

August 22, 2025

Honorable Patrick Morrisey, Governor State of West Virginia

Governor Morrisey:

The Annual Report of the West Virginia Board of Risk and Insurance Management (BRIM) for the year ended June 30, 2025, 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 non-state entities such as cities, counties, and non-profit organizations throughout the State under the provisions of Senate Bill #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 claim 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 \$300 million per occurrence. This coverage provides reimbursement of loss at the stated or reported value less than 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 1,000 non-state entities, plus provides mine subsidence reinsurance to approximately 75,000 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 assist 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 online. A variety of frequently asked questions on topics ranging from billing to underwriting can also be found on this site.



Results of Operations

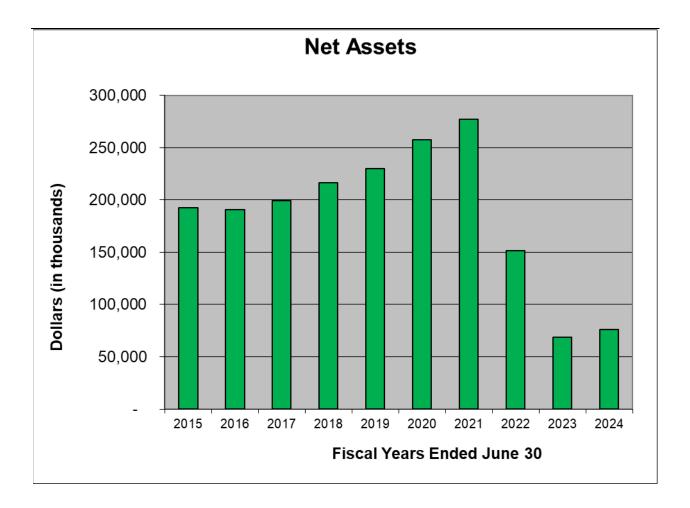
Below are audited results from operations of the four most recent fiscal years ended June 30:

	2021	2022		2023	2024
		(In Thou	san	ıds)	
Operating Revenues:					
Premiums	\$ 83,238	\$ 86,099	\$	95,502	\$ 115,334
Less Excess Coverages	(4,438)	(4,758)		(8,969)	(14,989)
Net Operating Revenues	78,800	81,341		86,533	100,345
Operating Expenses:					
Claims & Claims Adjustment	70,259	168,122		171,253	104,272
General & Administrative	4,811	5,008		5,847	6,038
Total Operating Expenses	75,070	173,130		177,100	110,310
Operating Income (Loss)	3,730	(91,789)		(90,567)	(9,965)
Non-Operating Revenues Interest Income	28,845	(33,670)		7,986	16,996
OPEB Non-operating Income	11				
Appropriation Transfer	(13,500)	(6)		(22)	(19)
Net Income	19,086	(125,465)		(82,603)	7,050
Net Position at Beginning of Year	257,783	276,869		151,404	68,801
Net Position at End of Year	\$ 276,869	\$ 151,404	\$	68,801	\$ 75,851

BRIM has worked diligently for the past several years to maintain a positive net position and eliminate its unfunded liability. Favorable loss patterns and adequate funding have enabled BRIM to maintain a positive net position from 2005 through 2024. 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 non-state 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.



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 Mazars LLP was selected to perform the audit for the fiscal year ended June 30, 2025. The June 30, 2025, report will be available near the end of October 2025.

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, 2024, from which the information on page(s) one through thirteen 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 2024 ACFR has been reviewed, and BRIM was awarded the Certificate of Achievement. 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 2025 Annual Comprehensive Financial Report will meet the Certificate of Achievement Program's requirements, and we will be 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, 2025. The ACFR for fiscal year 2025 will be issued before December 31, 2025. 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,

Jeremy C. Wolfe Executive Director

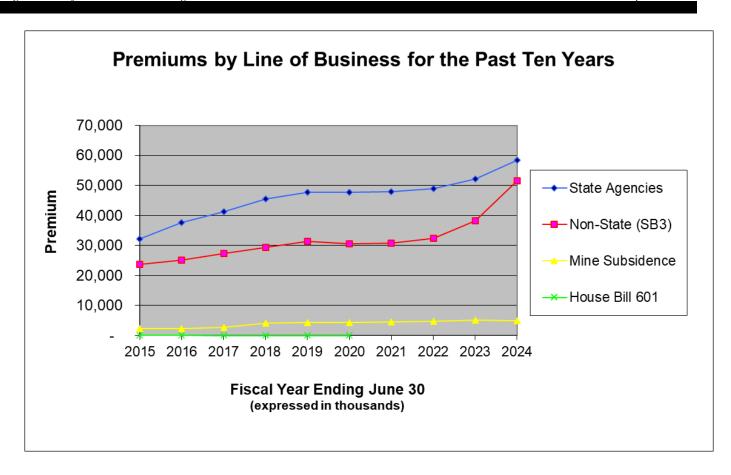
Listing of Coverages in Effect for Fiscal Year 2024

LIABILITY Automobile Liability Policy No.: CA 728-11-87 & 728	:-11-88	LIMIT \$	OF LIABILITY 1,000,000 per occurrence
Company: National Union Fire Ir			
Cyber Liability (State) Policy No.: UMR B1262F106873 Company: Arthur J. Gallagher In		\$	25,000,000 per occurrence
Cyber Liability (Boards of Educa Policy No.:1000635261231 Company: Starr	tion)	\$	15,000,000 per occurrence
General Liability Policy No GL 991-17-58 & 991- Company: National Union Fire Ir		\$	1,000,000 per occurrence
Aircraft Liability Policy No.: AV003380147-21 Company: National Union Fire Ir	nsurance Co.	\$	10,000,000 per occurrence
Unmanned Aircraft Liability Policy No.: UM028176638-09 Company: National Union Fire Ir	nsurance Co.	\$	1,000,000 per occurrence
Excess Liability-Bd. of Education Policy No.: N3-A3-RL-0000029- Company: The Princeton Excess Surplus Lines Insurance Comp	00 and	\$	5,000,000 per occurrence or claim
PROPERTY		LIMIT (OF LIABILITY
Blanket Property Policy No.: N1-A3-PP-000033-0 Company: Munich Re	1 \$ 4,500,000	\$	20,000,000 primary layer 1,000,000 deductible
Policy No.: 0313-4553-1A Company: AWAC	\$ 3,500,000		
Policy No.: B0507UP2205413 Company: Lloyds of London	\$ 6,000,000		
Policy No.: W32D71230201 Company: Beazley	\$ 1,500,000		
Policy No.: 061383648 Company: Lexington	\$ 1,500,000		
Policy No.: 061384442 Company: Lexington	\$ 500,000	\$	10,000,000 in excess of 10,000,000
Policy No.: D39136570002 Company: Westchester	\$ 1,500,000	\$	10,000,000 in excess of 10,000,000
Policy No.: MAF760728-23 Company: Axis	\$ 1,000,000	\$	10,000,000 in excess of 10,000,000
Policy No.: NHD935021 Company: RSUI		\$	105,000,000 in excess of 20,000,000
Policy No.: 0062502553 Company: Lexington		\$	25,000,000 in excess of 125,000,000

Policy No.: 795023100 Company: Intact	\$ 6,000,000	\$	25,000,000 in excess of 150,000,000
Policy No.: ESP1046649-00 Company: Arch	\$ 12,500,000	\$	25,000,000 in excess of 150,000,000
Policy No.: BRPSLPTWV01110 Company: Texas	00_080146_01 \$ 5,000,000	\$	25,000,000 in excess of 150,000,000
Policy No.: PX00WVY23 Company: Aspen	\$ 1,500,000	\$	25,000,000 in excess of 150,000,000
Policy No.: B0507UP2303382 Company: Chubb		\$	125,000,000 in excess of 175,000,000
Boiler and Machinery Policy No.: YB2L9L469170033 Company: Liberty Mutual Insur-		\$	5,000,000 per equipment covered in excess of 1,000,000
Public Insurance Official Position Schedule Bond Bond No.: 106128156 Company: Travelers		Variable	amounts as set by Statute

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

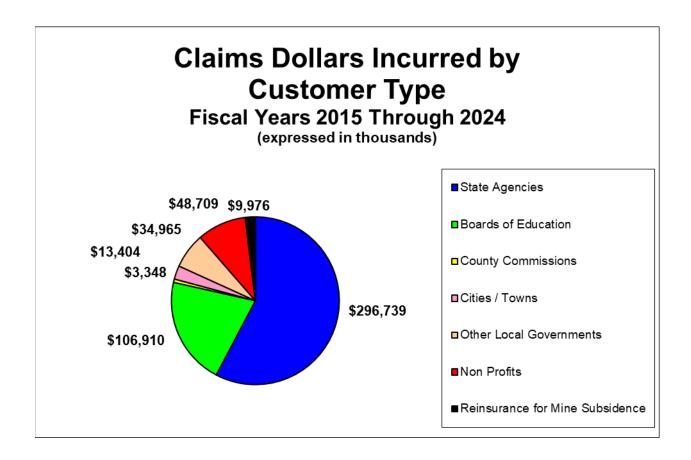
	Top 10 State Agency Premiums for Fiscal Year 2024	
1	WEST VIRGINIA UNIVERSITY	\$ 14,299,986
2	DIVISION OF HIGHWAYS	6,559,275
3	STATE POLICE, WEST VIRGINIA	5,759,335
4	MARSHALL UNIVERSITY	5,045,354
5	DIVISION OF CORRECTIONS	4,819,520
6	DEPARTMENT OF HEALTH AND HUMAN RESOURC	4,304,222
7	WEST VIRGINIA UNIVERSITY MEDICAL CORP.	3,006,301
8	REGIONAL JAIL & CORR. FAC. AUTHORITY	2,147,249
9	WEST VIRGINIA PARKWAYS AUTHORITY	1,082,835
10	WEST VIRGINIA STATE PARKS	899,796
	Total Top Ten	\$ 47,923,873
	Total State Premium Billing for 2024	\$ 61,892,620
	% of top 10 in relation to all state agency billings	77.43%
	Top 20 SB 3 Premiums for Fiscal Year 2024	
	KANAWHA COUNTY BOARD OF EDUCATION	\$ 3,772,642
	BERKELEY COUNTY BOARD OF EDUCATION	2,038,239
	CABELL COUNTY BOARD OF EDUCATION	1,737,609
	RALEIGH COUNTY BOARD OF EDUCATION	1,485,244
5	ST ALBANS, CITY OF	1,297,376
6	WOOD COUNTY BOARD OF EDUCATION	1,223,290
7	HARRISON COUNTY BOARD OF EDUCATION	1,164,740
8	PUTNAM COUNTY BOARD OF EDUCATION	1,156,808
9	MERCER COUNTY BOARD OF EDUCATION	1,147,584
10	MONONGALIA COUNTY BOARD OF EDUCATION	1,126,916
11	WAYNE COUNTY BOARD OF EDUCATION	1,115,963
12	FAYETTE COUNTY BOARD OF EDUCATION	1,013,367
13	JEFFERSON COUNTY BOARD OF EDUCATION	877,794
14	MARION COUNTY BOARD OF EDUCATION	852,040
15	OHIO COUNTY BOARD OF EDUCATION	789,303
16	MINGO COUNTY BOARD OF EDUCATION	723,551
17	LOGAN COUNTY BOARD OF EDUCATION	700,583
18	MARSHALL COUNTY BOARD OF EDUCATION	593,482
19	MASON COUNTY BOARD OF EDUCATION	579,316
20	KANAWHA VALLEY REGIONAL TRANSPORTATION	576,440
	Total Top Twenty	\$ 23,972,288
	Total SB 3 Premium Billing for 2024	\$ 55,930,351
	% of top 20 in relation to total SB 3 billings	42.86%



Fiscal Year	State Agencies	Non-State	Mine Subsidence	House Bill 601
2015	\$ 32,118	\$ 23,781	\$ 2,261	\$44
2016	\$37,688	\$25,147	\$2,398	\$60
2017	\$41,304	\$27,305	\$2,759	\$0
2018	\$45,516	\$29,306	\$4,129	\$0
2019	\$47,713	\$31,286	\$4,302	\$0
2020	\$47,675	\$30,524	\$4,368	\$0
2021	\$47,884	\$30,782	\$4,572	\$0
2022	\$48,856	\$32,419	\$4,824	\$0
2023	\$52,094	\$38,269	\$5,139	\$0
2024	\$58,434	\$51,618	\$4,909	\$0

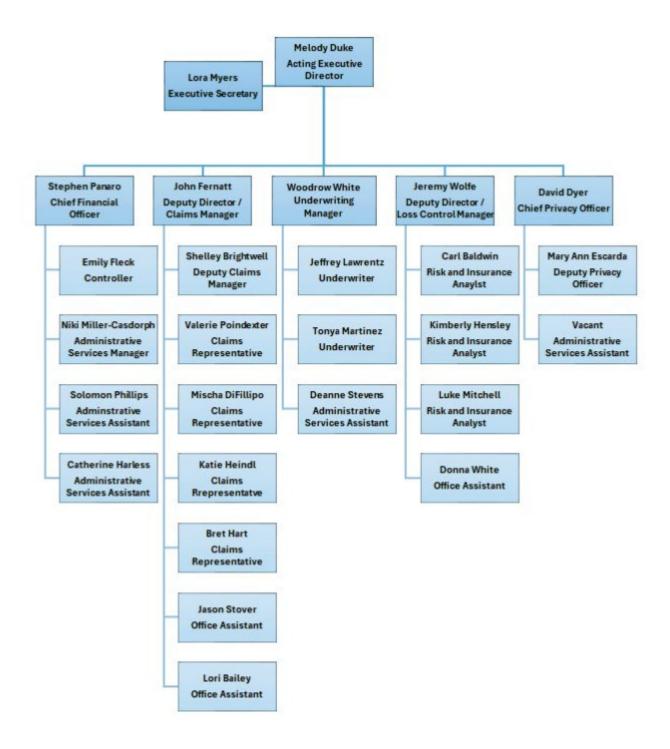
The chart above shows premiums by line of business for the past ten fiscal years, expressed in thousands of dollars. This chart illustrates a general upward trend of premiums for State Agencies and Non-State customers beginning in 2015 when premiums began increasing.

