs. February 2021 Legal payments of \$1,103,918, an increase of 31.6%.

OUTSTANDING CLAIMS (February 2022 Data)

February 2022 Indemnity reserves total \$85,389,006 vs. February 2021 Indemnity reserves of \$61,552,950 an increase of 38.7%.

February 2022 Expense reserves total \$30,090,870 vs. February 2021 Expense reserves of \$26,674,023, an increase of 12.8%.

CLAIMS COUNTS (February 2022 Data)

February 2022 New claims of 339 vs. February 2021 of 320, an increase of 5.9 %. February 2022 Closed claims of 336 vs. February 2021 of 282, an increase of 19.1%. February 2022 Open claims of 1047 vs. February 2021 of 985, an increase of 6.3%.

DURATION - CLOSED CLAIMS (February 2022 Data)

February 2022 Duration of 99.622 Days vs. February 2021 Duration of 104.273 Days, a decrease of 4.5%.

CLOSING RATIO (February 2022 Data)

February 2022 Closing Ratio of 99.1% vs. February 2021 Closing Ratio of 88.1%, an increase of 12.5%.

- C. Patient Injury Compensation Fund (PICF) Final pro-rata payments to claimants were made in August, 2021. The WV State Auditor has agreed that BRIM has authority to process refunds of excess assessments received into the fund i.e., those assessments received after the liability of the fund was fully funded and the requirements to send in assessments were terminated by statute. At the January Board meeting I discussed the possibility of seeking introduction of a bill authorizing BRIM to make these refunds but with the agreement of the Auditor it no longer seemed necessary. We have worked with the medical licensing boards and a representative of the Circuit Clerks on the processes around these refunds, and last week we submitted our first refund request to the Auditor. All refunds must be accomplished by June 30, 2022. We are also working with the Supreme Court on notice to the Clerks to stop making deposits into the fund.
- D. Legislative Session -- The regular 2022 Legislative session ended Saturday night at midnight. There were no bills that directly affected the operations of BRIM as an agency. There were some bills that could affect how lawsuits against the state are initiated and that relate to claims arising from treatment of children in special needs classes, in addition to other bills that affect various areas around education.
- E. Discussions on Reinsurance/Stop Loss Coverage -- We have continued to discuss this topic, most recently last week. We are seeking input from various sources and looking at different ways to transfer some risk. One discussion was particularly productive and we hope to see some templates or concepts that have been used in other states that are facing the same headwinds in the market. We will continue to work on this over the coming weeks and will continue to update the Board as our thoughts on options begin to come together.

F. Contract Updates -- The contract for property appraisal services was awarded to CBIZ in early November, 2021. CBIZ has begun scheduling and conducting appraisals over the past few weeks. They are in the process of getting access for Melody Duke to the system to review reports and data.

In Loss Control, the property inspection RFP has gone out and bids are due on March 25, 2022. We are currently working with USI on quotes for boiler and machinery insurance and inspection services, and anticipate receiving these by April 14.

We have drafted an RFP for Claim Audit services with the goal to have a contract in place by July 1, 2022.

G. Risk Management Information System Update – Melody Duke continues to work diligently with AssetWorks and Aon to ensure that the data used by the actuaries is accurately represented in the new eRims system and any changes to how the data is represented is fully understood. Much progress has been made.

We continue to move toward reliance on the new system for our Underwriting section in the next few months, and we've made good progress with use of the system by Loss Control.

- H. Records Management At the January meeting I reported that we have retrieved all of our paper records from Iron Mountain, the current vendor providing record storage for the state. The project is complete for all claims files. The number of Underwriting boxes handled so far is 113 out of approximately 250. No Finance or Executive Section boxes have been reviewed at this point. The Board will recall that Loss Control file boxes were handled early in the project.
- I. Upcoming Board Meeting schedule for 2022:

Tuesday, June 28, 2022 @ 1pm Tuesday, September 27, 2022 @ 1pm Tuesday, December 20, 2022 @ 1pm

Very truly yours,

Mary Jane Pickens Executive Director

MJP/ldm



Mark D. Scott Cabinet Secretary

Mary Jane Pickens Executive Director Deputy Cabinet Secretary MaryJane.Pickens@wv.gov

Chief Financial Officer's Report March 15, 2022

A. P Card Report

CD copies contain the supporting detail for P card purchases for the months of November and December 2021 and January 2022. These totals are:

November	\$52,135.16
December	\$51,034.07
January	\$53,284.70

B. Current Financial Results

- The financial results presented are for the seven months ending January 31, 2022. The results reflect the actuarially estimated IBNR from AON's risk funding study as of December 31, 2021, plus an estimated additional accrual for January.
- Retained case reserves are \$27.4 million higher this year vs. the prior year and the current year actuarially estimated retained IBNR is also \$29.5 million higher than the prior year. The combined increase in retained case reserves and IBNR created the higher \$56.9 million retained unpaid when compared to last year. The recent adverse claims development is in the Senate Bill 3 program (SB3) and is the driver for the large increases in both the retained case and IBNR estimates thru January.
- Premium revenue is up by \$3.1 million for FY'22. The increase for FY'22 reflects the increase in the actuarially estimated loss pics for FY'22 included in the current year premiums.
- Although net claims payments are slightly smaller for the current year these were offset by a similar overall increase in property claims losses of \$5.0 million. The significant increase in general liability retained unpaid resulted in the increase in claims and claims adjustment expenses of \$52.4 million for the first seven months of FY'22 when compared to FY'21.
- Equity market gains were \$0.5 million for the first seven months of the fiscal year and fixed income losses were (\$5.8) million with a total combined investment loss of (\$5.3) million versus last fiscal year's investment returns of \$18.8 million. This is a negative year over year swing of \$24.1 million.
- Much higher claims expense, negative investment returns and a small increase in premium revenue for FYTD'22 resulted in the large decrease in net position of \$56.4 million vs. an improvement in BRIM's net position by \$17.0 million for FYTD'21. The overall impact is a year over year negative swing in results of \$73.4 million.

C. Financial Markets

- Although the major U.S. stock indexes were flat to slightly positive for the seven months through January 31st, the indexes in early March dropped 10% - 20% from their recent highs set in January. A reduction of 10% or more in the equity markets is considered a market correction. A reduction of 20% or more is considered a bear market.
- The recent inflation numbers and the Ukrainian crisis has made investors very skittish about the risk in the equity markets. Inflation reached a 7.9% annual rate in February, as rising energy, food, and services prices pushed consumer prices to their highest level in 40 years. More recently, with the Ukraine crisis, crude oil prices in March have hit their highest levels since 2008.
- In the first week of March Federal Reserve Chairman Powell reported in his semi-annual hearing to the Senate Banking Committee that the central bank will raise rates by 25 basis points at the Fed's meeting today and tomorrow (March 15-16). The consensus is that the Fed will raise the rate an additional 5 to 6 times before the end of 2022.
- The 10-year Treasury recently has been trading around a 2.0% yield. The 2-year Treasury yield has backed up to around 1.75%. This has created just a 25 basis point spread between the 2 year and the 10-year Treasury bond yields. This spread was roughly 5 times greater just a year ago (March of 2021). The recent increase in shorter term rates has significantly flattened the yield curve, moving it closer to a potential inverted yield curve. Historically, a sustained inverted yield curve has been a leading indicator of a U.S. recession.
- With a relatively short duration (about 3.7 yrs.) for fixed income holdings in the trust and the recent backup in short term rates, the market values for BRIM's fixed income holdings have declined. Near-term fixed income returns should approach 1.5 to 2.5% as trust funds will be reinvested near this rate range.
- The current interest rate environment together with uncertainty in the stock market will tend to limit the overall returns of BRIM's investments thru the end of the current fiscal year.

Respectfully submitted,

man

Stephen W. Schumacher, CPA Chief Financial Officer

Statements of Net Position

For the Seven Months Ended January 31st

	2	022	2021
Assets		(In Thousar	ıds)
Current assets:			
Cash and cash equivalents	\$	19,602 \$	20,71
Advance deposits with insurance company and trustee	Ψ	250,405	244,330
Receivabales		3,163	6,978
Prepaid insurance		2,183	1,83
Restricted cash and cash equivalents		12,682	23,112
Premiums due from other entities		1,185	1,134
Total current assets		289,220	298,10
Noncurrent assets:			
Equity position in internal investments pools		123,248	116,811
Restricted investments		71,176	67,458
Total noncurrent assets		194,424	184,269
Total assets		483,644	482,376
Deferred Outflows of Resources - Pension		438	215
Deferred Outflows of Resources - Other post-employment benefits		115	84
Liabilities			
Current liabilities:			
Estimated unpaid claims and claims adjustment expense		61,326	69,336
Unearned premiums		16,293	17,384
Agent commissions payable		772	794
Claims Payable		1	
Accrued expenses and other liabilities	-	2,487	2,783
Total current liabilities		80,878	90,297
Estimated supplied alaims and alaims adjusted as a second		101 700	
Estimated unpaid claims and claims adjustment expense net of current portion Compensated absences		181,783	116,870
Net pension liability		172	150
Total noncurrent liabilities		533	214
Total liabilities		182,488 263,366	117,234 207,531
	1	200,000	207,551
Deferred Inflows of Resources - Pension		35	145
Deferred Inflows of Resources - Other post-employment benefits		351	171
Net position			
Restricted by State code for mine subsidence coverage		80,155	78,617
Unrestricted		196,713	179,166
Net Assets (Deficiency)		(56,424)	17,045
Net position	\$	220,444 \$	

Unaudited

West Virginia Board of Risk and Insurance Management

Statements of Revenues, Expenses, and Changes in Net Position

For the Seven Months Ended January 31st

	2022	2021	
	(In Thousands)		
Operating revenues			
Premiums	\$ 49,689	\$ 46,589	
Less coverage/reinsurance programs	(2,575)	(2,607)	
Net operating revenues	 47,114	43,982	
Operating expenses			
Claims and claims adjustment expense	95,254	42,876	
General and administrative	2,958	2,864	
Total operating expenses	98,212	45,741	
Operating income (loss)	(51,098)	(1,759)	
Nonoperating revenues			
Investment income	(5,326)	18,804	
Net nonoperating revenues	(5,326)	18,804	
Changes in net position	(56,424)	17,045	
Total net position, beginning of year	276,868	257,782	
Total net position, end of period	\$ 220,444 \$	274,827	
Unaudited			

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Mark D. Scott Cabinet Secretary

Mary Jane Pickens Executive Director Deputy Cabinet Secretary

Loss Control Report to the Board March 2022

Senate Bill #3 loss control questionnaires were due on January 1, 2022. Since that time, we have been evaluating those questionnaires to apply credits or surcharges based on insured participation in our Standards of Participation program. We hope to complete the evaluation process during the month of March.

In addition to our routine loss control consultation services, this spring and summer, we will concentrate our services towards assisting County Boards of Education with meeting our cyber/information security and privacy standards from the Standards of Participation program, as well as entities who are leading producers of automobile claims. We are hopeful these visits will provide an opportunity for us to give advice and offer resources to help these insured develop specific strategies and methods to control and/or avoid insurable claims related to these exposures.

We are continuing our partnership with the West Virginia Public Service Commission by contributing risk management news articles for inclusion in their quarterly newsletter, "The Pipeline". This newsletter is distributed to public utility organizations and public service districts throughout the state.