Source: BRIM's internal financial statements.



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

BRIM Organizational Chart



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

VESTOR

John McHugh Acting Cabinet Secretary Melody Duke Executive Director Melody.A.Duke@wv.gov

AGENDA BOARD MEETING OF THE WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT TUESDAY, SEPTEMBER 17, 2024 @ 1PM

(meeting held in person and remotely)

Chairman Price Call to Order

Chairman Price Roll Call

Chairman Price Approval of Board Minutes

June 25, 2024

REPORTS

Tom Sauvageot Account/Investment Update

West Virginia Investment Management Board

Scott Mountain/Robert Bayston Account/Investment Update

Insight Investment

Melody Duke Executive Director's Report

Executive Director

Stephen W. Panaro, CPA

Financial Report

Chief Financial Officer PCard Report

Jeremy C. Wolfe
Loss Control Report
Loss Control Manager

EXECUTIVE SESSION

UNFINISHED BUSINESS

NEW BUSINESS

ADJOURNMENT

ldm

STATE OF WEST VIRGINIA



Mark D. Scott Cabinet Secretary



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

DRAFT MINUTES OF THE MEETING WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT June 25, 2024 @ 1PM

(Meeting held in person & telephonically)

BOARD MEMBERS:

Joseph Price, Chairman

(joined the meeting remotely and delayed)

Gordon Lane, Jr., Vice Chairman

(chaired the meeting in person for Chairman Price)

Leah Cooper, Member Kristin Boggs, Member Tom Clark, Member

BRIM PERSONNEL:

Melody Duke, Executive Director

John L. Fernatt, Deputy Director/Claims Manager

Jeremy Wolfe, Deputy Director/Risk & Insurance Manager

Stephen W. Panaro, CPA, CFO Ashley Summit, Chief Privacy Officer

Emily Fleck, Controller

Valerie Poindexter, Claim Representative

Katie Heindl, Claim Representative Jason Stover, Office Assistant Lora Myers, Recording Secretary

BRIM PROGRAM REPRESENTATIVES:

Geoffrey Cullop, BRIM Counsel Chuck Waugh, AIG Claim Services Dan Rittenhouse, AIG Claim Services

Brenda Samples, USI Insurance Services. LLC

Bob Ayers, USI Insurance Services. LLC

GUESTS:

Kelsey Knotts, WVU Risk Management Stacie Honaker, WVU Health Sciences

Robert Fisher

CALL TO ORDER

- Vice-Chairman Lane called the board meeting of the West Virginia Board of Risk and Insurance Management to order on Tuesday, June 25, 2024 at 1:07PM. The meeting was held in person and telephonically.
- Vice-Chairman Lane requested all board members and meeting attendees sign in to verify their attendance. Remote participants should verify with confirmation email to Lora Myers at Lora.D.Myers@wv.gov.

APPROVAL OF MINUTES

- A motion to approve the Minutes of the March 19, 2024, board meeting minutes was requested. Member Kristin Boggs moved the approval of the board meeting minutes from the prior meeting. The motion was seconded by Member Leah Cooper.
- No discussion, a vote took place and the MOTION ADOPTED.

REPORTS

Executive Director's Report

- Melody Duke was called on to present the Executive Director's Report. She began with an overview of the Marshall and West Virginia university Medical Malpractice Programs. Included in her report were total deposits/disbursements so far in FY2024.
- Mrs. Duke also reported on the State and Non-State Liability Claims and Litigation information, as well as trials, paid claims, outstanding claims, claim counts, duration and closing ratios.
- Insurance Renewals were discussed. BRIM is waiting on renewals for the upcoming fiscal year. Cyber and property brokers report the market is becoming more stable but to expect either a temperate increase in property. Cyber may be flat or slightly increased if we choose to increase limits.
- The Executive Director discussed the first strategic meeting with USI which was held March 28, 2024. The meeting went well and planning centered on variations or risk transfer products, information necessary to approach the market, claims made versus occurrence based policies and possible modifications to the AIG contract. The next meeting is scheduled for July 8, 2024.
- Also discussed, BRIM has been notified that five of the employees in the local Charleston AIG office have taken early retirement. Chuck Waugh, Keith Turner, Joe Manoni, Bret Hart and Ann Pauley will retire at the end of July,
- Mrs. Duke reported that BRIM met with the Department of Commerce's Marketing and Communications Division for assistance with the development of a BRIM logo. We asked our employees for logo ideas and received three submissions. The ideas were provided to the Marketing folks and they will combine those ideas for us to review and make a final selection. Also, BRIM is working with WV Creative on an updated website. They have provided a shell, Jason Stover will be working on revamping content and transferring data to the new site.

- The Executive Director also announced the plans for the upcoming STRIMA conference. Melody Duke, John Fernatt and Woodrow White will be attending the conference in Colorado Springs, September 7 - 13, 2024. As the STRIMA Treasurer, Melody will be traveling on September 6th in order to attend the Saturday morning board meeting.
- BRIM welcomes Katie Heindl as a Claim Representative I. Katie replaces Shannon Shaffer who passed away suddenly last January. BRIM also made an offer for a Claim Representative II position to Bret Hart, a recent AIG retiree. This position is vacant due to Robert Fisher's retirement in January 2024.
- Reminder of the Upcoming Board Meeting schedule for 2024 includes the following:

Tuesday, September 17, 2024 @ 1PM Tuesday, December 17, 2024 @ 1PM

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

BRIM Financial Report

- Stephen Panaro was asked to present the Chief Financial Officer's Report to the Board.
- Mr. Panaro reviewed the P-Card Report for February, March and April 2024.
- Mr. Panaro reported on the financial results as follows:
- Presentation of the ten months ended April 30, 2024. The results reflect the
 actuarially estimated unpaid losses from AON's risk funding study as of March
 31, 2023, and additional accrual for April.
- Net premium revenue through April has increased \$11.2 million compared to FY23. The increase reflects an increase in premiums based on the actuarial estimated loss pics.
- Retained case reserves are \$65.3 million lower this year compared to the prior year and actuarially estimated IBNR is \$4.2 million lower than the prior year.
 Combined total current and non-current claims liabilities (i.e., unpaid claims) are \$61.1 million lower than last year based on March 31st AON actuarial study. Our reserve change in the third quarter of \$3.3 million was due to small increases in retained case reserves and IBNR.
- Claims and claims adjustment expense of \$85.6 million is \$37.1 million dollars lower than last year due to decreased reserve adjustments during the current fiscal year.
- Investment income through April was \$8.8 million compared to investment income through April 2023 of \$9.8 million. This is a negative year-over-year change of \$1 million. Through April the Bank of New York trust has gained \$3.5 million with income July March offsetting the losses of the other months. Because of the short duration of the fixed income holdings in the trust (3.7 years) and fluctuating bond prices the returns in the trust have been inconsistent. Equity markets experienced volatility during the FY23 and that trend continues in FY24. We have earned \$4.3 million from investments with the West Virginia Investment Management Board. In addition we had \$1 million of interest income from the BTI through April.

- Also detailed in the report, the combination of higher reinsurance premiums, decreased claims expenses than the prior year, positive investment returns and increased premium revenue resulted in an increase in net position of \$1.8 million compared with a decrease in net position of \$45.3 million in FY23. The largest factor in this increase over the prior year has been the lower reserve adjustments during the current fiscal year. The year-to-date positive change in retained earnings, while not significant, is a marked improvement from FY23.
- Our current net position of \$70.6 million includes the mine subsidence program's net position of 37 million, leaving BRIM's unrestricted net position at \$33.6 million. This compares with a net position of \$106 million last year.
- Mr. Panaro continued his report with information on the Financial Markets.
- Financial markets have continued to be volatile since our last board meeting in March. The DJIA has had many peaks and valleys during this year, with a year to date return of 3.9%.
- The Federal Reserve met on June 12, 2024, and voted to hold interest rates steady. The Federal Reserve Chair Jerome Powell noted that the May Consumer Price Index was "certainly a better inflation report than almost anybody expected." It is anticipated that the Fed will cut interest rates one time in the remainder of the year. The Feds also anticipates further rate cuts in 2025 and 2026.
- Hiring continues to be strong with 272.000 jobs added in May. Unemployment rose to 4% in May following April's rate of 3.9%, this was the first time in more than two years the unemployment rate was at 4%. The unemployment rate remains low and shows no signs of making a jump. The consumer price index increased 3.3 from May 2023 to May 2024, the change from April 2023 to April 2024 was 3.4%. Core prices which exclude food and energy rose 0.2% from April. Consumers are taking little comfort from the low inflation numbers due to the increases since 2021. The last four years prices are up 21% in the CPI compared with 7% in the four years prior.
- Due to the high interest rates, the volatility of the stock market and inflation concerns BRIM's investment returns outlook remains uncertain.
- Mr. Panaro asked for questions, no questions. The Chief Financial Officer's Report (including financials) was received and filed, a copy is attached and made part of the record.

Loss Control Report

- Jeremy Wolfe was asked to present the Loss Control Report.
- Mr. Wolfe reported that during the month of May, Loss Control Questionnaires were sent to all state agencies. The deadline for submission to BRIM is August 1, 2024. At that time, we will collect the necessary information for calculation of loss control credits or surcharges for the fiscal year 2026.
- The fiscal year 2025 Loss Control Questionnaire evaluations resulted in the following: Seventy-three percent of the state agency program received a form of a loss control credit and fifty-five percent of the non-state entities received a form of a loss control credit. This is promising and show that many of our insured are instituting risk management programs to aid in the mitigation of insurable claims.

- We have extended requests to renew our contracts for insurance loss control inspection services with Tawney Insurance and Safety Solutions. Also, our boiler and air conditioning systems insurance and loss prevention inspection services with Liberty Mutual.
- March May, Tawney conducted 269 inspections and Liberty Mutual Insurance Conducted 793. The reports are being processed.
- Since last reported, our loss control technical staff reports the following activity:
 25 Standards of Participation Visits These are visits which are designed to provide assistance to our insured who are trying to become compliant with the BRIM Standards of Participation Program.
 21 Loss Control Visits These are standard loss control visits which focus on all coverage and which result in information and/or loss control recommendations
- Mr. Wolfe asked if there were any questions, no questions. The Loss Control Report was received and filed, a copy is attached and made part of the record.

Privacy Report

being provided.

- Ashley Summitt was asked to present the Privacy Report.
- Ms.Summitt reported on the Privacy Management Team. On March 26, 2024, the Privacy Management Team held a virtual meeting, 62 people attended.
- The State Privacy Office held the semi-annual Privacy Retreat, June 10 12. The event was held at the Pipestem Resort State Park with 61 attendees. The theme for the retreat was the *Importance of Partnerships in Protecting Data Privacy*. Cabinet Secretary Mark Scott was the keynote speaker detailing the work he has done with developing leaders for the Department of Administration and how that relates to teamwork. Other presentations included Teamwork Makes the Dream Work, Protecting Privacy in 2024: Leveraging Your Partners in the 2024 Landscape, WV Office of Technology: Data Privacy, and Privacy Risks and Our Vendor Partners.
- The Chief Privacy Officer reported on Privacy Trainings.
- During the Second Quarter of 2024, 461 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 2024, the Executive Branch workforce completed 288 of the online course HIPAA/HITECH, a general training course and new HIPAA Refresher Training (2021) which was requested by PEIA.
- During the Second Quarter of 2024, 466 members of the Executive Branch workforce completed the online course for Privacy Training.
- Ms. Summitt reported on the following training events held by the SPO since the last board meeting:
 - 1. The March 26th Privacy Management Team was held virtually.
 - 2. The semi-annual Privacy Retreat was held June 10 12, with 61 attendees at Pipestem State Resort.
 - The Deputy CPO presented Purchasing as a Privacy Powerhouse during a webinar of procurement staff for the WV Division of Purchasing.

- Ms. Summitt's report also included information on 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 1, 2024, 118 PIAs have been submitted.
- Ms. Summitt reported on State Privacy Office Projects. The State Privacy Office
 has been meeting with the Departmental Privacy Officer for the WV Department
 of Health and Human Resources (WV DHHR) and the Bureau for Medical
 Service's Assistant General Counsel, regularly to begin the process for
 documenting and interviewing managers in relation to HIPAA application to
 programs within the former DHHR.
- Ms. Summitt asked for any questions, no questions. Privacy Report was received and filed, a copy is attached and made part of the record.

UNFINISHED BUSINESS

NEW BUSINESS

ADJOURNMENT

- There was a request for a motion to adjourn the BRIM board meeting. Member Kristin Boggs moved the meeting adjournment. The motion was seconded by Member Leah Cooper.
- No discussion, a vote took place and the MOTION ADOPTED. The meeting adjourned.

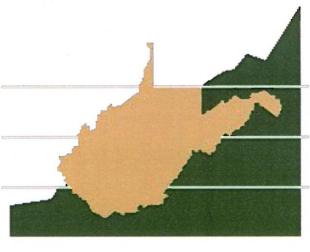
Board Chairman	Date	

BRIM

Investment Review

WV Investment Management Board

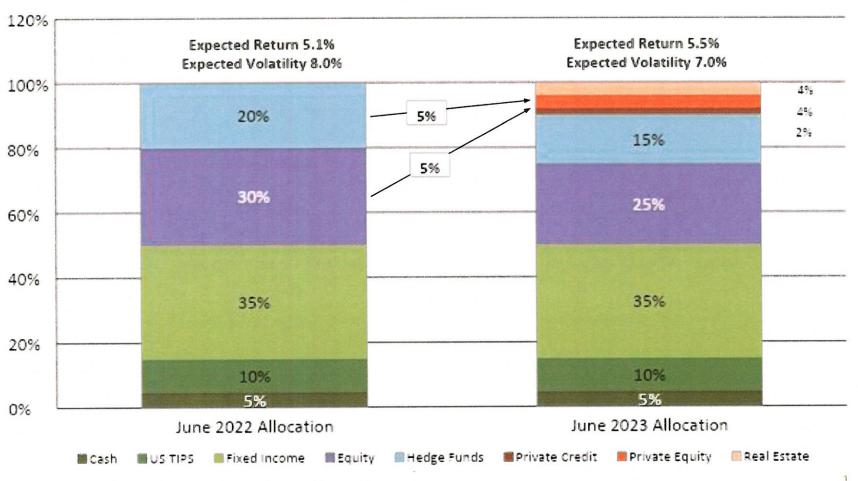
9/4/2024



Market Highlights

- The economy has slowed, and inflation has become manageable (although above the Federal Reserve's target rate).
 - Real GDP growth increased to a 3.0% annualized rate in the second quarter of 2024, and approximately 3.1% over the trailing 12 months.
 - Inflation (CPI) remained around 3% for the fiscal year ending June 2024. It had reached a multi-decade high of 9.1% in 2022 before the FOMC started its tightening of monetary policy.
- Consumer spending remains strong despite high interest rates and inflation.
- Markets are highly anticipating that the Fed will start to lower rates in September 2024. A 25-basis point cut is a near certainty.
- Bond yields have started to decline:
 - 2-year Treasury Yield: June 2023 4.9% | June 2024 4.7%
 - 10-year Treasury Yield: June 2023 3.8% | June 2024 4.4%
- Public equity and fixed income markets performed above expectations for FY 2024.
- Alternative investments have had mixed results.

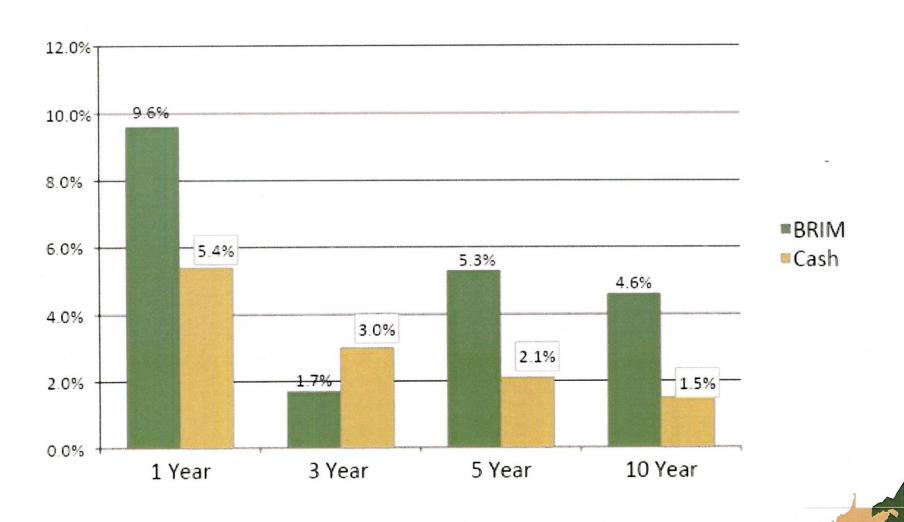
Asset Allocation





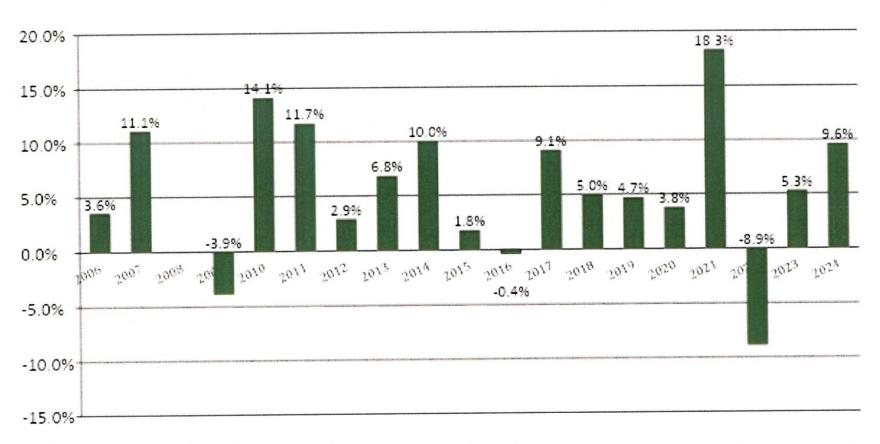
Performance

(and the premium earned for taking risk)
June 30, 2024



Performance by Fiscal Year

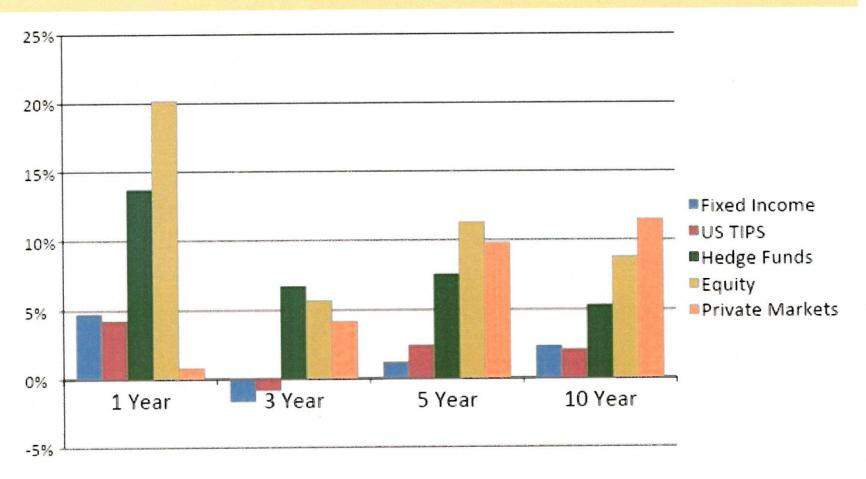
(Years ending June 30)





Asset Class Performance

June 30, 2024





Asset Class Performance

June 30, 2024

	1 Year	3 Year	5 Year	10 Year	20 Year
Investment Pools Composite					
Portable Alpha Composite +/- S&P 500 Index	25.49 <u>0.93</u>	9.61 (0.40)			
Large Cap Domestic Equity Composite +/- S&P 500 Index	24.56 0.00	9.94 (0.07)	15.01 (0.04)	12.77 (0.09)	10.33 0.04
Non-Large Cap Domestic Equity Composite +/- Russell 2500 Index	13.62 <i>3.15</i>	3.97 4.26	10.70 2.39	8.64 0.65	9,58 0,70
International Equity Composite +/- MSCI AC World ex US IMI Index (a)	15.06 2.94	1.24 0.54	7.20 1.08	5.06 0.66	7.37 1.07
Fixed Income Composite +/- Bloomberg Universal (b)	4.75 1.28	(1.65) 1.03	1.19 1.08	2.36 0.73	3.87 0.46
Core Fixed Income Composite +/- Bloomberg US Aggregate	3.46 0.83	(2.14) 0.88	0.69 0.92	2.02 0.67	
Total Return Fixed Income Composite (c) +/- Bloomberg Universal	5.80 2.33	(1.22) 1.46	1.53 1.42	2.56 0.93	4.30 0.87
TIPS Composite +/- Bloomberg US TIPS 1-10 Yr(d)	4.27 0.01	(0.84) 0.04	2.42 0.07	2.09 0.04	
Cash Composite +/- FTSE 3 Month US T-Bill (e)	5.37 (0.27)	3.04 (0.13)	2.09 (0.13)	1.48 (0.05)	1.62 (0.03)
Private Equity Composite +/- Russell 3000 + 3% (f, g)	3.95 (22.17)	5.91 (5.14)	17.22 0.08	16.91 1.76	
Real Estate Composite +/- NCREIF + 1% (f)	(5.05) 1.11	1.49 <i>(3.15)</i>	3.14 (1.62)	6.18 (1.23)	
Hedge Fund Composite +/- HFRI FOF + 1% (ħ)	13.71 4.21	6.72 3.66	7.58 1.80	5.33 0.85	
Private Credit & Income Composite +/- SOFR + 4% (f, i)	4.90 (4.63)	5.21 (1.07)	5.89 (0.46)		



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State of West Virginia - BRIM As of August 31, 2024



>BNY | INVESTMENTS

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Insight

Biographies



Robert Bayston, CFA, Head of US Government and Mortgage Portfolios

Robert joined Insight in September 2021 following the transition of Mellon Investments' fixed income strategies to Insight. He has been in the investment industry since 1991. Robert is the Head of US Government and Mortgage Portfolios for fixed income. He is responsible for managing portfolios which focus on US interest rates and inflation strategies. In addition to his portfolio management responsibilities, Robert manages an investment team with similar mandates and oversees the US agency MBS research effort. Prior to his current role, he held several positions in fixed income research and trading. Robert received a BS from the University of Virginia's McIntire School of Commerce and an MS in Finance from Boston College. He is a CFA charterholder and is a member of the CFA Institute and the CFA Society Boston.



Scott Mountain, CFA, Senior Relationship Manager

Scott joined Insight in September 2021 following the transition of Mellon Investments' fixed income strategies to Insight. He has worked in the investment industry since 1997 and joined Mellon Investments in 2006. Scott is a senior relationship manager responsible for client relationships across our institutional fixed income portfolios. Scott joined Mellon Investments from Lehman Brothers where he was responsible for client service, trading and middle market equity sales. Scott has an MS in investment management from Boston University, and a BA from the University of Massachusetts at Amherst. He is also a CFA charterholder and is a member of the CFA Institute.



Agenda

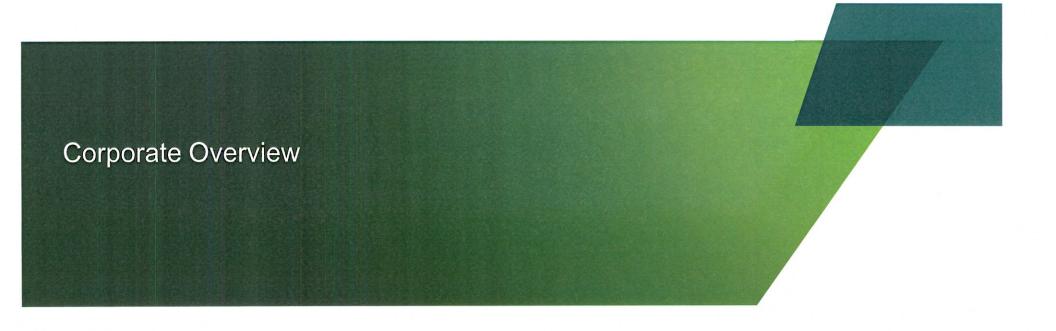
Corporate Overview

II. Portfolio Review

III. Economic & Investment Outlook

IV. Appendix







Insight Investment

Investment philosophy

- · Maximizing the certainty of an outcome
- · Experts in decumulation strategies
- · Comprehensive range of capabilities for the whole journey

Client commitment

- Partnership with clients
- Focus on quality
- · Doing only what we are good at

Organizational alignment

- · Alignment of all stakeholders
- · Clear set of priorities
- Ownership culture

Insight

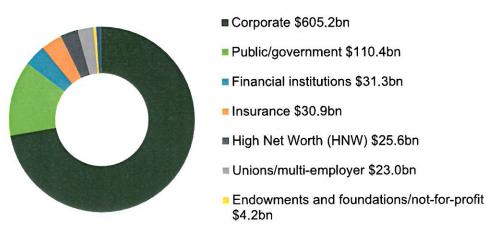
Our credentials

- Specialist manager of risk solutions and active fixed income:
 - \$838.1bn in assets under management
 - 274 investment professionals, 1,113 total staff¹
 - offices in London, New York, Boston, San Francisco, Dublin, Frankfurt, Manchester, Sydney and Tokyo

By investment solution



By client type



As of June 30, 2024. Assets under management (AUM) are represented by the value of the client's assets and liabilities Insight is asked to manage. These will primarily be the mark-to-market value of securities managed on behalf of clients, including collateral if applicable. Where a client mandate requires Insight to manage some or all of a client's liabilities (e.g. LDI strategies), AUM will be equal to the value of the client specific liability benchmark and/or the notional value of other risk exposure through the use of derivatives. Insight North America (INA) is part of 'Insight' or 'Insight Investment', the corporate brand for certain asset management companies operated by Insight Investment Management Limited including, among others, Insight Investment Management (Global) Limited (IIMG), Insight Investment International Limited (IIIL) and Insight Investment Management (Europe) Limited (IIMEL). Advisory services referenced herein are available in the US only through INA. Legal entity Insight North America LLC's AUM is \$148.5bn as of June 30, 2024. Figures shown in USD. FX rates as per WM Reuters 4pm spot rates. ¹ Includes employees of Insight North America LLC and its affiliates, which provide asset management Limited (IIML).

Insight INVESTMENT

Fixed income capabilities: specialist teams, global locations

David Leduc			Alex Veroude CIO FIXED INCOME		
CEO, NORTH AMERICA	Brendan Murphy HEAD OF FIXED INCO NORTH AMERICA	ME, CO-HEAD OF	Bentley FIXED INCOME FIXED INCOME	Lucy Speake D-HEAD OF FIXED INCOME	STRUCTURED CREDIT
STABLE VALUE	US MULTI-SECTOR	US IG CREDIT	GLOBAL CREDIT	EURO AND UK CREDIT	+20
Eric Baumhoff	Scott Zaleski	Erin Spalsbury	Adam Whiteley	Bonnie Abdul Aziz/ Damien Hill	SYSTEMATIC FIXED INCOME
+6	+3	+3 +4		+2	Paul Benson
	US INSURANCE	US GOVERNMENT AND MORTGAGES	GLOBAL RATES AND MACRO RESEARCH	HIGH YIELD AND LOANS	+11
	Kerry O'Brien	Robert Bayston	Gareth Colesmith/	Uli Gerhard	US MUNICIPALS
	+5	+3	+3 Isobel Lee +2 +2		Dan Rabasco +13
	STRATEGIC CREDIT	CORPORATE CREDIT ANALYSIS	EMERGING MARKETS	ESG	MONEY MARKETS
	Adam Mossakowski +8	David Averre/ Dave Hamilton +18	Federico Garcia Zamora/ Rodica Glavan +5	Rob Sawbridge +5	Chris Brown +4
IMPLEMENTATION	CURRENCY	TRADING	INVESTMENT SPEGIALISTS	QUANTITATIVE	CONVERTIBLES
+5	Francesca Fornasari +21	Nick Robinson +11	April LaRusse +7	+5	Frank Campana/ James Doolin

As at September 2024. Staff numbers stated as at 30 June 2024. Located across London, New York, Denver, Boston and San Francisco. Includes employees of Insight North America LLC (INA) which provides asset management services as part of Insight, the corporate brand for certain companies operated by Insight Investment Management Limited (IIML).