We have issued a Request for Proposals (RFP) for insurance loss prevention and loss control inspection services and we will also be receiving bids for our boiler and air conditioning systems insurance and loss prevention inspection services this spring.

During the months of January and February Aon conducted 221 inspections and Liberty conducted 502. The reports are being processed according to established procedures.

As is the case each year, the number of loss control visits is markedly reduced during the period in which we evaluate loss control questionnaire submissions, limited visits have occurred during this reporting period. Since my last report, our loss control technical staff reports the following activity:

2 Loss Control Visits

These are standard loss control visits which focus on all coverage areas and which result in information and/or loss control recommendations being provided.

Insured Accounts Visited Include: West Virginia Division of Highways and City of Fairmont Sewer/Water Board.

Dated: March 9, 2022

Respectfully submitted,

Jeremy C. Wolfe Risk & Insurance Manager

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Mark D. Scott Cabinet Secretary

Mary Jane Pickens Executive Director Deputy Cabinet Secretary

Chief Privacy Officer's Report March 15, 2022

Management Team Meetings

- On January 25, 2022, the State Privacy Office had its annual celebration of International Data Privacy Day (January 28th) held virtually with 37 Privacy Management Team members attending. Presentations were made by Erica Connick and Tom Owens of A. J. Gallagher (BRIM Privacy Day) and Josh Spence, West Virginia Chief Information Officer (WVOT Data Protection). The main presentation, by Bob Siegel and Lizzy Hill, of Privacy Ref, Inc. was entitled "Privacy Incident Management" and was a practical application of incident response plans through small groups in break-out rooms.
- The next meeting of the Privacy Management Team will be held virtually March 22, 2022.

B. Privacy Training

- During the First Quarter of 2022, 0 members of the Executive Branch workforce completed the online course *Think WV Privacy*, which is a general privacy awareness training course. This training is being replaced as a result of an RFP.
- During the First Quarter of 2022, 191 members of the Executive Branch workforce completed the online course *WV Confidentiality Agreement*, which is required of all workforce members.
- During the First Quarter of 2022, 95 members of the Executive Branch workforce completed the online course *HIPAA/HITECH*, which is a general HIPAA training course and a new *HIPAA Refresh Training (2021)* which PEIA has requested.
- The Privacy Office is very excited to finally be able to demonstrate our new customized general privacy training, entitled *Privacy Awareness*, at the March 22nd Privacy Management Team. This online training, also with a new security training from the Cybersecurity Office will be rolled out together for all state employees in the Executive Branch.

The following training events were held by the SPO since the last board meeting:

- On February 25, 2022, three new departmental privacy officers (DPOs) received their new privacy officer orientation training.
- On March 1, 2022, thirteen departmental and agency privacy officers (DPOs and APOs) received their new privacy officer orientation training.

C. Privacy Impact Assessments/ Privacy Incident Response Assessments

- A privacy impact assessment (PIA) is a tool used to assess the privacy impact and risks to the personally identifiable information (PII) stored, used, and exchanged by information systems. A PIA evaluates privacy implications when information systems are created, when existing systems are significantly modified, or new technology is purchased.
- Since January 15, 2022,) five (5) PIAs have been completed and submitted.
- At this point, PIA completion is not mandatory for agencies, but the Purchasing Division is requiring that agencies purchasing a technology/software product speak with the Privacy Office regarding the need for a Privacy Impact Assessment.
- The State Privacy Office had reformatted the Privacy Incident Response Assessment (PIRA) due to conflicts within the Google environment. While the reformatting was taking place, the PIRA was constructed to combine the information required for the ROHA (Risk of Harm Assessment for Non-HIPAA covered agencies) and ROCA (Risk of Compromise Assessment for HIPAA covered entities), eliminating the need for separate documents. This allows for a more simplified and easier submission process for privacy officers, post incident.

D. Privacy Office Personnel

• The State Privacy Office has hired a new Administrative Assistant and will begin her training approximately March 14th. The new hire is a current BRIM employee who is accepting this promotion.

Very truly yours,

Ashley Summitt

Ashley Summitt, JD Chief Privacy Officer WV Executive Branch

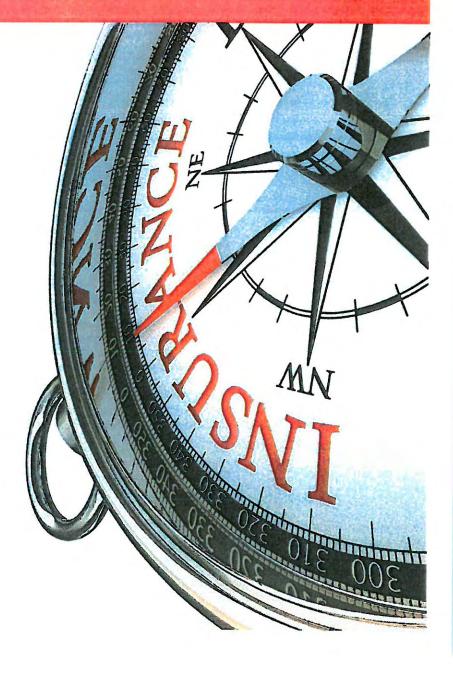
Board of Risk and Insurance Management State of West Virginia

Actuarial Discussion

Presented March 15, 2022



Risk Funding Study As of 6/30/2021



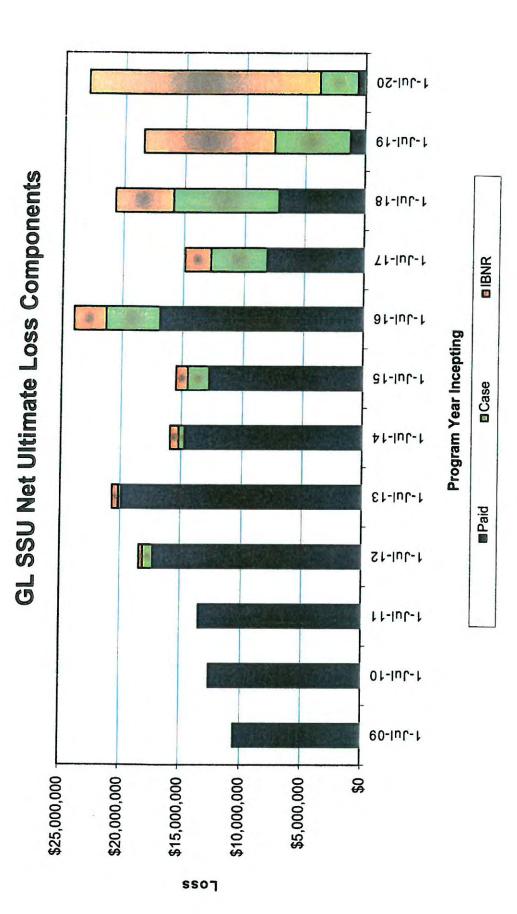
AON

- Programs
- State Spending Units (SSU)
- Senate Bill 3 Entities (SB3)
- Coverages Evaluated
- o Automobile
- General Liability
 - o Property
- o Medical Malpractice
- Mine Subsidence (standalone program separate from SSU and SB3)
- Estimated unpaid losses on an unlimited and retained basis as of 6/30/21
- 7/1/22-23 ultimate retained loss forecast used in subsequent rating analyses Projected program year 7/1/21-22 and 7/1/22-23 ultimate retained losses
- Projected retained losses expected to be reported from 7/1/21-22
- Projected retained losses expected to be paid from 7/1/21-22
- Determination if a premium deficiency exists for any program/coverage

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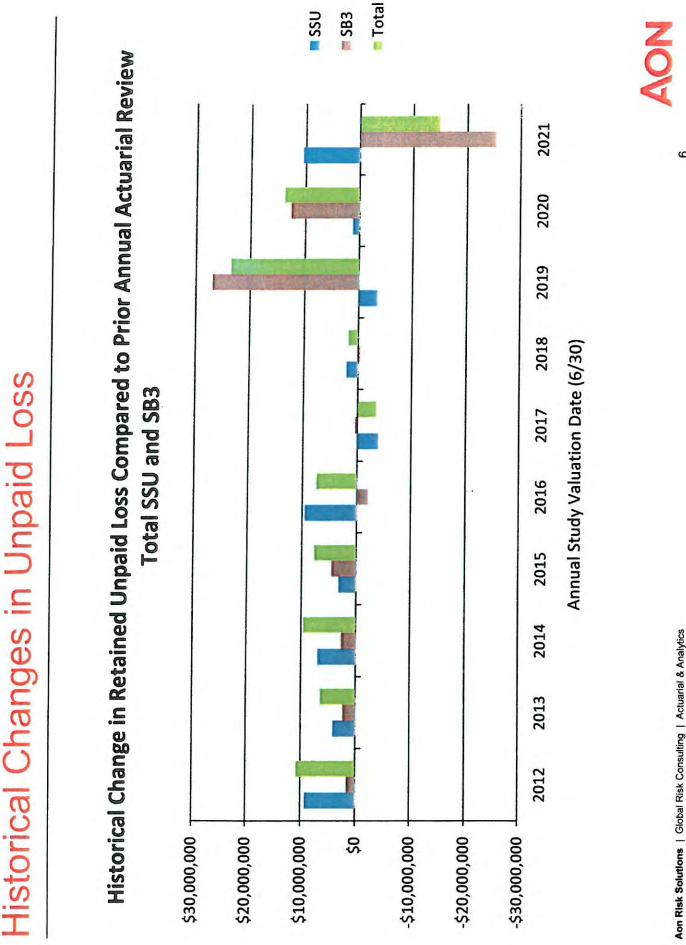
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 6/30/21 Retained Unpaid Loss Estimates - Definitions unpaid Loss = Ultimate Loss - Paid Loss Paid loss is included in data provided to actuary Ditimate losses are actuarially determined through several projection methods Equivalently: Unpaid Loss = Case Reserves + IBNR Eduvalently: Unpaid Loss = Case Reserves + IBNR Eduvalently: Unpaid Loss = Case Reserves + IBNR BNR is actuarially determined IBNR is actuarially determined IPNR is actuarially determined IPNR is actuarially determined IPNR is actuarially determined



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 SSU medical malpractice increased \$4.0 million Several newly reported claims of \$1 million each, coupled with low level of loss payments between 7/1/20-6/30/21
 SSU general liability increased \$4.9 million Due to low level of loss payments between 7/1/20-6/30/21
 SB3 general liability decreased \$25.2 million 27 claims related to alleged abuse at a particular insured were settled/paid/closed in December 2020
Estimated unpaid loss decreased \$15.0 million (-7.4%) from 6/30/2020