Fixed income group: specialist teams

US Government and Mortgages Team and support



Alex Veroude, CIO FIXED INCOME Peter Bentley, CO-HEAD OF FIXED INCOME/DEPUTY CIO, FIXED INCOME

Brendan Murphy, HEAD OF FIXED INCOME, NORTH AMERICA



Robert Bayston, CFA Head of US Government and Mortgage Portfolios



Jason Celente, CFA, CTP Senior Portfolio Manager



David Witthohn, CFA, CIPM Senior Portfolio Specialist



Mary Donovan, CFA Senior Portfolio Manager



Michael Morin Senior Portfolio Analyst

CORPORATE CREDIT ANALYSIS (PUBLIC AND PRIVATE)

> David Averre/ Dave Hamilton +18

GLOBAL RATES AND MACRO RESEARCH

Gareth Colesmith/ Isobel Lee +5 STRUCTURED CREDIT

Shaheer Guirguis +20 TRADING

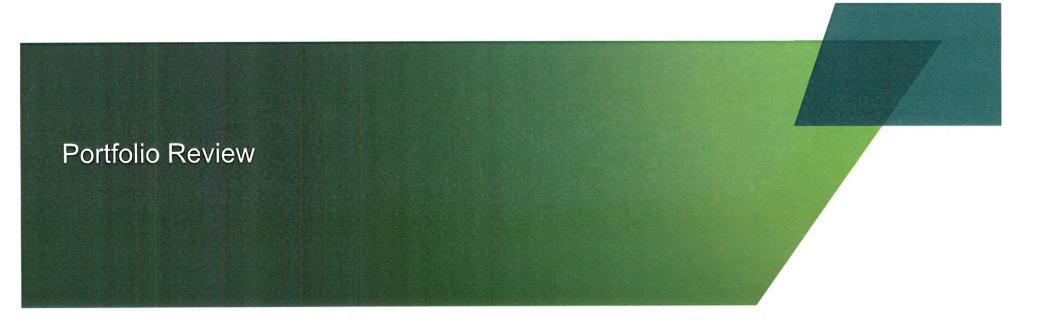
Nick Robinson +10 MONEY MARKETS

Chris Brown +4 ESG

Robert Sawbridge +5

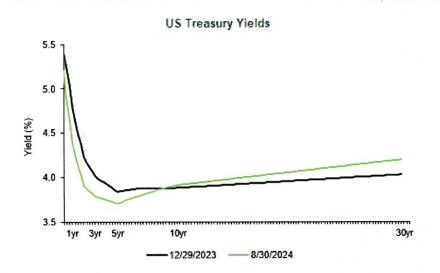
As of September 2024. All staff numbers quoted are as of June 30, 2024. Located in: New York, Boston and London. Includes employees of Insight North America LLC (INA) which provides asset management services as part of Insight, the corporate brand for certain companies operated by Insight Investment Management Limited (IIML).



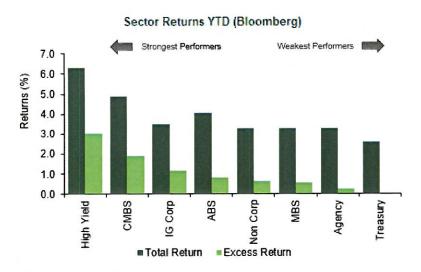


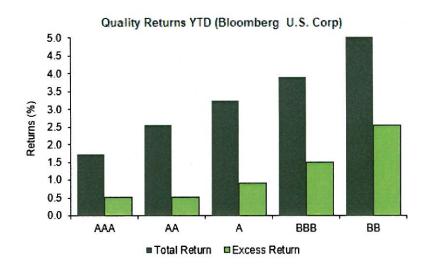


Market Update -YTD 2024



		Yield Cur	ve Changes		
Maturity	8/30/2024	12/29/2023	Chg (bps)	High	Low
3 Month	5,21	5.40	-19	5.52	5.21
6 Month	4.89	5.26	-37	5.44	4.87
1 Year	4.38	4.79	-41	5.25	4.33
3 Year	3.79	4.01	-22	4.87	3.70
5 Year	3.71	3.84	-13	4.72	3.62
10 Year	3.91	3.88	3	4.70	3.78
30 Year	4.20	4.03	17	4.82	4.03





PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.



Portfolio Performance - Preliminary

State of West Virginia BRIM Performance as of 08/31/2024

	IV	larket Value	YTD %	1 Year %	3 Year %	5 Year %	Since Inception %
State of West Virginia - BRIM 2011-12	\$	218,891	3.97	6.53	-0.22	0.94	1.43
State of West Virginia - BRIM 2012-13	\$	1,342,563	3.44	6.67	-0.34	0.78	1.28
State of West Virginia - BRIM 2013-14	\$	650,247	3.46	6.71	-0.31	0.80	1.47
State of West Virginia - BRIM 2014-15	\$	1,673,585	3.47	6.71	-0.34	0.82	1.46
State of West Virginia - BRIM 2015-16	\$	5,507,757	3.42	6.54	-0.38	0.78	1.45
State of West Virginia - BRIM 2016-17	\$	5,663,839	3.42	6.53	-0.32	0.80	1.24
State of West Virginia - BRIM 2017-18	\$	11,555,148	3.40	6.55	-0.33	0.81	1.50
State of West Virginia - BRIM 2018-19	\$	18,969,211	3.42	6.55	-0.32	0.80	1.91
State of West Virginia - BRIM 2019-20	\$	23,885,113	3.42	6.55	-0.33	0.74	0.87
State of West Virginia - BRIM 2020-21	\$	20,172,767	3.37	6.50	-0.38		-0.42
State of West Virginia - BRIM 2021-22	\$	30,560,720	3.38	6.47	-0.37		-0.37
State of West Virginia - BRIM 2022-23	\$	62,095,618	3.38	6.49			2.46
State of West Virginia - BRIM 2023-24	\$	76,192,813	3.44	6.62			6.01
Total	\$	258,488,272					
Barclays US Gov Intermediate			3.17	6.26	-0.63	0.55	

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

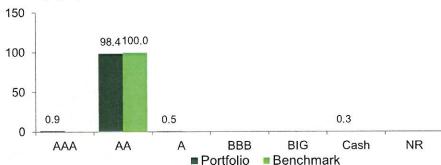
BRIM Representative Portfolio (2019-20)

Portfolio characteristics as of August 31, 2024 - Preliminary

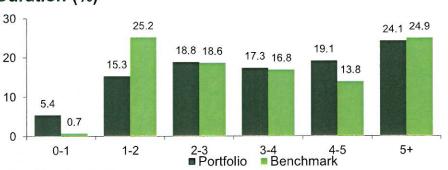


Summary			
Sullillary	Portfolio	Benchmark	Relative
Yield to worst (%)	3.9	3.9	0.0
Effective duration (years)	3.8	3.6	0.1
Average coupon	2.2	2.9	-0.7
Average life / Maturity	4.1	4.0	0.0
Average rating	AA+	AA+	

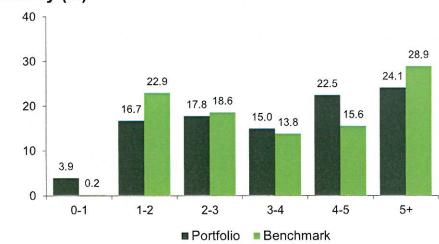
Rating (%)



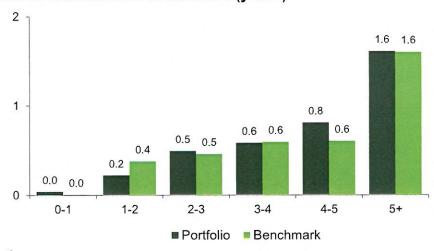
Duration (%)



Maturity (%)



Duration contribution to duration (years)



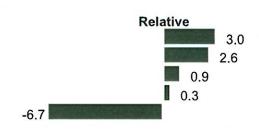
Approach used for credit rating: Average. All durations are effective duration.

BRIM Representative Portfolio (2019-20)

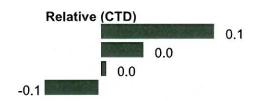
Portfolio allocation as of August 31, 2024 - Preliminary



Sector (%)	Market Value			
(,0)	Portfolio	Benchmark		
Agency	5.1	2.1		
Industrial	2.6	-		
Supranational	0.9			
Cash and other	0.3			
Treasury	91.2	97.9		
Total	100.0	100.0		



Sector	Contribution to	duration (years)
	Portfolio	Benchmark
Agency	0.2	0.1
Industrial	0.0	-
Supranational	0.0	-
Treasury	3.5	3.6
Total	3.8	3.6



BRIM Representative Portfolio (2019-20)

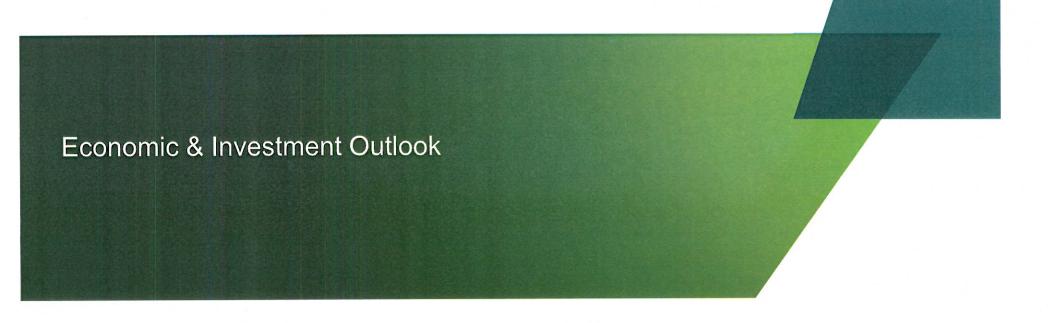
Corporate Holdings as of August 31, 2024



Client Name	Pct %	Cusip	Security Name	Quantity	Market Value	Maturity	Duration	Yield to Worst	Coupon	Moody Rating	S&P Rating
STATE OF WEST VIRGINIA - BRIM 2019-	1.01	037833DB3	Apple Inc	250,000	242,161	9/12/2027	2.73	3.98	2.90	Aaa	AA+
20	0.46	194162AM5	Colgate-Palmolive Co	113,000	111,538	8/15/2025	0.92	4.49	3.10	Aa3	A+
	1.06	931142EW9	Walmart Inc	255,000	253,723	9/9/2025	0.97	4.39	3.90	Aa2	AA

Source: Insight Investment as of March 31, 2024





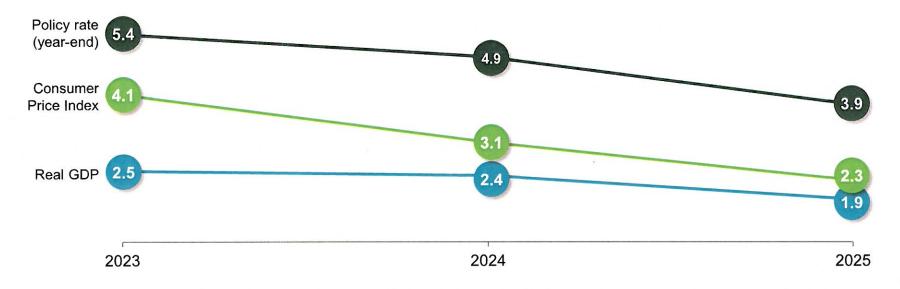


Key takeaways

The US economy is exhibiting more pronounced signs of slowdown, with the labor market, in particular, shifting to a lower gear

Despite a temporary setback earlier this year, the disinflationary momentum appears to be largely intact, even if it progresses in fits and starts

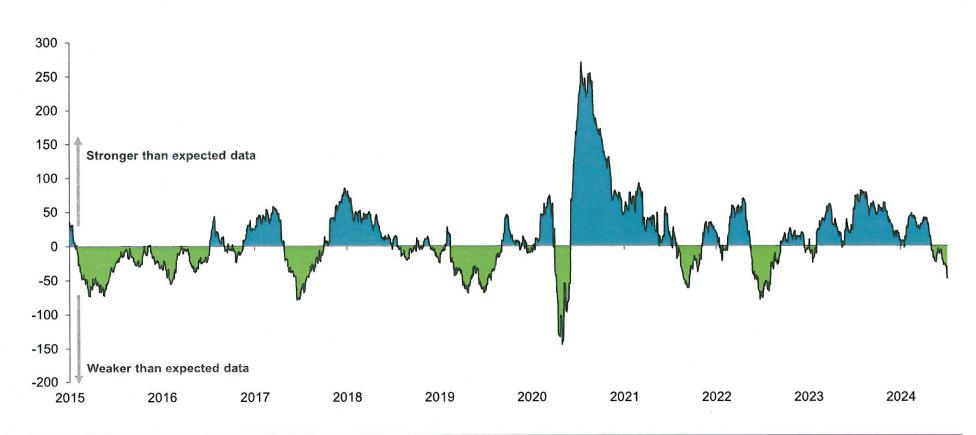
We believe that distribution of risks to the near-term outlook continue to be evenly balanced



Source: Insight, as of June 30, 2024. Any projections or forecasts contained herein are based upon certain assumptions considered reasonable. Projections are speculative in nature and some or all of the assumptions underlying the projections may not materialize or vary significantly from the actual results. Accordingly, the projections are only an estimate. Opinions expressed herein are as of the date stated and are subject to change without notice. Insight assumes no responsibility to update such information or to notify a client of any changes.



Economic Surprise Index

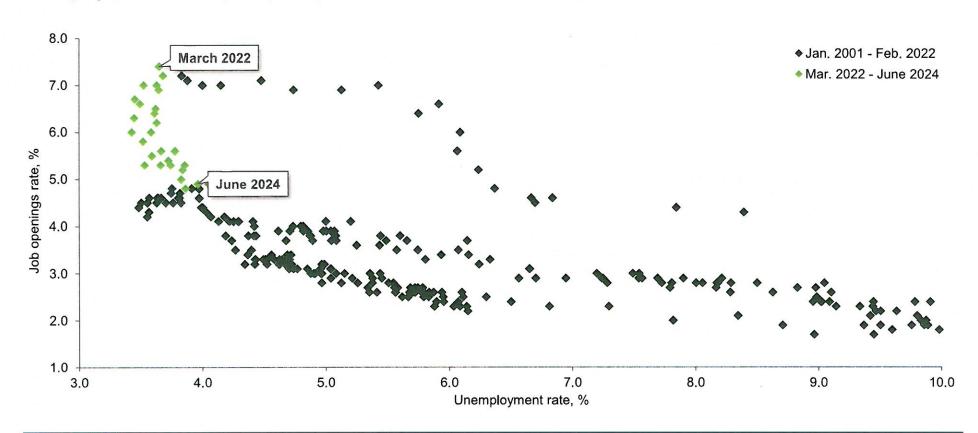


A 'quick-and-dirty' measure of how the economy stacks up against expectations points to an economy that is cooling



The labor market balance has largely normalized

Unemployment rate and job openings rate



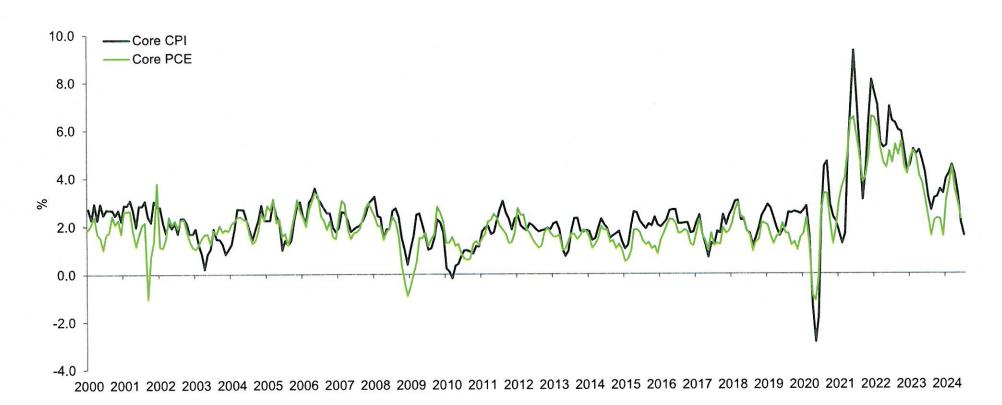
Going forward, however, further labor market moderation may require a higher unemployment rate, highlighting a delicate trade-off between inflation and unemployment

Source: Bureau of Labor Statistics, Insight Investment, as of August 1, 2024.

"The reports of an end to the disinflationary trend are greatly exaggerated"



Core CPI and core PCE. % 3-m annualized growth rate



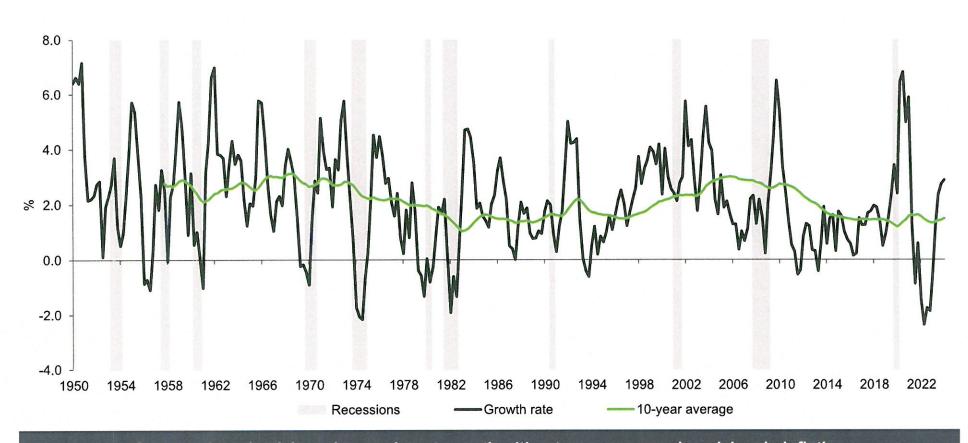
A recent series of positive data prints has alleviated concerns about a potential reacceleration in inflation

Source: Bureau of Labor Statistics, Bureau of Economic Analysis as of August 14, 2024.



Is the economy on the verge of a new productivity boom?

Nonfarm business productivity, % year-over-year



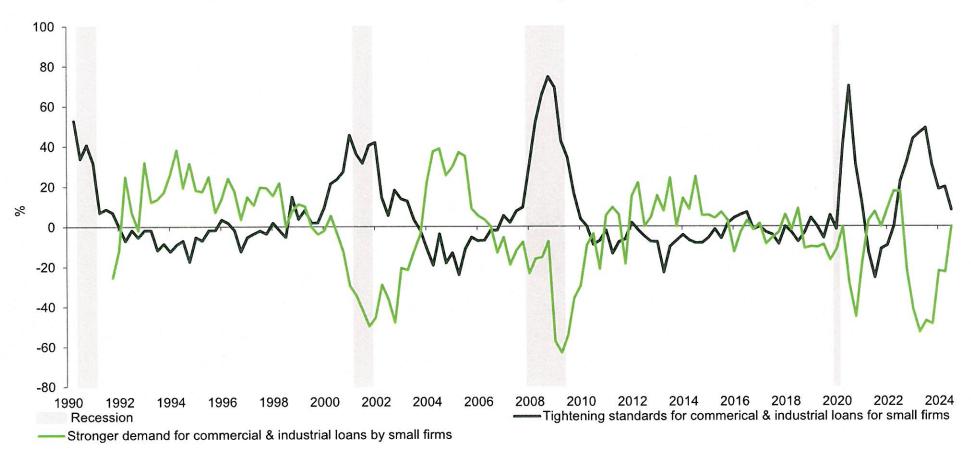
Sustained productivity gains can boost growth without an accompanying pickup in inflation

Source: Bureau of Labor Statistics, as of June 6, 2024.



Banks remain cautious with lending standards

Standards and demand for commercial and industrial loans, net percent



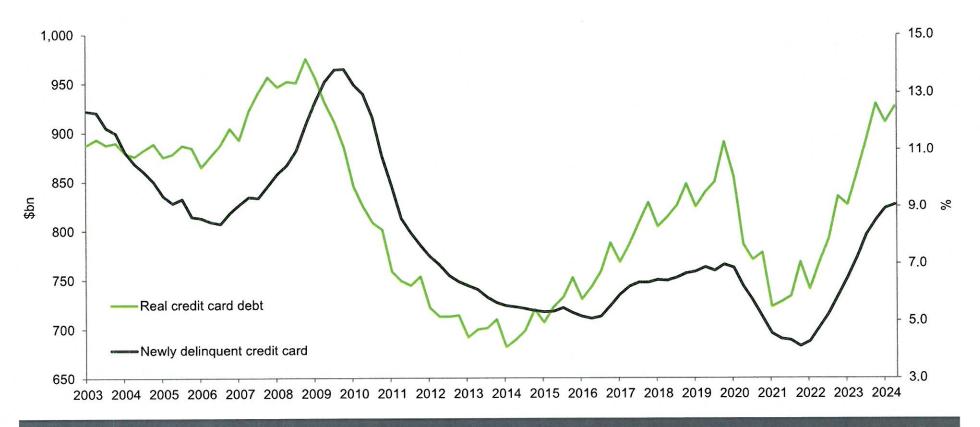
Demand for credit has also been sluggish due to high interest rates and general economic uncertainty

Source: Federal Reserve, as of August 5, 2024.



US consumers are grappling with growing financial stress

Real credit card debt and credit card delinquency rate



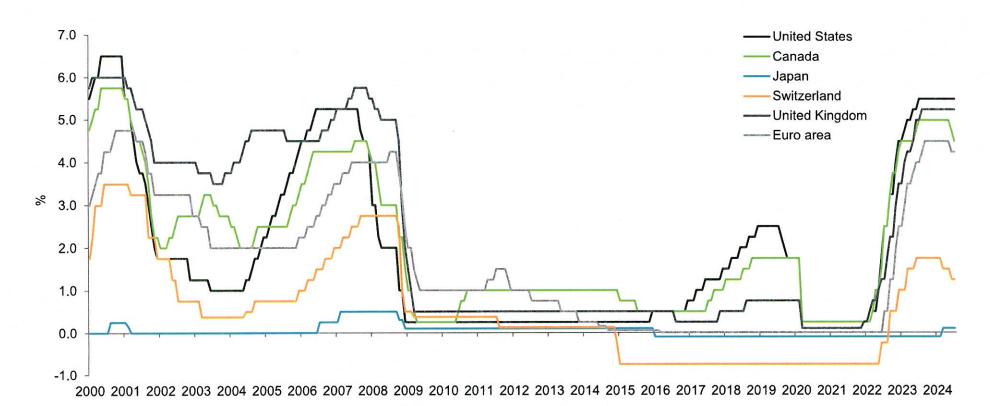
The rising levels of credit card debt and delinquencies are raising concerns about the outlook for consumer spending

Source: Bureau of Economic Analysis, Federal Reserve Bank of New York, Insight Investment as of August 6, 2024.



"It's the end of the monetary policy convergence as we know it"

Key central bank policy rates, %



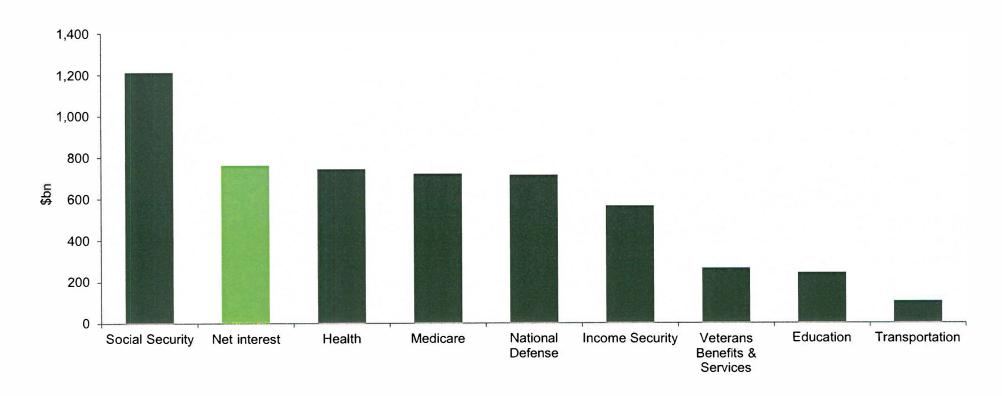
Decisions by the European Central Bank, the Swiss National Bank, and the Bank of Canada to start cutting rates put them out of step with the US Fed

Source: Macrobond, as of August 1, 2024.



The US government's interest bill is going higher

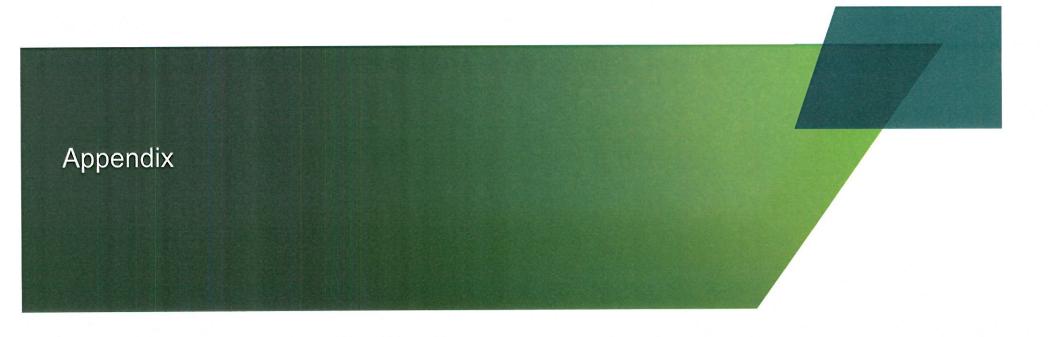
Cumulative government spending through FY2024, \$ billions



Due to an upward shift in interest rates, the cost of servicing US debt has already surpassed defense spending, amplifying concerns about debt sustainability

Source: US Department of Treasury, as of August 12, 2024.





Important disclosures

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Past performance is not a guide to future performance, which will vary. The value of investments and any income from them will fluctuate and is not guaranteed (this may partly be due to exchange rate changes). Future returns are not guaranteed and a loss of principal may occur.

All performance numbers used in the analysis are gross returns. The performance reflects the reinvestment of all dividends and income. INA charges management fees on all portfolios that they manage and these fees will reduce the returns on the portfolios. For example, assume that \$30 million is invested in an account with INA, and this account achieves a 5.0% annual return compounded monthly, gross of fees, for a period of five years. At the end of five years that account would have grown to \$38,500,760 before the deduction of management fees. Assuming management fees of 0.25% per year are deducted monthly from the account, the value at the end of the five year period would be \$38,022,447. Actual fees for new accounts are dependent on size and subject to negotiation. INA's investment advisory fees are discussed in Part 2A of its Form ADV. A full description of INA's advisory fees are described in Part 2A of Form ADV available from INA at www.adviserinfo.sec.gov.

Targeted returns intend to demonstrate that the strategy is managed in such a manner as to seek to achieve the target return over a normal market cycle based on what Insight has observed in the market, generally, over the course of an investment cycle. In no circumstances should the targeted returns be regarded as a representation, warranty or prediction that the specific deal will reflect any particular performance or that it will achieve or is likely to achieve any particular result or that investors will be able to avoid losses, including total losses of their investment.

The information shown is derived from a representative account deemed to appropriately represent the management styles herein. Each investor's portfolio is individually managed and may vary from the information shown. The mention of a specific security is not a recommendation to buy or sell such security. The specific securities identified are not representative of all the securities purchased, sold or recommended for advisory clients, it should not be assumed that an investment in the securities identified will be profitable. Actual holdings will vary for each client and there is no 27

guarantee that a particular client's account will hold any or all of the securities listed.