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Policy Inception	Change in Auto SSU Ult	Change in Change in Auto SSU Ult Auto SB3 Ult	Change in GL SSU Ult	Change in GL SB3 Ult	Change in Prop SSU Ult	Change in Change in Change in Prop SSU Ult Prop SB3 Ult MM SSU Ult		Change in MM SB3 Ult	Change in MS Ult	Total SSU Change	Total SB3 Change	Overall Tota Change
7/1/2007 & Prior	0	0	c	(470 500)	(25,000)	1 533	c	c	1000 001			
7/1/2008	0	0	(10.000)			1) 1	• •		(000,04)	(10,000)	(1/6,9//)	19,533,97
7/1/2009	0	0	93,000	(108,788)	0 0	0 0	• •		ט ופ חבכו	(1000,01)	100 7001	(10,00)
7/1/2010	0	0	0	(40,300)	0	0	0	0 0	(000'02)	000,65	(00/'001)	(60 200
7/1/2011	0	944	369,389	(193,188)	0	(19,829)	0	0	0	369.389	(212 073)	157 21
7/1/2012	0	0	(140,000)	(1,144,194)	0	0	(212,200)	0	(10,608)	(352.200)	(1.144.194)	11 507 00
7/1/2013	0	0	(440,000)	274,506	0	34,461	(113,822)	0	0	(553.822)	308.967	IDAA REI
7/1/2014	0	(1,791)	(740,000)	(253,510)	1,000	(606'2)	(118,000)	108	(13,823)	(857,000)	(263.102)	129.521.1)
7/1/2015	3,788	(59,211)	130,000	203,658	(14,148)	(12,998)	(470,000)	0	(090'6)	(350.359)	131.449	179 700
7/1/2016	(30,000)	(172,607)	510,000	655,088	(25,577)	(121,041)	(350,000)	(2,800)	61,758	104.423	353.640	519.82
7/1/2017	210,000	(143,123)	(650,000)	(913,140)	(5,503)	(124,225)	(1,935,000)	(197,799)	214,663	(2.380.503)	(1.378.287)	(3.544.17)
7/1/2018	(460,000)	423,033	900,000	632,695	(306,777)	110,781	1,965,000	263,940	(82,088)	2.098.223	1.430.449	3.446.58
7/1/2019	(1,000,000)	(576,000)	(3,100,000)	(1,824,000)	106,000	(271,300)	1,460,000	(175,500)	(517,400)	(2,534,000)	(2.846.800)	(5.898.20
7/1/2020	(204,274)	(1,381,668)	(208,943)	1,673,412	1,193,312	272,911	134,729	426,628	(179,296)	914,823	991,283	1,726,81
Total	(1,480,486)	(1.910.424)	(3.286.553)	(1.508.260)	923.308	(137 627)	360 707	309 578		(3 483 075)	(CCT 34C C)	99 FCC E1
Total Excl Latest	(1,276,212)	(528,756)	(3,077,611)	(3,181,672)			225.978	(117.050)	(477 613)	(878 20E V)	1001/012/01	DO'TCC'/)

Some of the favorable loss emergence may be attributable to the stay-at-home orders and court closures during the height of the COVID-19 pandemic. .

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ate losses e reduced (reases the 6/30/21 ri 9.1 million nate loss r	losses for prior policy years are negative, then the duced (conversely, positive changes to prior policy year ses the incurred losses) 0/21 risk funding study, prior policy year ultimate losses million
	30/21 risk funding study, prior policy year ultimate losses million
SOU and SB3	e ioss requctions split approximately equally between

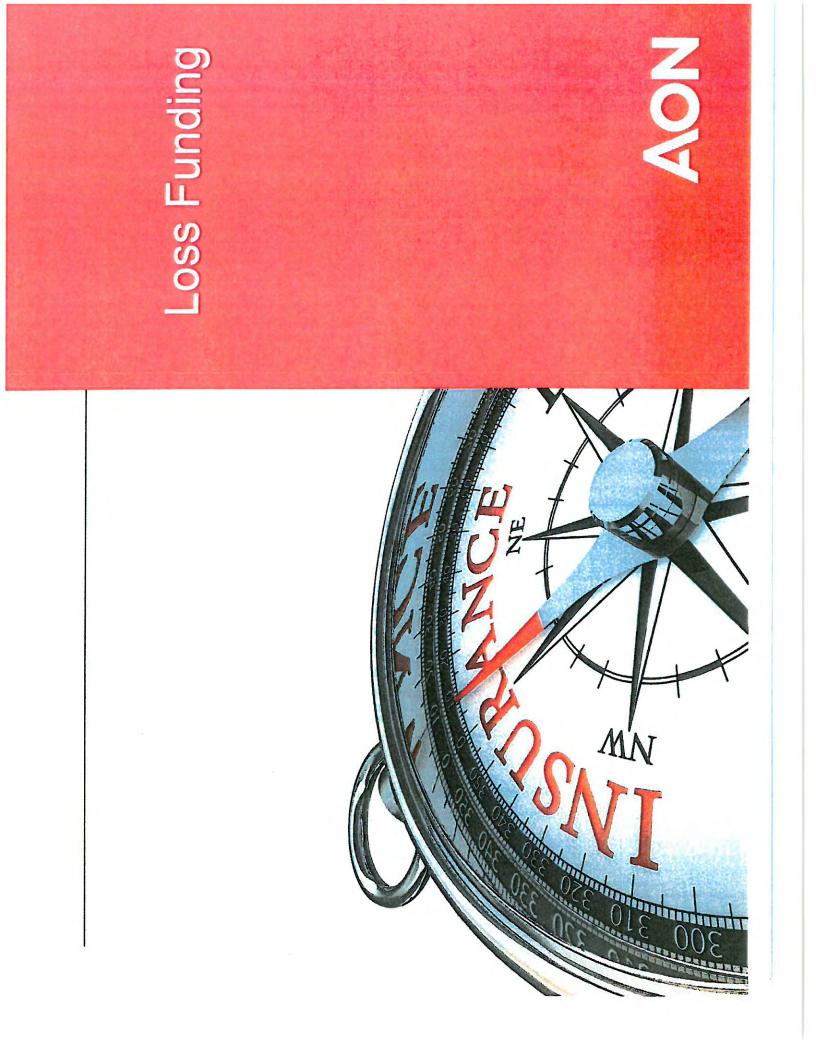
June 30, 2021 Risk Funding Study - Financial Impact

Coverage	Program	6/30/20 Retained Unpaid Losses	Paid in Period 7/1/20 - 6/30/21	Accrued in Period 7/1/20 - 6/30/21	Rollforward 6/30/21 Retained Unpaid Losses	Actual 6/30/21 Retained Unpaid Losses	Actuarial Adjustment Between 6/30/20 and 6/30/21 Reviews	Change in Unpaid Between 6/30/20 and 6/30/21 Reviews
Automobile Automobile	SSU SB3	8,133,608 12,983,012	5,496,663 7 478 477	7,604,274	10,241,219	8,760,733	(1,480,486)	627,126
Automobile	Total	21,116,619	12,975,135	16,035,263	24,176,747	20,785,837	(1,310,424) (3.390.910)	(206,126)
General Liability	SSU	67,900,891	15,272,727	23,458,943	76,087,107	72,800,553	(3,286,553)	4,899,663
General Liability	SB3	81,409,198	40,874,558	17,211,525	57,746,165	56,237,906	(1,508,260)	(25,171,292)
General Liability	Total	149,310,089	56,147,284	40,670,468	133,833,272	129,038,459	(4,794,813)	(20,271,630)
Property	SSU	2,389,465	2,878,954	2,832,388	2,342,900	3,266,208	923.308	876.743
Property	SB3	2,058,679	3,085,086	3,261,089	2,234,683	2,097,055	(137,627)	38,376
Property	Total	4,448,144	5,964,039	6,093,477	4,577,582	5,363,263	785,681	915,119
Medical Malpractice	SSU	25,106,002	5,122,497	8,795,271	28,778,777	29,139,484	360,707	4.033.482
Medical Malpractice	SB3	1,314,070	94,720	556,224	1,775,574	2,085,152	309,578	771,083
Medical Malpractice	Total	26,420,072	5,217,216	9,351,496	30,554,351	31,224,636	670,284	4,804,564
			A STATE OF					
Mine Subsidence		1,403,329	681,218	1,124,546	1,846,657	1,244,748	(601,908)	(158,580)
Subtotal SSU	SSU	103,529,966	28,770,839	42,690,877	117,450,003	113,966,978	(3,483,025)	10,437,012
Subtotal SB3	SB3	97,764,958	51,532,835	29,459,827	75,691,950	72,445,217	(3,246,733)	(25,319,741)
Grand Total		202.698.253	80 984 893	73 775 749	104 000 600	107 CEC 042	17 774 6661	141 141 141

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Comparison of Premium and Ultimate Losses

			Difference	1 021 001	4,404,080	1,583,580	2,093,658	1.493.178	15,915,380	8.030 466	20,003,030	17 268 823	21 396 177	16 716 190	12 485 752	11 365 252	6.600.805	(5.843 271)	(6.752 900)	(6.977.856)	1.613.418	(766,001)	6.810.460	6,618.730	1.127.154	9.307.974	772,445	145,798,239
SB3	Projected	Ultimate	Retained Loss	18 136 005	000'001'01	21,093,705	18,857,867	25,031,743	21,928,315	27.762.879	21.265.938	23,651,414	18.084.536	18,135,966	16.416.039	16.524.044	18.632.184	29.612.888	26.059.465	29,632,639	22,167,213	25,605,799	20,494.671	22,685,084	30,153,949	21.359.700	30,008,940	523,301,073
		Charged	Premium	23 070 990	200,077,000	C87'110'77	20,951,525	26,524,921	37,843,695	35,793,345	41,269,868	40.920.237	39,480,713	34.852.156	28,901,791	27,889,296	25,232,989	23,769,617	19,306,565	22,654,784	23,780,631	24,839,798	27,305,131	29,303,814	31,281,103	30,667,674	30,781,385	669,099,312
			Difference	(3.270,630)	10 1 20 2001	(067.001.0)	696,630	6,148,998	19,535,330	15,919,103	23,665,511	22,328,941	18,681,585	13,457,599	7,400,721	7,158,598	2,341,514	(3,330,869)	(3,219,390)	(4,271,441)	4,512,201	10,443,420	4,165,528	15,189,336	9,903,838	9,743,801	4,528,085	173,570,120
SSU	Projected	Ultimate	Retained Loss	24.797.499	CAC 141 0C	10 000 010	19,322,348	20,981,325	16,646,030	20,092,315	23,050,488	17,656,836	20,409,584	22,801,063	24,194,916	21,098,472	22,897,724	28,626,883	28,865,190	31,527,239	27,606,411	27,095,768	37,143,106	30,336,372	37,809,223	37,928,000	43,355,700	613,383,734
		Charged	Premium	21,526,869	20 982 952	20,202,002	20,010,978	27,130,323	36,181,360	36,011,418	46,715,999	39,985,777	39,091,169	36,258,662	31,595,637	28,257,070	25,239,238	25,296,014	25,645,800	27,255,798	32,118,612	37,539,189	41,308,635	45,525,708	47,713,061	47,671,801	47,883,785	786,953,854
			Occurrence Period	6/30/1999	6/30/2000	6/20/20019	1002/00/0	6/30/2002	6/30/2003	6/30/2004	6/30/2005	6/30/2006	6/30/2007	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	Total
			Occurren	7/1/1998	7/1/1999	0000/1/2			7/1/2002	7/1/2003	7/1/2004	7/1/2005	7/1/2006	7/1/2007	7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012	7/1/2013	7/1/2014	7/1/2015	7/1/2016	7/1/2017	7/1/2018	7/1/2019	7/1/2020	10