The quoted benchmarks within this presentation do not reflect deductions for fees, expenses or taxes. These benchmarks are unmanaged and cannot be purchased directly by investors. Benchmark performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. There may be material factors relevant to any such comparison such as differences in volatility, and regulatory and legal restrictions between the indices shown and the strategy.

Transactions in foreign securities may be executed and settled in local markets. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved.

Insight does not provide tax or legal advice to its clients and all investors are strongly urged to

consult their tax and legal advisors regarding any potential strategy or investment.

Information herein may contain, include or is based upon forward-looking statements within the meaning of the federal securities laws, specifically Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include all statements, other than statements of historical fact, that address future activities, events or developments, including without limitation, business or investment strategy or measures to implement strategy, competitive strengths, goals expansion and growth of our business, plans, prospects and references to future or success. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Words such as 'anticipate,' 'estimate,' 'expect,' 'project,' 'intend,' 'plan,' 'believe,' and other similar words are intended to identify these forward-looking statements. Forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many such factors will be important in determining our actual future results or outcomes. Consequently, no forward-looking statement can be guaranteed. Our actual results or outcomes may vary materially. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Insight and BNY Mellon Securities Corporation (BNYMSC) are subsidiaries of BNY Mellon. BNYMSC is a registered broker and FINRA member. BNY Mellon is the corporate brand of the Bank of New York Mellon Corporation and may also be used as a generic term to reference the Corporation as a whole or its various subsidiaries generally. Products and services may be provided under various brand names and in various countries by subsidiaries, affiliates and joint ventures of the Bank of New York Mellon Corporation where authorized and regulated as required within each jurisdiction. Unless you are notified to the contrary, the products and services mentioned are not insured by the FDIC (or by any government entity) and are not guaranteed by or obligations of the Bank of New York Mellon Corporation or any of its affiliates. The Bank of New York Mellon Corporation assumes no responsibility for the accuracy or completeness of the above data and disclaims all expressed or implied warranties in connection there with. Personnel of certain of our BNY Mellon affiliates may act as: (i) registered representatives of BNYMSC (in its capacity as a registered broker-dealer) to offer securities, (ii) officers of the Bank of New York Mellon (a New York chartered bank) to offer bank-maintained collective investment funds and (iii) associated persons of BNYMSC (in its capacity as a registered investment adviser) to offer separately managed accounts managed by BNY Mellon Investment Management firms.

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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 September 17, 2024

- A. Marshall University and West Virginia University Medical Malpractice Program
- As of September 12, 2024, Marshall has deposited \$660,000 into the escrow account for FY 2025. The fiscal year-to-date cumulative interest totals \$11,959.46. Disbursements totaling \$200,330.88 have been paid thus far in FY 2025.
- As of September 12, 2024, a total of \$1,246,511.12 has been deposited into WVU's escrow account for FY 2025. The fiscal year-to-date cumulative interest totals \$26,728.03. Disbursements totaling \$1,272,453.10 have been paid thus far in FY 2025.
- B. State and Non-State Liability Claims & Litigation Information

TRIALS

We have three cases to verdict so far in 2024, with two defense verdicts and one mistrial due to a hung jury.

7/25/2024 (501-920864) Insured: WV State Police; Plaintiff; Eugene Nabors, Jr.; U.S. Dist. Ct. – So. WV (Beckley); Defense Verdict. Plaintiff alleged injury resulting from the use of excessive force as well as false arrest. We made no offer on this case.

2/22/2024 (501-920311) Insured: Marshall University; Plaintiff: Hannah Cyrus; Cabell Co. Cir. Ct. Defense Verdict. Plaintiff alleged failure to timely diagnose ectopic pregnancy caused her pain and suffering, but she gave birth to a healthy child. We made no offer on this medical malpractice case.

2/14/2024 (501-939820) Insured: WV Division of Corrections; Plaintiff: Joshua Short; U.S. Dist. Ct. – So. WV (Beckley); Mistrial due to hung jury. Inmate Joshua Short alleged injury as the result of excessive force. Last Demand was \$49,000 and last offer was \$5,000. This case was settled for \$15,000 on May 2,2024.

PAID CLAIMS (August 2024 Data)

August 2024 Indemnity payments total \$10,600,000 vs August 2023 payments of \$9,700,000 an increase of 10.1%.

August 2024 Legal payments total \$4,000,000 vs. August 2023 Legal payments of \$2,800,000 an increase of 42.0%.

OUTSTANDING CLAIMS (August 2024 Data)

August 2024 Indemnity reserves total \$97,200,000 vs. August 2023 Indemnity reserves of \$162,200,000, a decrease of 40.1%.

August 2024 Expense reserves total \$41,900,000 vs. August 2023 Expense reserves of \$34,900,000 an increase of 20.1%.

CLAIMS COUNTS (August 2024 Data)

August 2024 New claims of 427 vs. August 2023 of 424, an increase of 0.7%.

August 2024 Closed claims of 333 vs. August 2023 of 301, an increase of 10.6%.

August 2024 Open claims of 1300 vs. August 2023 of 1100, an increase of 9.1%.

DURATION – CREATE TO CLOSED DATE CLAIMS (August 2024 Data)

August 2024 Duration of 120 Days vs. August 2023 Duration of 146 Days, a decrease of 18.0%.

CLOSING RATIO (August 2024 Data)

August 2024 Closing Ratio of 108.2% vs. August 2023 Closing Ratio of 118.7%, a decrease of 8.8%.

A. Insurance Renewals-

State Cyber – Renewed with incumbent, BRIT, with a slight premium increase of 16% for total limits of \$30,000,000 which is an increase of \$5,000,000 and addition of loss prevention services worth up to \$5,000.

BOE Cyber – Renewed with incumbent, Starr (\$10M primary) and Vantage (\$5M secondary layer). There was an increase in limits for the Teir 1 and Tier 2 for ransomware from \$2M/\$1M to \$4M/\$2M. The total premium is \$579,500 which is a decrease of 6.5% over the expiring policy.

Property – Renewed with a few carrier changes within the layers. Total increase in TIV from prior year is \$1.3B and the premium increase was only \$82,475 or slightly less than 1%.

B. Loss Ratio Cancellation Notices – BRIM reviewed the permissive accounts in the non-state program, cities/towns, other governmental and non-profit entities, for accounts that had exceeded 100% over the last five years. 62 accounts were identified, and a manual review of their claim history was conducted. Many of them had only one significant loss and was determined that this did not present a loss pattern trend. Some were borderline for a trending pattern, and it was decided that these accounts would receive a loss control visit to communicate the trending and potential for receiving a loss ratio cancellation notice next fiscal year. Seven accounts received a loss ratio cancellation notice to be effective October 14, 2024. These accounts were Tri-State Transit Authority, Logan-Mingo Area Mental Health, Cabell County Community Services Organization, HealthNet Aeromedical Services, Williamson Health and Wellness, City of Westover and

Monongalia County Urban Mass Transit. Three accounts, Tri-State Transit Authority, Logan-Mingo Area Mental Health, and Cabell County Community Services Organization remitted an appeal notice. We are working with counsel to retain the services of an independent hearing examiner to hear and decide on the appeal.

- C. Liability Broker BRIM met with USI for a second strategic meeting on July 8, 2024. We discussed the markets that they have currently provided applications, claims made versus occurrence-based policies and possible modifications to the AIG contract which could include renewing for 7-1-2025 without the non-state program. A comprehensive meeting will take place this fall or early in the new year so BRIM can provide the information gathered to all interested parties.
- D. AIG Local Office The five AIG employees who took the early retirement program, Chuck Waugh, Keith Turner, Joe Manoni, Bret Hart and Ann Pauley left at the end of July. Currently, Dan Rittenhouse has been named Assistant Vice President, Jo Jackson is the new Fast Track Manager replacing Keith Turner, and Bree Stewart is the new Casualty Admin Manager replacing Ann Pauley. The other positions are in works and we hope will be filled internally with a back fill from outside the agency.
- E. STRIMA Melody Duke, John Fernatt and Woodrow White attended the 2024 STRIMA Conference in Colorado Springs the week of September 7, 2024, through September 13, 2024. The educational sessions and states roundtables were very informative. The hot topic of conversation was AI and setting policies.
- F. Personnel Changes We have said a welcome to Bret Hart, Claim Representative II who joined our family August 12, 2024, and said a sad farewell to Ashley Summitt, Chief Privacy Officer who resigned August 16, 2024, for personal reasons. I will be starting the process to fill this void in the coming months. In the interim, Jeremy Wolfe will be supervising the Privacy employees and we will not have an individual privacy report but items of interest will be included in my director's report.
- G. Upcoming Board Meeting schedule for 2023:

Tuesday, December 12, 2023 @ 1PM

Sincerely,

Melody Duke
Executive Director

MAD/ldm

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

ST VEST

John McHugh Acting Cabinet Secretary Melody Duke Executive Director Melody.A.Duke@wv.gov

Chief Financial Officer's Report September 17, 2024

A. P-Card Report

Electronic copies mailed to the board contain the supporting details for P-card purchases for the months of May and June 2024. These totals are:

May \$44,893.90 June \$66,786.79

B. Current Financial Results

- The financial results presented are for the twelve months ending June 30th, 2024.
 The results reflect the actuarially estimated unpaid losses from AON's risk funding study as of June 30, 2024.
- Net premium revenue for FY23 has increased \$13.8 million compared to FY'23.
 The increase reflects an increase in premiums based on the actuarial estimated loss pics.
- Retained case reserves are \$39.5 million lower this year compared to the prior year and actuarially estimated IBNR is \$35.1 million lower than the prior year. Combined total current and non-current claims liabilities (i.e., unpaid claims) are \$74.6 million lower than last year based on the June 30th AON actuarial study. Our reserve adjustment in the fourth quarter of this year was lower than the fourth quarter of last year. The overall change in reserves this year was a decrease compared to an increase in the prior year.
- Claims and claims adjustment expense of \$104.3 million is \$67 million dollars lower than last year due primarily to claims payments made during the current fiscal year for claims reserved in the prior year therefore lowering the reserves.
- Investment income for FY24 was \$17 million compared to investment income of \$8 million in FY23. This is a positive year-over-year change of \$9 million. During FY24 the Bank of New York trust earned \$8.9 million. Because of the relatively short duration of the fixed income holdings in the trust (3.75 years) and changing yields the returns in the trust have been fluctuating. Equity markets experienced volatility during FY23 and that trend continued in FY24. Our earnings with the West Virginia Investment Management Board were \$6.8 million this fiscal year. Additionally, we had \$1.3 million of interest income from the BTI for FY24.
- The combination of higher reinsurance premiums, decreased claims expense, positive investment returns and an increase in premium revenue resulted in an increase in net position of \$7 million compared with a decrease in net position of \$82.6 million in FY'23. The largest factor in this change was a decrease in claims reserves of \$74.6 million for the year.

• Our current net position of \$75.8 million includes the mine subsidence program's net position of \$38 million, leaving BRIM's unrestricted net position at \$37.8 million. This compares with a net position of \$68.8 million last year.

C. Financial Markets

Financial markets have continued to be volatile since we had our last meeting in June. The DJIA has had many peaks and valleys this year, with a year to date return of 7.64%. With the uncertainty about the actions the Federal Reserve will take on interest rates and uncertainty in the economy this volatility is likely to continue.

The Federal Reserve has indicated in recent weeks that a rate reduction is all but certain at their next meeting after raising or holding rates steady during prior meetings. Currently rates range 5.25% and 5.5%. The report on unemployment for August will be a major factor in whether the Fed reduces rates a quarter-percentage or a half-point reduction. According to the report issued September 6th unemployment decreased to 4.2% in August from 4.3% in July. The July rate of 4.3% was the highest level in nearly 3 years. Employers added 142,000 jobs in August. This data had been highly anticipated due to its impact on the Feds decision regarding rates. New York Fed President John Williams was quoted in The Wall Street Journal saying that the Fed could now focus on lowering rates "over time".

The consumer price index was 2.5% higher in August than last year, but was lower than the 2.9% increase in July over last July. The rate in August is a three year low and slightly lower than what was expected by economists. Core inflation, which includes food and energy costs, held steady at 3.2%.

Because of uncertainty regarding what action the Federal Reserve will take on interest rates, the volatility of the stock market and inflation concerns BRIM's investment returns outlook remains uncertain for FY25.

Respectfully submitted,

Stephen W. Panaro, CPA

Chief Financial Officer

West Virginia Board of Risk and Insurance Management

Statements of Net Position

For the Twelve Months Ended June 30th

Name		20	124		2023
Current assets: 26,028 \$ 24,728 Cash and cash equivalents 257,498 235,648 Receivabales 2,726 3,258 Prepaid insurance 0 0 Restricted cash and cash equivalents 8,563 5,447 Premiums due from other entities 1,539 1,534 Total current assets 296,354 270,616 Noncurrent assets Equity position in internal investments pools 58,221 154,103 Restricted investments 32,585 29,754 Total noncurrent assets 90,806 183,857 Total noncurrent assets 243 399 Deferred Outflows of Resources 243 399 Deferred Outflows of Resources 243 399 Deferred Outflows of Resources - OPEB 10 5 Current liabilities 1,97 1,846 Claims Payable 1,99 1,646 Claims Payable 20 0 Claims Payable 20 0 Claims Payable 20		(In Thousa		nds)	
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Claims Payable 0 0 Accrued expenses and other liabilities 595 690 Total current liabilities 110,918 208,396 Estimated unpaid claims and claims adjustment expense net of current portion 200,425 177,257 Compensated absences 182 192 Net pension liability (4) 148 Total noncurrent liabilities 200,603 177,596 Total liabilities 311,521 385,992 Deferred Inflows of Resources 0 0 Deferred Inflows of Resources - OPEB 64 137 Net position: Restricted by State code for mine subsidence coverage 32,363 75,988 Unrestricted 36,438 75,415 Net Assets (Deficiency) 7,027 (82,602)			16,885		16,638
Accrued expenses and other liabilities 595 690 Total current liabilities 110,918 208,396 Estimated unpaid claims and claims adjustment expense net of current portion 200,425 177,257 Compensated absences 182 192 Net pension liability (4) 148 Total noncurrent liabilities 200,603 177,596 Total liabilities 311,521 385,992 Deferred Inflows of Resources 0 0 Deferred Inflows of Resources - OPEB 64 137 Net position: Restricted by State code for mine subsidence coverage 32,363 75,988 Unrestricted 36,438 75,415 Net Assets (Deficiency) 7,027 (82,602)			1,797		1,646
Estimated unpaid claims and claims adjustment expense net of current portion 200,425 177,257 Compensated absences 182 192 Net pension liability (4) 148 Total noncurrent liabilities 200,603 177,596 Total liabilities 311,521 385,992 Deferred Inflows of Resources 0 0 Deferred Inflows of Resources - OPEB 64 137 Net position: Restricted by State code for mine subsidence coverage 32,363 75,988 Unrestricted 36,438 75,415 Net Assets (Deficiency) 7,027 (82,602)			0		0
Estimated unpaid claims and claims adjustment expense net of current portion 200,425 177,257 Compensated absences 182 192 Net pension liability (4) 148 Total noncurrent liabilities 200,603 177,596 Total liabilities 311,521 385,992 Deferred Inflows of Resources 0 0 0 0 0 0 0 0 0			595		690
Compensated absences 182 192 Net pension liability (4) 148 Total noncurrent liabilities 200,603 177,596 Total liabilities 311,521 385,992 Deferred Inflows of Resources 0 0 Deferred Inflows of Resources - OPEB 64 137 Net position: Restricted by State code for mine subsidence coverage 32,363 75,988 Unrestricted 36,438 75,415 Net Assets (Deficiency) 7,027 (82,602)	Total current liabilities		110,918		208,396
Compensated absences 182 192 Net pension liability (4) 148 Total noncurrent liabilities 200,603 177,596 Total liabilities 311,521 385,992 Deferred Inflows of Resources 0 0 Deferred Inflows of Resources - OPEB 64 137 Net position: Restricted by State code for mine subsidence coverage 32,363 75,988 Unrestricted 36,438 75,415 Net Assets (Deficiency) 7,027 (82,602)					
Net pension liability (4) 148 Total noncurrent liabilities 200,603 177,596 Total liabilities 311,521 385,992 Deferred Inflows of Resources 0 0 Deferred Inflows of Resources - OPEB 64 137 Net position: Restricted by State code for mine subsidence coverage 32,363 75,988 Unrestricted 36,438 75,415 Net Assets (Deficiency) 7,027 (82,602)			200,425		177,257
Total noncurrent liabilities 200,603 177,596 Total liabilities 311,521 385,992 Deferred Inflows of Resources 0 0 Deferred Inflows of Resources - OPEB 64 137 Net position: Restricted by State code for mine subsidence coverage 32,363 75,988 Unrestricted 36,438 75,415 Net Assets (Deficiency) 7,027 (82,602)			182		192
Total liabilities 311,521 385,992 Deferred Inflows of Resources 0 0 Deferred Inflows of Resources - OPEB 64 137 Net position: Restricted by State code for mine subsidence coverage 32,363 75,988 Unrestricted 36,438 75,415 Net Assets (Deficiency) 7,027 (82,602)					
Deferred Inflows of Resources 0 0 Deferred Inflows of Resources - OPEB 64 137 Net position: Restricted by State code for mine subsidence coverage 32,363 75,988 Unrestricted 36,438 75,415 Net Assets (Deficiency) 7,027 (82,602)					
Deferred Inflows of Resources - OPEB 64 137 Net position: Restricted by State code for mine subsidence coverage 32,363 75,988 Unrestricted 36,438 75,415 Net Assets (Deficiency) 7,027 (82,602)	Total liabilities	-	311,521		385,992
Net position: 32,363 75,988 Restricted by State code for mine subsidence coverage 32,363 75,988 Unrestricted 36,438 75,415 Net Assets (Deficiency) 7,027 (82,602)	Deferred Inflows of Resources		0		0
Restricted by State code for mine subsidence coverage 32,363 75,988 Unrestricted 36,438 75,415 Net Assets (Deficiency) 7,027 (82,602)	Deferred Inflows of Resources - OPEB		64		137
Unrestricted 36,438 75,415 Net Assets (Deficiency) 7,027 (82,602)	Net position:				
Unrestricted 36,438 75,415 Net Assets (Deficiency) 7,027 (82,602)	Restricted by State code for mine subsidence coverage		32,363		75,988
Net Assets (Deficiency) 7,027 (82,602)					75,415
	Net position	\$	75,828	\$	

Unaudited

West Virginia Board of Risk and Insurance Management

Statements of Revenues, Expenses, and Changes in Net Position

For the Twelve Months Ended June 30th

	2024			2023	
	(In Thousands)				
Operating revenues					
Premiums		115,334	\$	95,502	
Less coverage/reinsurance programs		(14,989)		(8,969)	
Net operating revenues		100,345		86,533	
Operating expenses					
Claims and claims adjustment expense		104,272		171,253	
General and administrative		6,038		5,845	
Total operating expenses		110,310		177,098	
Operating income (loss)		(9,965)		(90,566)	
Nonoperating revenues					
Investment income		16,973		7,986	
Legislative Appropriation		0		0	
OPEB Non Operating Income		19		(22)	
Net nonoperating revenues		16,992		7,964	
Changes in net position		7,027		(82,602)	
Total net position, beginning of year		68,801		151,403	
Total net position, end of period	\$	75,828	\$	68,801	

Unaudited

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



John McHugh Acting Cabinet Secretary Melody Duke Executive Director Melody.A.Duke@wv.gov

Loss Control Report to the Board September 2024

State Agency loss control questionnaires were due on August 1, 2024. 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. The evaluations yielded the following results. Seventy-six percent of the state agency program will receive a form of a loss control credit. This is a slight increase from fiscal year 2025 results of seventy-three percent.

BRIM and Liberty Mutual Insurance will sponsor two boiler safety and operational seminars in October. We are hopeful that these seminars will continue to attract large crowds and that what is learned at the seminars will help keep boiler losses minor to a minimum as they have been for many years. To date, approximately 78 individuals have registered for the seminars.

During the months of June, July, and August Tawney conducted 302 inspections and Liberty Mutual Insurance conducted 77. The reports are being processed according to established procedures.

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

12 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: Lauren's Wish Addition Triage Center, YMCA of Parkersburg, Davis Stuart, Inc., Concord University Research & Development, Eastern Panhandle Instructional Cooperartive, Central West Virginia Community Action, The Lifehouse, Inc, Youth Services System, Hope House Ministries, Kanawha Valley Fellowship Home, West Virginia Department of Health, and Covenant House, Inc.

12 Standards of Participation Visits

These are visits which are designed to provide assistance to our insured Participation program.

Insured Accounts Visited Include: West Virginia Air & Environmental Quality Board, West Virginia Department of Human Services, West Virginia Department of Health Facilities, West Virginia Office of Shared Administration, Aces Coalition of West Virginia, Inc., West Virginia Women's Alliance, Armstrong Public Service District, Mountaineer Development Corporation, Berkeley County Committee on Aging, Beckley Health Right, Campe Barbe Association, and Fayette County Health Department.

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.

Dated: 9/11/24

Respectfully submitted,

Jeremy C. Wolfe

Deputy Director & Risk Manager

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



John McHugh **Acting Cabinet Secretary**

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

AGENDA BOARD MEETING OF THE WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT TUESDAY, DECEMBER 17, 2024 @ 1PM

(meeting held in person and remotely)

Chairman Price

Chairman Price Roll Call

Chairman Price Approval of Board Minutes

September 17, 2024

Call to Order

REPORTS

Norman Mosrie, Partner

Forvis Mazars

Audited Financial Report

June 30, 2024

Forvis Mazars

Melody Duke

Executive Director

Executive Director's Report

Stephen W. Panaro, CPA Chief Financial Officer

Financial Report

Jeremy C. Wolfe Loss Control Manager **PCard Report**

Loss Control Report

FINISHED BUSINESS

NEW BUSINESS

ADJOURNMENT

ldm

STATE OF WEST VIRGINIA



John McHugh Acting Cabinet Secretary



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

DRAFT MINUTES OF THE MEETING WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT September 17, 2024 @ 1PM

(Meeting held in person & telephonically)

BOARD MEMBERS:

Gordon Lane, Jr., Vice Chairman

(chaired the meeting in Chairman Price's absence)

Leah Cooper, Member (joined remotely) Kristin Boggs, Member Tom Clark, Member

Allan L. McVey, Board Secretary, Ex-Officio Member Commissioner, WV Office of the Insurance

Commissioner

BRIM PERSONNEL:

Melody Duke, Executive Director

John L. Fernatt, Deputy Director/Claims Manager

Jeremy Wolfe, Deputy Director/Risk & Insurance Manager

Stephen W. Panaro, CPA, CFO

Woodrow White, Underwriting Manager

Emily Fleck, Controller

Jason Stover, Office Assistant Lora Myers, Recording Secretary

BRIM PROGRAM REPRESENTATIVES:

Steve Fowler, BRIM Counsel

Brenda Samples, USI Insurance Services. LLC

Bob Ayers, USI Insurance Services. LLC Dave Stacy, USI Insurance Services, LLC

GUESTS:

Trent Gregory, WV Investment Management Board

Robert Bayston, Insight Investment Scott Mountain, Insight Investment

Sarah Long, CFO, WV Dept of Administration

Travis Tomblin

Kelsey Knotts, WVU Risk Management Donna Hadrych, WVU Health Sciences Stacie Honaker, WVU Health Sciences

Robert Fisher

CALL TO ORDER

- Vice-Chairman Lane called the board meeting of the West Virginia Board of Risk and Insurance Management to order on Tuesday, September 17, 2024 at 1:03PM. The meeting was held in person and telephonically.
- Vice-Chairman Lane requested all board members and meeting attendees sign in to verify their attendance. Remote participants should verify with confirmation email to Lora Myers at Lora.D.Myers@wv.gov.

APPROVAL OF MINUTES

- A motion to approve the Minutes of the March 19, 2024, board meeting minutes was requested. Member Kristin Boggs moved the approval of the board meeting minutes from the prior meeting. Motion was seconded by Member Tom Clark.
- No discussion, a vote took place and the MOTION ADOPTED.

REPORTS

West Virginia Investment Management Board

- Trent Gregory presented at the meeting for the West Virginia Investment Management Board. Mr. Gregory presented due to the absence of Tom Sauvageot.
- Mr. Gregory presented the BRIM Investment Review dated 9/4/2024. The
 Investment Review included Market Highlights which covered how the economy
 has slowed and inflation has become more manageable. He also reported that
 consumer spending remains strong despite high interest rates and inflation. It
 was also noted that public equity and fixed income markets performed above
 expectations for FY 2024.
- Also discussed were Asset Allocation, Performance, Asset Class Performance as of June 30, 2024.
- Mr. Gregory offered to field any questions, no questions. The WV Investment Board - BRIM Investment Review was received, a copy is attached and made part of the record.

Insight Investment

- Scott Mountain and Robert Bayston were welcomed to review Insight Investment.
 The gentlemen expressed their appreciation to make an appearance at BRIM.
- A handout was emailed prior to the meeting. Mr. Bayston reviewed the report and made several comments regarding Market Update - YTD 2024 which was outlined on Page 11.
- Other areas outlined by Mountain and Bayston included Portfolio Performance, BRIM Representative Portfolio, Economic & Investment Outlook, Banks cautious with lending standards, US grappling with growing financial stress, and the US government's interest bill is going higher.
- The presenters asked for questions, no questions. The Insight Investment -State of WV - BRIM Review was received, a copy is attached and made part of the record.

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Executive Director's Report

- Melody Duke was asked to give the Executive Director's Report. She started with an explanation of the Marshall and West Virginia university Medical Malpractice Programs. Included in her report were total deposits/disbursements so far in FY2025.
- Mrs. Duke reported on the State and Non-State Liability Claims and Litigation information, as well as trials, paid claims, outstanding claims, claim counts, duration and closing ratios.
- Insurance Renewals were discussed. State Cyber with a slight premium increase of 16% for total limits of \$30,000,000 which is an increase of \$5,000,000 and addition of loss prevention services worth up to \$5,000. BOE Cyber, there was an increase in limits for the Tier 1 and Tier 2 for ransomware. Total premium is \$579,500 which is a decrease of 6.5% over the expiring policy. Property renewed with a carrier changes within the layers. Total increase in TIV from prior year is \$1.3B and the premium increase was only \$82,475, slightly less than 1%.
- The Executive Director discussed the Loss Ratio Cancellation Notices, BRIM reviewed the permissive accounts in the non-state program, cities/towns, other governmental and non-profit entities, for accounts that had exceeded 100% over the last five years. Several accounts were identified and a manual review of their claim history was conducted. Many had only one significant loss and it was determined that this did not present a loss pattern trend.
- Mrs. Duke reported on the BRIM meeting for a second time on July 8, 2024.
 Discussion was also held regarding the markets and that they have currently
 provided applications, claims made versus occurrence-based policies. and
 possible modification to the AIG contract which could include renewing for July 1,
 2025 without the non-state program. A meeting will take place so BRIM can
 provide information gathered to all parties.
- Also discussed, BRIM has been notified that five of the employees in the local Charleston AIG office have taken early retirement. Chuck Waugh, Keith Turner, Joe Manoni, Bret Hart and Ann Pauley retired at the end of July. Dan Rittenhouse is the new Assistant Vice President, Jo Jackson is the new Fast Track Manager replacing Keith Turner and Bree Stewart is the new Casualty Admin Manager replacing Ann Pauley.
- The Executive Director discussed the upcoming STRIMA Conference. Melody Duke, John Fernatt and Woodrow White will be attending the conference in Colorado Springs, September 7 - 13, 2024. The big topic was Al and setting policies.
- BRIM has several personnel changes. BRIM welcomes Bret Hart, Claim Representative II who joined us in August 2024. BRIM said a sad farewell to Ashley Summitt, Chief Privacy Officer who resigned in August 2024 for personal reasons. We will be looking to fill Ashley's position in the coming months. Until a new person is hired, Jeremy Wolfe will be supervising the Privacy staff.
- Reminder of the Upcoming Board Meeting schedule for 2024 includes the following:

Tuesday, December 17, 2024 @ 1PM

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

BRIM Financial Report

- Stephen Panaro was asked to present the Chief Financial Officer's Report.
- Mr. Panaro reviewed the P-Card Report for May and June 2024.