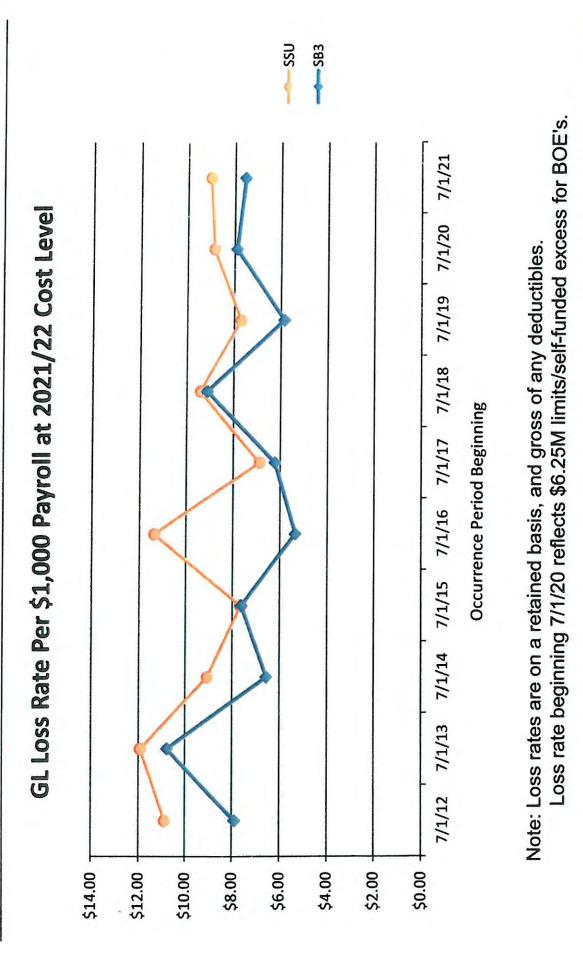
* SB3 premiums and losses for 7/1/20 and subsequent based on limits of \$6.25M BOE Limits/\$1M All Other for

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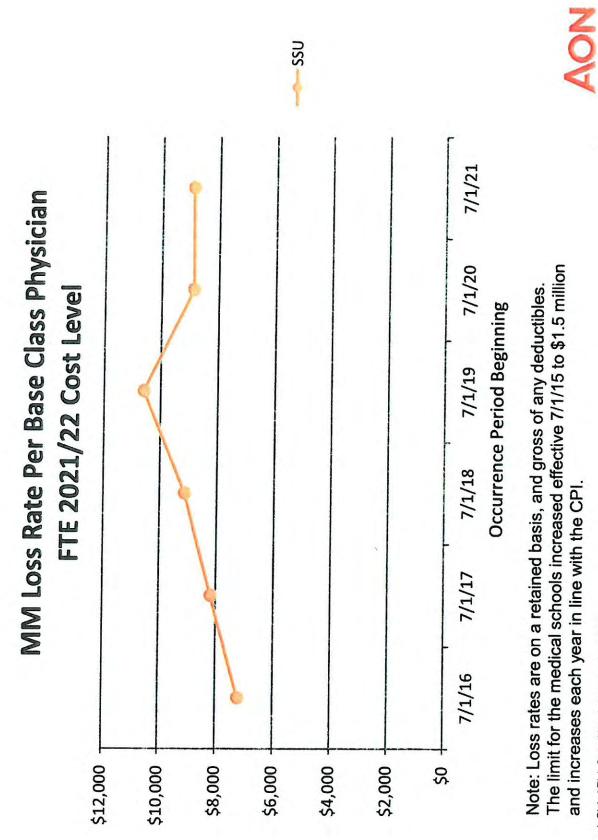




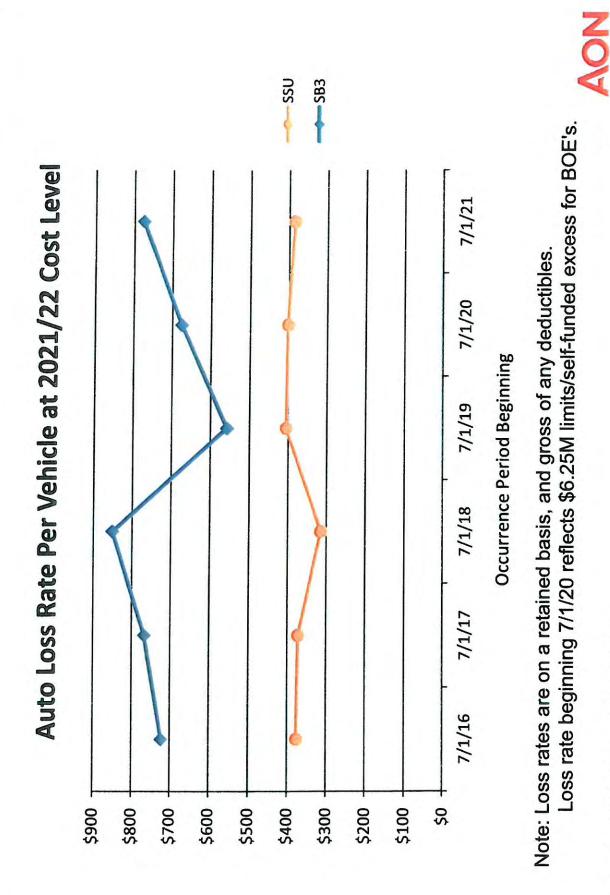
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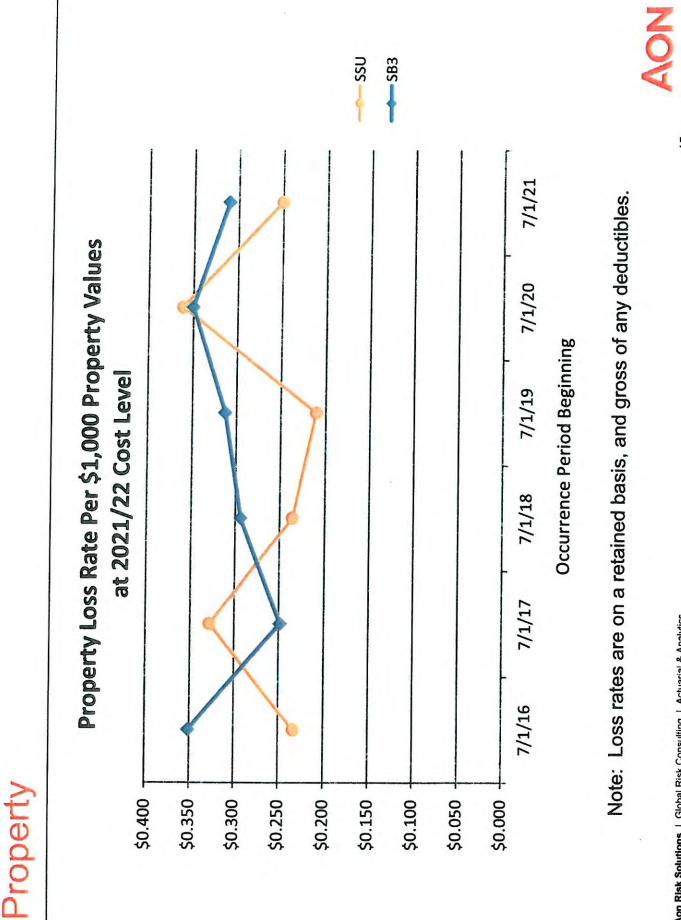
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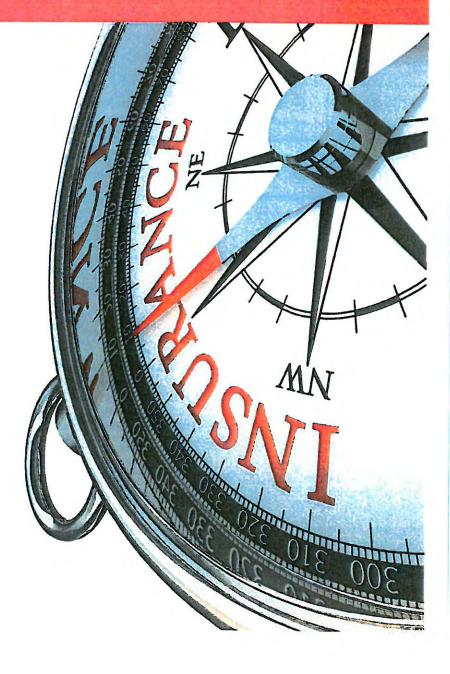








Interim Study as of 12/31/2021



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 Effective 7/1/21, the new risk management system has become the primary and only record of claim activity. Changes in the way data is presented The new risk management system is transaction-based The legacy system was a summary and snapshot-in-time system
property and mine subsidence claims.
 For general liability, auto, and medical malpractice, the reporting tool from the legacy system continued to be used while development continues in fine-tuning the new system.
Although there are differences in the claims data (in total and between segments/coverages) between the old and new systems (in particular for older closed pre-2000 claims), the data appears to be reasonable for estimating BRIM's outstanding liability and future ultimate losses

Unpaid loss estimates increased \$52 12/31/21	Unpaid loss estimates increased \$52.5 million (28%) between 6/30/21 and 12/31/21
 Increase driven by SB3 General Liability (\$47.5 million) 24 new claims alleging abuse at 3 particular insured locations Considerable uncertainty around the SB3 General Liability res newness and complexity of the claims 	rease driven by SB3 General Liability (\$47.5 million) 24 new claims alleging abuse at 3 particular insured locations Considerable uncertainty around the SB3 General Liability results given the newness and complexity of the claims
Increases as well to unpaid losses fo Property	Increases as well to unpaid losses for SSU Medical Malpractice and SSU/SB3 Property
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			COMPARISON OF	OF RETAINED UNP 12/31/2	IED UNPAID LOSS & ALAE (12/31/2021 vs. 6/30/2021	RETAINED UNPAID LOSS & ALAE (NET OF DEDUCTIBLES) 12/31/2021 vs. 6/30/2021	(ES)		
(1)	(2)	(8)	(4)	(2)	(9)	(2)	(8)	(6)	(01)
Line of Business	Entity	Retained Case Reserves at 12/31/2021	Retained IBNR at 12/31/2021	Retained IBNR at Retained Unpaid 12/31/2021 at 12/31/2021	Retained Case Reserves at 6/30/2021	Retained IBNR at Retained Unpaid 6/30/2021 at 6/30/2021		Change from 6/30/2021 to 12/31/20 in Retained Unpaid Loss Dollar Change Percent Change	021 to 12/31/20 Inpaid Loss Percent Changi
Automobile	SSU	3,293,584	5,304,498	8,598,082	3,529,881	5,230,852	8,760,733	(162,652)	11-
Automobile	SB3	4,990,323	6,840,956	11,831,279	5,455,418	6,569,686	12,025,104	(193,825)	11-
General Liability	SSU	26,012,530	44,469,805	70,482,335	30,703,629	42,096,924	72,800,553	(2,318,219)	-3.,
General Liability	SB3	45,881,765	57,897,433	103,779,198	24,035,540	32,202,366	56,237,906	47,541,292	84.,
Property	SSU	5,135,824	1,326,278	6,462,102	2,416,077	850,131	3,266,208	3,195,895	97.8
Property	SB3	2,558,477	1,344,224	3,902,701	1,300,120	796,935	2,097,055	1,805,646	86.:
Medical Malpractice	SSU	12,536,869	18,678,587	31,215,456	9,953,248	19,186,236	29,139,484	2,075,972	7.1
Medical Malpractice	SB3	1,276,743	889,589	2,166,332	1,204,883	880,269	2,085,152	81,180	
Mine Subsidence		931,445	754,074	1,685,519	360,000	884,748	1,244,748	440,771	35.4
Subtotal - SSU		46,978,807	69,779,168	116,757,975	46,602,835	67,364,143	113,966,978	2,790,996	2.4
Subtotal - SS3		54,707,308	66,972,202	121,679,510	31,995,961	40,449,256	72,445,217	49,234,293	68.(
Subtotal - SSU + SB3		101,686,115	136,751,370	238,437,484	78,598,796	107,813,399	186,412,195	52,025,289	27.5
Total		102,617,560	137,505,444	240,123,004	78,958,796	108,698,147	187,656,943	52,466,060	28.(

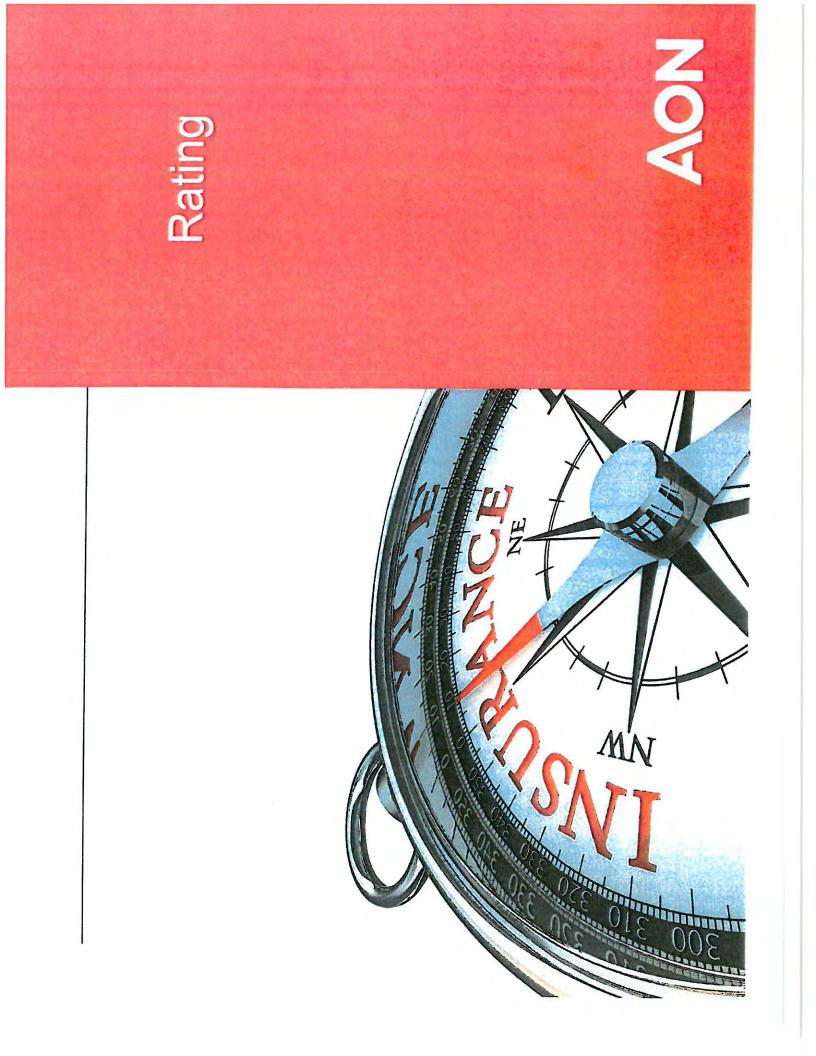
Notes

Effective 7/1/20, the coverage limits for SB3 BOE's increased to \$1.25M for liability claims. BRIM is also self-funding the \$5 million x \$1.25 million excess coverage layer for BOE's. Excess coverage layer for BOE's. The above values reflect BRIM's total retained unpaid loss (i.e. including self-funded SB3 BOE excess).

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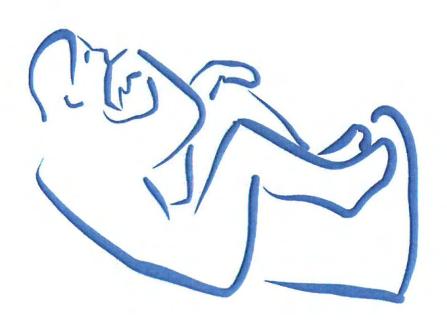


Medical Professional Liability Market Update
 Loss Activity Aon 2021 HPI /PPI henchmark robort of locate limited to #00000 in the data of in
 Claim frequency for hospital professional liability remains stable
 Claim severity, including defense costs, is growing at an annual rate of 3.0%
Large Loss Activity
 Manifesting across the country as evidenced by record verdicts and large settlements
 Propelled by a nationally networked, highly organized plaintiff's bar lead by a handful of law firms
 Resultant reluctance by defense to go to trial: fear of courtroom bias and dynamics
 Notable punitive damages awards
 "Social inflation" influence on outcomes
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Ś	 Rates increased approximately 12% for Q2 2021 renewals 	 Key challenges: opiods, abuse & molestation, communicable diseases 	 Average increase was +15% (adjusted for equivalent limits/attachments) More carriers seeking communicable disease exclusions 	 Wide range of rate increases for Q3 2021 renewals (+5% to +43%) 	Umbrella/Excess Casualty Market	 Exposure increases and economic recovery from pandemic are impacting both the primary and excess markets 	 Auto liability rate increases for Q2 2021 renewals ranged from +5% to +10% 	Primary Casualty Market	or Q2 2021 renewals from +5% to +10% lic are impacting both to +43%) imits/attachments) ble diseases ble diseases es	 Exposure increases and economic recovery from panden the primary and excess markets Umbrella/Excess Casualty Market Wide range of rate increases for Q3 2021 renewals (+5% Wide range of rate increases for Q3 2021 renewals (+5%) Average increase was +15% (adjusted for equivalent More carriers seeking communicable disease exclusions Key challenges: opiods, abuse & molestation, communica Property Market Property Market Driven by 2020 hurricane season and 2020/21 winter lost
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	tivity since	I recent	AON
	Currently working on the SSU and SB3 rating analyses for 2022/23 Updating the 2022/23 loss forecasts used in the rating calculations for loss activity since the 6/30/2021 study	Particular attention is being paid to SB3 GL given the higher retained limit and recent loss emergence	5
V	Currently working on the SSU and SB3 rating analyses for 2022/23 Updating the 2022/23 loss forecasts used in the rating calculations the 6/30/2021 study	gher retain	
Rating for BRIM	l analyses the rating c	iven the hi	
ating fc	SB3 rating ts used in t	SB3 GL g	
	SSU and ss forecast	ing paid to	
2022	ng on the 22/23 lo: tudy	ion is be	lition - Actuarial & .
Fiscal Year 2022/23	Currently working or Updating the 2022/2 the 6/30/2021 study	Particular attenti loss emergence	Aon Risk Solutions Global Risk Consultino Actuaria & Analytics
Fisca	 Currer Updat the 6/3 	 Particuloss el 	Aon Risk Solutions

Questions & Discussion



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STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT





Melody Duke Executive Director Melody.A.Duke@wv.gov

AGENDA BOARD MEETING OF THE WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT Tuesday, June 28. 2022 @ 1PM

Chairman Price

Chairman Price

Call to Order

School

Chairman Price

Roll Call

Approval of Board Minutes March 15, 2022 – Meeting April 19, 2022 – Special Meeting

John P. David Director

REPORTS

Melody Duke Executive Director

Stephen W. Panaro, CPA Chief Financial Officer

Jeremy C. Wolfe Loss Control Manager

Ashley E. Summitt Chief Privacy Officer **Executive Director's Report**

Southern Appalachian Labor

Financial Report PCard Report

Loss Control Report

Privacy Report

UNFINISHED BUSINESS

NEW BUSINESS

ADJOURNMENT

ldm

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Mark D. Scott Cabinet Secretary Mary Jane Pickens Executive Director Deputy Cabinet Secretary

DRAFT MINUTES OF THE MEETING WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT March 15, 2022 @ 1PM

(Meeting held in person & telephonically to practice social distancing guidelines for COVID-19 pandemic response)

BOARD MEMBERS	Joseph Price, Chairman Gordon Lane, Jr., Vice Chairman Edward Magee, Ed.D., CPA, Member Leah Cooper, Member Terry Rose, Member Allan L. McVey, Board Secretary, Ex-Officio Member Commissioner, WV Office of the Insurance Commissioner Tonya Gillespie, CPA, WV Office of the Insurance Commissioner
BRIM PERSONNEL:	Mary Jane Pickens, Executive Director Robert Fisher, Deputy Director/Claims Manager Melody Duke, Deputy Director/Underwriting Manager Stephen W. Schumacher, CPA, CFO Jeremy Wolfe, Risk & Insurance Manager Ashley Summitt, Chief Privacy Officer John Fernatt, Deputy Claims Manager Valerie Poindexter, Senior Claim Representative Stephen W. Panaro, CPA, Controller Lora Myers, Recording Secretary
BRIM PROGRAM REPRESENTATIVES:	Steve Fowler, Esq., BRIM Counsel Brenda Samples, USI Insurance Services, LLC Bob Ayers, USI Insurance Services, LLC
GUESTS:	Mark D, Scott, Secretary, Department of Administration Stacie Honaker, WVU Health Sciences Center Donna Hadrych, WVU Health Sciences Center Kelsey Knotts, WVU Risk Management Terry C. Pfeifer, Senior Consultant, Aon

CALL TO ORDER

- Chairman Price called the board meeting of the West Virginia Board of Risk and Insurance Management to order on Tuesday, March 15, 2022 @ 1:01PM. The meeting was held both in person and telephonically to practice social distancing guidelines for COVID-19 pandemic response.
- Chairman Price asked that all board members and participants sign the attendance sheets verifying their attendance.

APPROVAL OF MINUTES

- Chairman Price asked for a motion to approve the Minutes of the January 18, 2022, board meeting. Member Ed Magee moved the approval of the January 18, 2022, board meeting minutes. The motion was seconded by Member Leah Cooper.
- Being no discussion, a vote took place and the MOTION ADOPTED.

Executive Director's Report

- Chairman Price asked Ms. Pickens to present the Executive Director's Report.
- Ms. Pickens reviewed the Medical Malpractice Programs for both Marshall University and West Virginia. She also reported on the amount deposited into escrow; the cumulative interest totals and disbursements thus far in FY 2022 for each program.
- Ms. Pickens reviewed the State Agency/Senate Bill #3 Liability Claim and Litigation Information. No cases have been tried to verdict thus far in 2022. Ms. Pickens also reported regarding trials, paid claims, outstanding claims, claim counts, closed claims and closing ratio.
- The Patient Injury Compensation Fund (PICF) was reviewed. Ms. Pickens reported that the WV State Auditor has agreed that BRIM has authority to process refunds of excess assessments received into the fund, such as those assessments received after the liability of the fund was fully funded and the requirements to send in assessments were terminated by statute. During the previous board meeting there was discussion regarding the possibility of seeking introduction of a bill authorizing BRIM to make these refunds but with the agreement of the Auditor, it no longer is necessary. We have worked with the medical licensing boards and a representative of the Circuit Clerks on the processes concerning these refunds. Last week we submitted our first refund request to the Auditor. All refunds must be accomplished by June 30, 2022. We are working with the Supreme Court on notice to Clerks to stop depositing into the fund.

- Ms. Pickens reported on the 2022 Legislative session. There were no bills that directly affected BRIM operations. There were some bills that could affect how lawsuits against the state are initiated and relate to claims arising from treatment of special needs children, in addition to other bills that affect education in various areas.
- Discussions regarding re-insurance are still being held. BRIM is seeking input from various sources and looking at different ways to transfer some risk. There was one particularly productive discussion; we hope to see some templates that have been used by other states facing the same situations in the market. Mr. Rose expressed concern about the liability claims not the property claims. We will continue to update the Board regarding this topic.
- Updates were presented on various contracts. CBIZ was awarded the contract for property appraisal services in early November 2021. CBIZ has started scheduling and conducting appraisals over the past few weeks. They are working with Melody Duke to gain access to the system to review data and reporting. The property inspection RFP in Loss Control has gone out and bids are due om March 25, 2022. Currently, we are working with USI on quotes for boiler and machinery insurance and inspection services, we anticipate receiving these quotes no later than April 14. A Claim Audit Services RFP has been drafted with a goal of having it in place by July 1, 2022.
- Regarding the Risk Management Information System, Melody Duke continues to work with AssetWorks and Aon to ensure that data used by the actuaries is represented accurately in the new system and any changes are fully understood. Progress continues as we move toward reliance on the new system for Underwriting in the upcoming months. Much progress has also been made with the use of the system by Loss Control.
- Ms. Pickens updated the board on our records management project. The project has been completed for all claims files. So far, 113 of approximately 250 Underwriting boxes have been handled. There have been no Finance or Executive boxes reviewed at this time.
- Ms. Pickens announced upcoming Board Meeting dates for 2022:

Tuesday, June 28, 2022 @ 1PM Tuesday, September 27, 2022 @ 1PM Tuesday, December 13, 2022 @ 1PM (Members requested a change in date to the December meeting, which was rescheduled for the prior week).

 The Executive Director's Report was received and filed, a copy is attached and made part of the record.

Executive Session

- Chairman Price requested a motion for the Board to go into Executive Session. Terry Rose moved to enter Executive Session. The motion was seconded by Vice Chairman Gordon Lane, Jr.
- Being no discussion, a vote took place and the MOTION ADOPTED.
- Executive Session ended and those participating returned to the Board meeting General Session.

Aon

- Chairman Price welcomed Terry Pfeifer, Senior Consultant, to present the Aon Risk Funding Study as of June 30, 2021.
- Mr. Pfeifer introduced himself and thanked the board for allowing him to join the meeting and make a presentation.
- Mr. Pfeifer made reference to the Aon Risk Funding Study As of June 30, 2021, a handout provided by Aon to be used during the presentation.
- Mr. Pfeifer's report included review of Retained Unpaid Loss Estimates, Historical Changes in Unpaid Loss, Retained Ultimate Loss Changes, Impact of Ultimate Loss Changes and Financial Impact.
- Additional reviews included Loss Funding, Comparison of Premium and Ultimate Losses, General Liability Medical Malpractices, Automobile, and Property.
- Mr. Pfeirfer also reported on Interim Study Data System Transition, Overview of Results, Rating, Medical Professional Liability Market Update, Property & Casualty Market Update and Fiscal Year 2022/2023 Rating for BRIM.
- Mr. Pfeifer asked for any questions concerning the presentation or the report, there were no questions.
- Mr. Pfeifer thanked the board for their hospitality and for the opportunity to meet with them.
- The Chairman thanked Mr. Pfeiger for his presentation.
- The Aon Risk Funding Study As of June 30, 2021 presentation was received, a copy is attached and made part of the record.

BRIM Financial Report

- Chairman Price called on Mr. Schumacher to present the Chief Financial Officer's Report.
- Mr. Schumacher discussed PCard activity for November 2021 January 2022.
- Mr. Schumacher reported on Current Financial Results. The results presented are for the seven months ending January 31, 2022. The results reflect the actuarially estimated IBNR from Aon's Risk Funding Study as of December 31, 2021 and an estimated accrual for January.
- Retained case reserves are \$27.4 million higher this year vs. the prior year and the current year actuarially estimated retained IBNR is also \$29.5 million higher than the prior year. The combined increase in retained case reserves and IBNR created the higher \$56.9 million retained unpaid when compared to last year. The recent adverse claims development is in the Senate Bill 3 program (SB3) and is the driver for the large increases in both the retained case and IBNR estimates through January.
- Premium revenue is up by \$3.1 million for FY'22. The increase for FY'22 reflects the increase in the actuarially loss pics for FY'22 included in the current year premiums.
- Much higher claims expense, negative investment returns and a small increase in premium revenue for FYTD22 resulted in the large decrease in net position of \$56.4 million vs. an improvement in BRIM's net position by \$17.0 million for FYTD'21. The overall impact is a year over year negative swing in results of \$73.4 million.
- Mr. Schumacher reviewed the Financial Markets. Although the major U.S. stock indexes were flat to slightly positive for the seven months thru January 31, the indexes in early March dropped 10 % 20% from their recent highs set in January. A reduction of 20% or more is considered a bear market.
- The recent inflation numbers and the Ukrainian crisis has made investors very skittish about the risk in the equity markets. Recently, the crude oil prices have hit their highest levels since 2008.
- In the first week of March, Federal Reserve Chairman Powell reported in his semi-annual hearing to the Senate Banking Committee that the central bank will raise rates by 25 basis points at the Fed's meeting March 15 – 16. The consensus is the Fed will raise the rate an additional 5 to 6 times before the end of 2022.

- A relatively short duration (about 3.7 years) for fixed income holdings in the trust and the recent backup in short term rates, the market values for BRIM's fixed income holdings have declined.
- The current interest rate environment together with uncertainty in the stock market will tend to limit the overall returns of BRIM's investments thru the end of the current fiscal year.
- Mr. Schumacher announced that he would be retiring as the BRIM CFO on April 30, 2022. He told the board he had enjoyed his time at BRIM and hoped his work had made a difference. He also announced that Stephen W. Panaro would be stepping into the CFO position. Mr. Schumacher commented that Mr. Panaro was well-trained to deak
- Mr. Schumacher asked for questions regarding the Financial Report. No questions.
- The Chief Financial Officer's Report was received and filed, a copy is attached and made part of the record.

Loss Control Report

- Chairman Price called upon Mr. Wolfe to present the Loss Control Report.
- Mr. Wolfe reported the Senate Bill #3 loss control questionnaires were due on January 1, 2022. Those questionnaires are being evaluated to apply credits or surcharges based on insured participation in our Standards of Participation program.
- This spring and summer we will concentrate on our services toward assisting County Boards of Education with meeting our cyber/information security and privacy standards from the Standards of Participation program, as well as entities who are leading producers of automobile claims. Hopefully, these visits will provide an opportunity for us to give advice and offer resources to assist these insured develop methods to control and/or avoid insurable claims related to these exposures.
- We continue to partner the West Virginia Public Service Commission by contributing risk management news articles to be included in their newsletter, The Pipeline.
- A Request for Proposal (RFP) has been issued for insurance loss prevention and loss control inspection services. We will also be receiving bids for our boiler and air conditioning systems insurance and loss prevention inspection services.

- During the months of January and February, Aon conducted 221 inspections and Liberty conducted 502 inspections. The reports are being processed according to established procedures.
- Our loss control technical staff reports the following activity:

2 Loss Control Visits These are standard loss control visits focusing on all coverages and which result in information and/or loss control recommendations being provided.

Insured Accounts Visited Include: West Virginia Division of Highways and City of Fairmont Sewer/Water Board.

- Mr. Wolfe asked for questions, no questions.
- The Loss Control Report was received and filed, a copy is attached and made part of the record.

Privacy Report

- Ms. Summitt was called to present the Privacy Report by Chairman Price.
- Ms. Summitt reported on the Privacy Management Team meetings. January 25, 2022, the State Privacy Office had its annual celebration of International Data Privacy Day held virtually with 37 Privacy Management Team members attending. Presentations were made by Erica Connick and Tom Owens of A. J. Gallagher and Josh Spence, West Virginia Chief Information Officer. The main presentation, by Bob Siegel and Lizzy Hill, of Privacy Ref, Inc. was entitled "Privacy Incident Management".
- Ms. Summitt reported on Privacy Trainings. During the first quarter of 2022, 0 members of the Executive Branch workforce took the online course *Think WV Privacy*; 191 members took the online course *WV Confidentiality Agreement*; and 95 members took the online course *HIPAA/HITECH*.
- The Privacy Office is very excited to finally be able to demonstrate our new customized general privacy training, entitled *Privacy Awareness*, at the March 22, Privacy Management Team
- The following training events were held by the SPO since the last board meeting: On February 25, 2022, three new departmental privacy officers received their new orientation training. On March 1, 2022, thirteen departmental and agency privacy officers received their new privacy officer orientation training.

- Ms. Summitt reported on Privacy Impact Assessment/Privacy Incident Response Assessments. Ms. Summitt explained Privacy impact Assessment (PIA), a tool used to assess the privacy impact and risks to the personally identifiable information (PII) stored, used and exchanged by information systems. A PIA evaluates privacy implications when information systems are created, when existing systems are significantly modified, or new technology is purchased.
- Since January 15, 2022, five (5) PIAs have been completed and submitted.
- State Privacy Office had reformatted the Privacy Incident Response Assessment (PIRA) due to conflicts with Google. While the reformatting was underway, the PIRA was constructed to combine the information required for the ROHA (Risk of Harm Assessment) for Non-HIPPA covered agencies) and ROCA (Risk of Compromise Assessment for HIPAA covered entities), eliminating the need for separate documents. This allows for a more simplified submission process for privacy officers, post incident.
- The State Privacy Office has hired an Administrative Assistant and will begin training mid-March. The Administrative Assistant is a current BRIM employee who is accepting this promotion
- Ms. Summit asked for questions, there were no questions.
- Privacy Report was received and filed, a copy is attached and made part of the record.

UNFINISHED BUSINESS

NEW BUSINESS

ADJOURNMENT

- Member Terry Rose moved to adjourn meeting. The motion was seconded by Member Leah Cooper.
- Being no discussion, a vote took place and the MOTION ADOPTED.

Board Chairman

Date

ldm

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Mark D. Scott Cabinet Secretary

Mary Jane Pickens Executive Director Deputy Cabinet Secretary

DRAFT MINUTES OF THE SPECIAL BOARD MEETING OF THE WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT April 19, 2022 @ 3:30PM

(Meeting held in person & telephonically to practice social distancing guidelines for COVID-19 pandemic response) Dial-in number: +1 321-622-3251 Conference ID: 734 828 706#

EXECUTIVE SESSION CONSIDERATION OF EXECUTIVE DIRECTOR POSITION/ADJOURNMENT

BOARD MEMBERS	Joseph Price, Chairman Gordon Lane, Jr., Vice Chairman Edward Magee, Ed.D., CPA, Member Leah Cooper, Member Terry Rose, Member (joined virtually) Allan L. McVey, Board Secretary, Ex-Officio Member Commissioner, WV Office of the Insurance Commissioner
BRIM PERSONNEL:	Mary Jane Pickens, Executive Director Robert Fisher, Deputy Director/Claims Manager Melody Duke, Deputy Director/Underwriting Manager Jeremy Wolfe, Risk & Insurance Manager Ashley Summitt, Chief Privacy Officer Valerie Poindexter, Senior Claim Representative Stephen W. Panaro, CPA, Controller Lora Myers, Recording Secretary
BRIM PROGRAM REPRESENTATIVES:	Steve Fowler, Esq., BRIM Counsel Chuck Waugh, AIG Claim Services Brenda Samples, USI Insurance Services, LLC Bob Ayers, USI Insurance Services, LLC
GUESTS:	Mark D, Scott, Secretary, Department of Administration Donna Hadrych, WVU Health Sciences Center Kelsey Richards, WVU Risk Management Stacie Honaker, WVU Health Sciences Center Brian Gallagher, Marshall Healthcare Systems

CALL TO ORDER

- Chairman Price called the special board meeting of the West Virginia Board of Risk and Insurance Management to order on Tuesday, April 19, 2022 @ 3:30PM. The meeting was held both in person and telephonically to practice social distancing guidelines for COVID-19 pandemic response.
- All board members were in attendance.

EXECUTIVE SESSION

- Chairman Price requested a motion to go into Executive Session. Edward Magee moved to enter Executive Session. The motion was seconded by Leah Cooper.
- Being no discussion, a vote took place and the MOTION ADOPTED.
- Executive Session ended and those participants returned to the special board meeting, General Session.

GENERAL SESSION

- Upon returning to the General Session meeting, Chairman Price requested a motion to approve the hiring of Melody Duke as BRIM Executive Director effective April 25, 2022, annual salary \$93,000. Edward Magee moved to hire Melody Duke as proposed. The motion was seconded by Gordon Lane, Jr.
- Being no discussion, a vote took place and the MOTION ADOPTED.

ADJOURNMENT

- Member Leah Cooper moved to adjourn meeting. The motion was seconded by Member Ed Magee.
- Being no discussion, a vote took place and the MOTION ADOPTED.

Board Chairman

Date

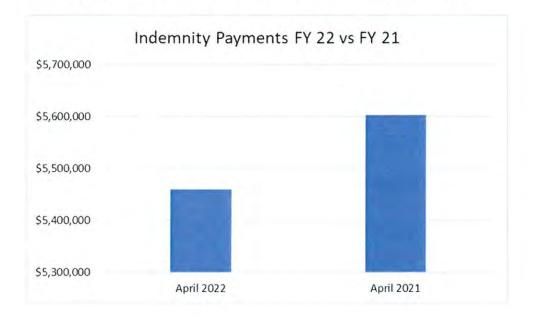
STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Mark D. Scott Cabinet Secretary Melody Duke Executive Director Melody.A.Duke@wv.gov

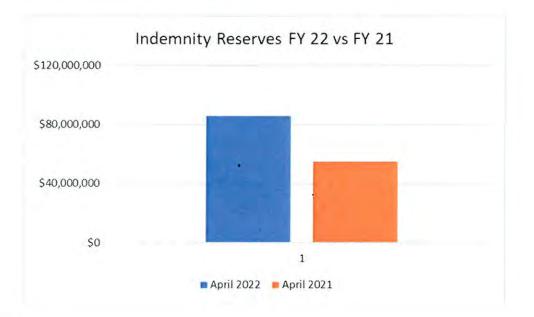
Executive Director's Report June 28, 2022

- A. Marshall University and West Virginia University Medical Malpractice Program
- As of June 21, 2022, Marshall has deposited \$4,475,000 into the escrow account for FY 2022. The fiscal year-to-date cumulative interest totals \$2,113.98. Disbursements totaling \$4,413,512.40 have been paid thus far in FY 2022.
- As of June 21, 2022, a total of \$5,231,458.42 has been deposited into WVU's escrow account for FY 2022. The fiscal year-to-date cumulative interest totals \$4,751.14. Disbursements totaling \$5,234,858.91 have been paid thus far in FY 2022.



B. State Agency/Senate Bill #2 Liability Claims & Litigation Information





TRIALS

We have tried two cases to verdict in 2022, one plaintiff verdict and one defense verdict.

4/7/2022 (501-374962) Insured: City of Fairmont; Plaintiff: Frontier; Cir. Ct. Marion Co.; Plaintiff Verdict for \$102,208.87 (includes pre-trial interest). Insured found 65% at fault for damaging Plaintiff's unmarked cable. Before trial, demand was \$140,599 (repair costs) and offer was \$2500.

4/18/2022 (501-565942) Insured: City of St. Albans; Plaintiff: Margaret Molitor; Cir. Ct. Kanawha Co.; Directed Verdict for defendant. Appeal by Plaintiff of Mag. Ct. dismissal. Plaintiff alleged city water flooded her basement, but was found to come from an outside drain, instead. Prior to trial, the demand was \$6,000 and offer was \$2,500.

PAID CLAIMS (April 2022 Data)

April 2022 Indemnity payments total \$5,459,388 vs April 2021 payments of \$5,603,472 a decrease of 2.6%.

April 2022 Legal payments total \$1,752,747 vs. April 2021 Legal payments of \$1,222,322, an increase of 43.4%.

OUTSTANDING CLAIMS (April 2022 Data)

April 2022 Indemnity reserves total \$85,998,767 vs. April 2021 Indemnity reserves of \$55,243,445, an increase of 55.7%.

April 2022 Expense reserves total \$30,482604 vs. April 2021 Expense reserves of \$27,119,040, an increase of 12.4%.

CLAIMS COUNTS (April 2022 Data)

April 2022 New claims of 239 vs. April 2021 of 329, a decrease of 27.4 %. April 2022 Closed claims of 280 vs. April 2021 of 342, a decrease of 18.1%. April 2022 Open claims of 959 vs. April 2021 of 943, an increase of 1.7%.

DURATION - CLOSED CLAIMS (April 2022 Data)

April 2022 Duration of 111.75 Days vs. April 2021 Duration of 100.602 Days, an increase of 11.1%.

CLOSING RATIO (April 2022 Data)

April 2022 Closing Ratio of 117.2% vs. April 2021 Closing Ratio of 104%, an increase of 12.7%.

- C. Insurance Renewals BRIM has received several insurance renewals for the upcoming fiscal year. The Board of Education Cyber renewal increased 15%, or \$75,000, over the expiring premium and aggregate limits decreased from \$15 million to \$10 million. Additionally, the per school entity limit decreased from \$2 million to \$1 million with a reduced per member sublimit of \$100,000 from \$250,000 for ransom. The State Cyber renewal has been provided and BRIM is currently evaluating options as this program's aggregate has been severely decreased by the carrier from \$25 million to \$10 million. We have asked our broker to approach excess markets to see if additional limits can be secured. Finally, BRIM received the property renewal. Over the last nine years, BRIM was able to secure a rate guarantee which has saved the program approximately \$15 million. The renewal for July 1, 2023, is the first year after the rate guarantee's have expired and the incumbent primary carrier for the first \$25 million has declined to renew the guarantee and has declined to be the primary. The renewal premium increased 107% going from \$4.1 million to \$8.5 million. Additionally, the first \$25 million layer will have 10 carriers versus the 1 carrier from the expiring.
- D. Patient Injury Compensation Fund (PICF) The PICF is set to expire on June 30, 2022, and any remaining funds on that date will be transferred automatically into the General Fund. All refunds have been processed by the middle of May. The revenue generated by the medical filing of lawsuits were discontinued at the end of December 2021.
- E. Property Appraisal Program CBIZ Valuation Group, LLC was awarded the Property Appraisal Program and the contract began December 1, 2021. The first set of appraisals began late February 2022. As of late May, CBIZ has completed the appraisal of 422 structures. BRIM Management is actively assessing the reports and the best method of communication to our state and Senate Bill 3 insureds. The threshold for valuation is \$250,000 in structure value and the program will take five years to complete with approximately 4,400 structures to be appraised.

- F. Property Inspections BRIM received two responses to the property inspection RFP and Tawney Insurance and Safety Solutions was awarded the contract and will begin inspections on July 1, 2022. Loss Control Manager, Jeremy Wolfe, has been working diligently with Tawney to bring them up to speed to make the transition from AON as smooth as possible.
- G. Claim Audit Services BRIM received two responses to the Claim Audit Services and the committee is in the review process, and we hope to make an award early July 2022.
- H. BRIM Employee Changes The last few months have seen new faces to the BRIM staff as well as current staff moving up into vacant positions. We said a sad farewell to Mary Jane Pickens, Executive Director, Steve Schumacher, CFO, Tara Taylor Privacy Assistant and Connie Bloss Finance Assistant. Mary Jane accepted the Executive Director position at the WV State Bar, Tara Taylor resigned (family obligations) and Steve and Connie retired from state service with BRIM. With those vacancies, Melody Duke was selected as the new Executive Director and Stephen Panaro was selected as BRIM's new CFO. Other internal changes saw Solomon Phillips move from Underwriting to Finance and Lora Reynolds moved from Loss Control to Privacy. New additions joining the BRIM family are Woodrow White as the Underwriting Manager, Emily Fleck the new Controller, Donna White as a Loss Control Assistant and Jason Stover as an Underwriting Assistant position.

I. Upcoming Board Meeting schedule for 2022:

Tuesday, September 27, 2022 @ 1pm Tuesday, December 13, 2022 @ 1pm

Sincerely,

nelody Duke

Melody Duke ✓ Executive Director

MAD/ldm

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Mark D. Scott Cabinet Secretary Melody Duke Executive Director Melody.A.Duke@wv.gov

Chief Financial Officer's Report June 28, 2021

A. P-Card Report

CD copies mailed to the board contain the supporting detail for P-card purchases for the months of February, March and April 2022. These totals are:

February	\$53,284,.70
March	\$32,894.11
April	\$78,450.74

B. Current Financial Results

- The financial results presented are for the ten months ended April 30, 2022. The results reflect the actuarially estimated unpaid losses from AON's risk funding study as of March 31, 2022, plus an additional accrual for April.
- Net premium revenue for FY'22 has increased \$2.8 million compared to FY'21. The increase reflects an increase in premiums based on the actuarial estimated loss pics and a reduction in the COVID-19 credits issued in FY'21 for reduction in auto usage.
- Retained case reserves are \$36.4 million higher this year compared to the prior year and actuarially estimated IBNR is \$24.3 higher than the prior year. These increases are from reserve adjustments for both the second and third quarters. Combined total current and non-current claims liabilities (i.e., unpaid claims) are \$60.7 million higher than last year. While there was a significant reserve adjustment in the second quarter, we recorded an additional increase in our reserves based on the March actuarial report of \$7.6 million.
- The increase in claims and claims adjustment expense of \$56.9 million over last year is driven by the reserve adjustments for the adverse claims development in the Senate Bill 3 program (SB3).
- Investment losses through April were \$26.8 million compared to investment income through April of 2021 of \$25.1 million. This is a negative year over year change of \$51.9 million. Through April the Bank of New York trust has lost \$16.2 million with \$10.2 million of these losses occurring in March and April. Because of the relatively short duration of the fixed income holdings in the trust (3.7 years) and an increase in interest rates the returns in the trust have been negative. We did have a positive return in the trust for May of \$1.5 million. Equity markets have experienced volatility over the last several months. Our holdings with the West Virginia Investment Management Board have lost \$10.6 million for the first ten months of this fiscal year. In February, March and April we lost \$10.2 million with our largest loss occurring in April of \$6.6 million.

 The combination of significantly higher claims expense, negative investment returns and a small increase in premium revenue resulted in a large decrease in net position of \$84.4 million compared with an improvement in net position of \$8.1 million in FYTD'21. The overall impact is a year over year negative change of \$92.5 million.

C. Financial Markets

The major U.S. stock indexes continue to be volatile into the end of June. The DJIA was down 13.31% year to date followed by both the S&P 500 down 17.9% and the NASDQ Composite down 25.8% through June 24th. A 10% reduction or more is considered a correction while a reduction of greater than 20% is considered a bear market.

Inflation continues to be a concern for the economy and markets. Inflation reached 8.6% in May. This is, of course, driven by a number of factors, rising fuel costs, supply chain issues and consumer demand among others The Federal Reserve's target rate for inflation is 2%.

Last Thursday, June 23rd, Federal Reserve Chairman Jerome Powell appeared before Congress. During his testimony, he indicated that the Federal Reserve would continue to raise interest rates to tame inflation. According to an article in the June 24th edition of The Wall Street Journal he said, "We can't fail on this. We really have to get inflation down." The Fed has raised interest rates three times since March including a 75 basis point increase in June its largest increase in 28 years. Some Federal Reserve bank presidents have indicated they would support another 75 basis point increase when the Fed meets again July 26 – 27.

Given the volatility of the stock market and rising interest rates BRIM's investment returns will be limited through the end of the fiscal year.

D. New Employee

I am pleased to announce that Emily Fleck was hired as our controller at the end of May. Emily is both a CPA and CGFM, previously she worked for DNR for 21 years.

Respectfully submitted,

Stephen W. Panaro, CPA Chief Financial Officer

Statements of Net Position

For the Ten Months Ended April 30th

		2022		2021
		(In Thousand		
Assets				
Current assets:				
Cash and cash equivalents	\$	17,083	\$	26,678
Advance deposits with insurance company and trustee		241,832		246,146
Receivabales		6,674		1,578
Prepaid insurance		784		732
Restricted cash and cash equivalents		13,353		10,543
Premiums due from other entities		711	-	1,134
Total current assets		280,437		286,812
Noncurrent assets:				
Equity position in internal investments pools		116,772		121,594
Restricted investments	_	67,435		70,220
Total noncurrent assets		184,206	1.1	191,814
Total assets	2.1	464,643	1.1	478,626
Deferred Outflows of Resources		438		215
Deferred Outflows of Resources - OPEB		115		84
Liabilities				
Current liabilities:				
Estimated unpaid claims and claims adjustment expense		61,326		69,336
Unearned premiums		16,396		17,018
Agent commissions payable		1,102		1,123
Claims Payable		210		238
Accrued expenses and other liabilities		3,199		3,985
Total current liabilities		82,232		91,700
Estimated unpaid claims and claims adjustment expense net of current portion		189,414		120,631
Compensated absences		172		150
Net pension liability	-	533	_	214
Total noncurrent liabilities		190,119	_	120,995
Total liabilities		272,351		212,695
Deferred Inflows of Resources		35		145
Deferred Inflows of Resources - OPEB		351		171
Net position:				
Restricted by State code for mine subsidence coverage		80,155		78,617
Unrestricted		196,713		179,166
Net Assets (Deficiency)	1.1.1.1.1.1.1	(84,409)		8,131
Net position	\$	192,459	\$	265,913

Unaudited

West Virginia Board of Risk and Insurance Management

Statements of Revenues, Expenses, and Changes in Net Position

For the Ten Months Ended April 30th

	2022	2021	
	(In Thousands)		
Operating revenues			
Premiums	\$ 70,865	\$ 67,813	
Less coverage/reinsurance programs	(3,974)	(3,705)	
Net operating revenues	66,891	64,107	
Operating expenses			
Claims and claims adjustment expense	120,433	63,445	
General and administrative	4,039	4,163	
Total operating expenses	 124,472	67,607	
Operating income (loss)	(57,581)	(3,500)	
Nonoperating revenues			
Investment income	(26,828)	25,131	
Legislative Appropriation		(13,500)	
Net nonoperating revenues	(26,828)	11,631	
Changes in net position	(84,409)	8,131	
Total net position, beginning of year	276,868	257,782	
Total net position, end of period	\$ 192,459	\$ 265,913	

Unaudited

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Mark D. Scott Cabinet Secretary

Melody Duke Executive Director Melody.A.Duke@wv.gov

Loss Control Report to the Board June 2022

During the month of May, we sent out Loss Control Questionnaires to all state agencies. The deadline for submission to BRIM is August 1, 2022. At that time, we will gather the necessary information for calculation of loss control credits or surcharges for fiscal year 2024.

For the first time in decades, we have a new vendor for our Insurance Loss Prevention Inspection Services. The successful bidder was Tawney Insurance and Safety Solutions. Aon Global Risk Consulting has been very professional during the transition and we expect to see a bid submitted from them in the future.

We have also successfully renewed our contract for our Boiler and Machinery coverage and inspection services with Liberty Mutual Insurance.

During the months of March, April, and May Aon conducted 265 inspections and Liberty Mutual Insurance conducted 904. The reports are being processed according to established procedures.

Since my last report, our loss control technical staff reports the following activity:

11 Standards of Participation Visits

These are visits which are designed to provide assistance to our insured who are seeking to become compliant with the BRIM Standards of Participation program.

Insured Accounts Visited Include: Charleston Regatta, Literacy Volunteers of the Eastern Panhandle, Snowshoe Resort Community District, Hope Hill Sobering Center, Habitat for Humanity of Kanawha and Putnam County, Forks of Coal State Natural Area Foundation, Advocate House, West Virginia Women Work, The Robertson Association, Tygarts Valley Conservation District, and West Virginia Division of Natural Resources.

32 Loss Control Visits

These are standard loss control visits which focus on all coverage areas and which result in information and/or loss control recommendations being provided.

Insured Accounts Visited Include: West Virginia University, Pendleton County Board of Education, Mason County Board of Education, Monroe County Board of Education, McDowell County Board of Education, Lewis County Board of Education, Randolph County Board of Education, Ritchie County Board of Education, Pocahontas County Board of Education, Taylor County Board of Education, Wirt County Board of Education, Calhoun-Gilmer Career Center Brooke County Board of Education, Southern West Virginia Community and Technical College, Mineral County Board of Education, Wetzel County Board of Education, South Branch Career & Technical Center, Morgan County Board of Education, Pleasants County Board of Education, Upshur County Board of Education, Tucker County Board of Education, Mercer County Board of Education, Cabell County Board of Education, Doddridge County Board of Education, Harrison County Board of Education, Wood County Board of Education, Wayne County Board of Education, Raleigh County Board of Education, Wyoming County Board of Education, Fayette County Board of Education, Logan County Board of Education, and Tyler County Board of Education.

Dated: June 23, 2022

Respectfully submitted,

Jeremy C. Wolfe Risk & Insurance Manager

STATE OF WEST VIRGINIA DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



Mark D. Scott Cabinet Secretary Melody Duke Executive Director Melody.A.Duke@wv.gov

Chief Privacy Officer's Report June 28, 2022

A. Management Team Meetings

 On March 22, 2022, the State Privacy Office had a Privacy Management Team meeting held virtually with 40 Privacy Management Team members attending. Presentations included a slide presentation of the Department of Administration's Data Destruction Project by Donna Lipscomb, a Personnel presentation by Joe Thomas entitled "Human Resource Considerations in Privacy Incidents", as well as a Human Resource, Privacy and Security tabletop exercise led by the State Privacy Office. The next meeting of the Privacy Management Team will be held virtually July 19, 2022.

B. Privacy Training

- During the Second Quarter of 2022 (as of June 23), 11,585 members of the Executive Branch workforce completed the online course *Privacy Awareness Training 2022*, which is a general privacy awareness training course. This is the new training just being rolled out to all Executive Branch employees with a deadline of June 30th for completion.
- During the Second Quarter of 2022, 417 members of the Executive Branch workforce completed the online course *WV Confidentiality Agreement*, which is required of all workforce members.
- During the Second Quarter of 2022, 270 members of the Executive Branch workforce completed the online course *HIPAA/HITECH*, which is a general HIPAA training course and a new *HIPAA Refresh Training (2021)* which PEIA has requested.
- The Privacy Office is very excited to finally be able to publish our new customized general privacy training, entitled *Privacy Awareness*, to all Executive Branch staff. The email to all employees enrolling them in the training was sent June 1 with a request for completion by June 30th. As of June 23rd, 55% of enrolled members have completed the training.
- Privacy staff spent a significant amount of time transcribing the online privacy training into Powerpoint slides so that employees with disabilities and those without access to a computer can take this training.

 Despite an email sent to all members of the Privacy Management Team warning them of the incoming training email sent directly from the vendor, the State Privacy Office has received a significant amount of calls and emails from state employees who are suspicious of the email containing a link from an outside source. It appears that all those warnings and trainings conducted to caution staff of never clicking on a suspicious email have worked.

The following training events were held by the SPO since the last board meeting:

- On April 28, 2022, the Chief Privacy Officer presented a Privacy CLE for the Department of Administration/Purchasing Annual CLE training. Approximately 50 government attorneys attended.
- On May 11, 2022, Privacy staff presented "Purchasing as a Privacy Powerhouse" to 26 attendees of the WV Purchasing Division's In-House Training. The presentation was recorded for future use on the Purchasing website.
- On June 3, 2022, three new departmental privacy officers (DPOs) received their new privacy officer orientation training.

C. Privacy Impact Assessments/ Privacy Incident Response Assessments

- A privacy impact assessment (PIA) is a tool used to assess the privacy impact and risks to the personally identifiable information (PII) stored, used, and exchanged by information systems. A PIA evaluates privacy implications when information systems are created, when existing systems are significantly modified, or new technology is purchased.
- Since March 15, 2022, twenty-two (22) PIAs have been completed and submitted.
- At this point, PIA completion is not mandatory for agencies, but the Purchasing Division is requiring that agencies purchasing a technology/software product speak with the Privacy Office regarding the need for a Privacy Impact Assessment. The Privacy Office has seen a significant uptick in the number of PIAs being filed and from agencies that are exempt from Purchasing.

D. Privacy Office Retreat

 Planning for the Privacy Office's fall retreat is in full swing. The retreat is scheduled to be held at Canaan Valley Resort for October 17-19, 2022, and all members of the Privacy Management Team are invited to attend. Presentations will have a general theme of "What should a Privacy Officer know about Cybersecurity." and approximately 40 people are expected to attend.

Very truly yours,

Ashley Summitt

Ashley Summitt, JD Chief Privacy Officer WV Executive Branch