- Mr. Panaro reported on the financial results:
- Presentation of the twelve months ending June 30, 2024. The results reflect the actuarially estimated unpaid losses from AON's risk funding study as of June 30, 2024.
- Net premium revenue FY23 has increased \$13.8 million compared to FY23.
 The increase reflects an increase in premiums based on the actuarial estimated loss pics.
- Retained case reserves are \$39.5 million lower this year compared to the prior year and actuarially estimated IBNR is \$35.1 million lower than the prior year.
 Combined total current and non-current claims liabilities (i.e., unpaid claims) are \$74.6 million lower than last year based on June 30th AON actuarial study. Our reserve change in the fourth quarter of this year was lower than the fourth quarter of last year.
- Claims and claims adjustment expense of \$104.3 million is \$67 million dollars lower than last year due to claims payments made during the current fiscal year for claims reserved in the prior year; therefore, lowering the reserve.
- Investment income for FY24 was \$17 million compared to investment income of \$8 million in FY23. This is a positive year-over-year change of \$9 million. During FY24, the Bank of New York trust earned \$8.9 million. Due to the relatively short duration of the fixed income holdings in the trust (3.75 years) and changing yields the returns in the trust have been fluctuating. Equity markets experienced volatility during FY23 and that trend continued to FY24. Our earnings with the WV Investment Management Board were \$6.8 million this fiscal year.
- The combination of higher reinsurance premiums, decreased claims expense, positive investment returns and increased premium revenue resulted in an increase in net position of \$7 million compared with a decrease in net position of \$82.6 million in FY23. The largest factor in this change was a decrease in claims reserves of \$74.6 million for the year.
- Our current net position of \$75.8 million includes the mine subsidence program's net position of \$38 million, leaving BRIM's unrestricted net position at \$37.8 million. This compares with a net position of \$68.8 million last year.
- Mr. Panaro continued his report with information on the Financial Markets.
- Financial markets have continued to be volatile since our last board meeting in June. The DJIA has had many peaks and valleys during this year, with a year to date return of 7.64%.
- With the uncertainty regarding the actions, the Federal Reserve will take on interest rates and uncertainty in the economy this volatility is likely to continue. The Federal Reserve has indicated in recent weeks that a rate reduction is all but certain at their next meeting after raising or holding rates steady during prior meetings. The report on unemployment for August will be a major factor in whether the Fed reduces rates a quarter-percentage for a half-point reduction. According to the report issued September 6th unemployment decreased to 4.2% in August from 4.3% in July. The July rate of 4.3% was the highest level in nearly three years. Employers added a 142,000 jobs in August. This data had been highly anticipated due to its impact on the Fed's decision about rates.
- The Consumer Price Index was 2.5% higher in August than last year, but was lower than the 2.9% increase in July over last July. The rate in August is a three year low and slightly lower than what was expected. Core inflation, which includes food and energy costs held steady at 3.2%.

- Because of uncertainty regarding what action the Federal Reserve will take on interest rates, the volatility of the stock market and inflation concern BRIM's investment returns outlook remains uncertain.
- Mr. Panaro asked for questions, no questions. The Chief Financial Officer's Report (including financials) was received and filed, a copy is attached and made part of the record.

Loss Control Report

- Jeremy Wolfe was asked to present the Loss Control Report.
- Mr. Wolfe reported State Agency Loss Control Questionnaires were due on August 1, 2024. Since that time, we have been evaluating those questionnaires. The results will be used to calculate loss control credits and surcharges for the next fiscal year's premium. The evaluations yielded the following results. Seventy-six percent of the state agency program will receive a form of a loss control credit. This is a slight increase from the FY25 results of 73%.
- BRIM and Liberty Mutual Insurance will sponsor two boiler safety and operational seminars in October. We are hopeful that these seminars will continue to attract large crowds and that what is learned will help keep boiler losses minor and to a minimum as the have been for many years.
- During the months of June, July and August Tawney conducted 302 inspections and Liberty Mutual Insurance conducted 77.
- Since last reported, our loss control technical staff reports the following activity:
 12 Standards of Participation Visits These are visits which are designed to provide assistance to our insured who are trying to become compliant with the BRIM Standards of Participation Program.
 - 12 Loss Control Visits These are standard loss control visits which focus on all coverage and which result in information and/or loss control recommendations being provided.
- As is the case each year, the number of loss control visits is reduced during the period in which we evaluate loss control questionnaire submissions.
- Mr. Wolfe asked if there were any questions, no questions. The Loss Control Report was received and filed, a copy is attached and made part of the record.

UNFINISHED BUSINESS

NEW BUSINESS

ADJOURNMENT

- There was a request for a motion to adjourn the BRIM board meeting. Member Tom Clark moved the meeting adjournment. The motion was seconded by Member Kristin Boggs.
- No discussion, a vote took place and the MOTION ADOPTED. The meeting adjourned.

Board Chairman	Date	

Forvis Mazars Report to the Board of Directors

West Virginia Board of Risk and Insurance Management

Results of the 2024 Financial Statement Audit, Including Required Communications

June 30, 2024

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	This report covers audit results related to your financial statements and supplementary information: • As of and for the year ended June 30, 2024. • Conducted in accordance with our contract dated June 14, 2024
Our Responsibilities	Forvis Mazars is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).
Audit Scope & Inherent Limitations to Reasonable Assurance	An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.
Extent of Our Communication	In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.
Independence	The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.
Your Responsibilities	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.

Matter	Discussion
Distribution Restriction	This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties:
	Board of Directors
	 Management of West Virginia Board of Risk and Insurance Management
	State of West Virginia Financial Accounting & Reporting Division

Government Auditing Standards

Matter	Discussion
Additional	We also provided reports as of June 30, 2024, on the following as required by GAGAS:
GAGAS Reporting	 Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS
Reporting Limitations	Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

Other Information Accompanying the Audited Financial Statements

The audited financial statements are presented along with management's Annual Comprehensive Financial Report. Management, or those charged with governance, is responsible for preparing the annual report.

We were not engaged to audit the information contained in the Annual Comprehensive Financial Report, and as a result, our opinion does not provide assurance as to the completeness and accuracy of the information contained therein.

As part of our procedures, we read the entire report to determine if financial information discussed in sections outside the financial statements materially contradicts the audited financial statements. If we identify any such matters, we bring them to management's attention and review subsequent revisions.

Drafts of the management's Annual Comprehensive Financial Report were not available to us as of the date we issued our auditor's report.

We have requested that management provide the document to us when available, in order to allow us to complete our required procedures on the information. We will have no obligation to reissue our report upon completion of these procedures to include the results of our procedures performed on the final document.

However, if we identify material inconsistencies that indicate that the audited financial statements were misstated, then we will be required to evaluate the nature and magnitude of the misstatement to determine if a restatement of the previously issued financial statements is warranted.

Auditor Objectives Related to Other Information

Our objectives related to the other information accompanying the audited financial statements were to:

- Consider whether a material inconsistency exists between the other information and the financial statements
- · Remain alert for indications that:
 - A material inconsistency exists between the other information and the auditor's knowledge obtained in the audit, or
 - A material misstatement of fact exists or the other information is otherwise misleading
- Respond appropriately when we identify that such material inconsistencies appear to exist or when we otherwise
 become aware that other information appears to be materially misstated. Potential responsive actions would
 include requesting management to correct the identified inconsistency
- Include the appropriate communication in our auditor's report, disclosing the procedures performed on the Other Information, as well as the results obtained
 - We will read the other information when available for material inconsistencies.

Qualitative Aspects of Significant Accounting Policies & Practices

Significant Accounting Policies

Significant accounting policies are described in Note 2 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

No matters are reportable

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature), we noted the following:

No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

No matters are reportable

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

 Management's estimate of the estimated liabilities for claims payable is based on actuarial calculations and assumptions. 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 BRIM's consulting actuary.



Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- 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.

Our Judgment About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the Entity's application of accounting principles:

• No matters are reportable

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

• No matters are reportable

Uncorrected Misstatements

No uncorrected misstatements to report.

Other Required Communications

Disagreements with Management

The following matters involved disagreements which if not satisfactorily resolved would have caused a modified auditor's opinion on the financial statements:

No matters are reportable

Consultation with Individuals Outside of the Engagement Team

During our audit, we encountered the following matters, for which we consulted the views of individuals outside of the engagement team:

No matters are reportable



Consultation with Other Accountants

During our audit, we became aware that management had consulted with other accountants about the following auditing or accounting matters:

No matters are reportable

Significant Issues Discussed with Management

During the Audit Process

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- · Business conditions affecting the Entity
- Business plans and strategies that may affect the risks of material misstatement
- Transactions with related parties

Difficulties Encountered in Performing the Audit

Our audit requires cooperative effort between management and the audit team. During our audit, we found significant difficulties in working effectively on the following matters:

· No matters are reportable

Significant Related-Party Findings

We would like to communicate the following significant findings or issues that arose during our audit, related to the Entity's related-party activity:

 Notes 3 and 8 disclose related-party activity with the State of West Virginia primary government and its compoent units

Other Material Communications

Listed below are other material communications between management and us related to the audit:

• Management representation letter (see Attachment)

We orally communicated to management other deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies.

Attachments

Audited Financial Statements (Attachment A)

The audited financial statements are included herein for your reference.

Management Representation Letter (Attachment B)

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.

Attachment A

Audited Financial Statements

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

Independent Auditor's Report, Financial Statements, Required Supplementary Information, and Other Supplementary Information

Years Ended June 30, 2024 and 2023

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Forvis Mazars, LLP 500 Virginia Street East, Suite 800 Charleston, WV 25301 P 304.343.0168 | F 304.343.1895 forvismazars.us



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

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, 2024 and 2023, and the related notes to the financial statements, which collectively comprise BRIM's basic financial statements as listed in the table of contents.

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, 2024 and 2023, and the revenues, expenses, and changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BRIM and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about BRIM's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*. we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to
 fraud or error, and design and perform audit procedures responsive to those risks. Such procedures
 include examining, on a test basis, evidence regarding the amounts and disclosures in the financial
 statements.
- Obtain an understanding of internal control relevant to the audit 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 BRIM's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BRIM's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 63 to 70 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who 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 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.

Supplementary 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 71 through 78 listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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 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 2, 2024, 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 solely 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 effectiveness of BRIM's 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.

Forvis Mazars, LLP

Charleston, West Virginia October 2, 2024

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, 2024, 2023, and 2022. BRIM provides property and casualty insurance to the State of West Virginia (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 assets that applies to future periods 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 assets that applies to future periods 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 revenues, expenses, and changes in net position as of and for the years ended June 30, 2024, 2023, and 2022:

				Change 2024 - 2023			023 - 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent	
Cash and cash equivalents	\$ 34,591	\$ 30,175	\$ 30,131	\$ 4,416	14.6%	\$ 2,046	7.3%	
Advance deposits with carrier/trustee Receivables	257498 4,265	235,648 4,792	243,344 4,291	21,850 (527)	9.3 (11.0)	(7,696) 501	(3.2) 11.7	
Total current assets	296,354	270,615	275,764	25,739	9.5	(5,149)	(1.9)	
Noncurrent investments	90,829	183,857	175,462	(93,028)	(50.6)	8,395	4.8	
Total assets	387,183	454,472	451,226	(67,289)	(14.8)	3,246	0.7	
Total deferred outflows of resources	253	458	495	(205)	(44.8)	(37)	(7.5)	
Estimated unpaid claims and claims				/	(1112)	/	(112)	
adjustment expense	91,641	189,423	103,306	(97,782)	(51.6)	86,117	83.4	
Unearned revenue	16,885	16,638	12,208	247	1.5	4,430	36.3	
Agent commissions payable Accrued expenses and other	1,797 621	1,646 669	1,496 615	151 (48)	9.2 (7.2)	150 54	10.1 8.8	
Total current liabilities					` ,		0.0 77.2	
	110,944	208,376	117,625	(97,432)	(46.8)	90,751	11.2	
Estimated unpaid claims and claims adjustment expense, net of current portion	200,425	177,257	181,989	23,168	13.1	(4,732)	(2.6)	
Compensated absences	182	191	167	(9)	(4.7)	24	14.4	
Net pension (asset) liability ((4)	148	(894)	(152)	(102.7)	1,042	116.6	
Net other post-employment benefits (asset) liability	(26)	20	(6)	(46)	(230)	26	(433.3)	
Total noncurrent liabilities	200,577	177,616	181,256	22,961	12.9	(3,640)	(2.0)	
Total liabilities	311,521	385,992	298,881	(74,471)	(19.3)	87,111	29.1	
Total deferred inflows of resources	64	137	1,436	(73)	(53.3)	(1,299)	(90.5)	
Net position:					(,		(,	
Restricted	38,024	32,363	75,988	5,661	17.5	(43,625)	(57.4)	
Unrestricted	37,827	36,438	75,416	1,389	3.8	(38,978)	(51.7)	
Net position	\$ 75,851	\$ 68,801	<u>\$ 151,404</u>	\$ 7,050	10.2%	<u>\$ (82,603)</u>	(54.6)%	
Premiums	\$ 115,334	\$ 95,502	\$ 86,099	\$ 19,832	20.8%	\$ 9,403	10.9%	
Less excess coverage	(14,989)	(8,969)	(4,758)	(6,020)	67.1	(4,211)	88.5	
Net operating revenues	100,345	86,533	81,341	13,812	16.0	5,192	6.4	
Claims and claims adjustment expense	104,272	171,253	168,122	(66,981)	(39.1)	3,131	1.9	
General and administrative	6,038	5,847	5,008	<u> 191</u>	3.3	839	16.8	
Total operating expenses	110,310	<u>177,100</u>	<u>173,130</u>	66,790	(37.7)	3,970	2.3	
Operating (loss) income	(9,965)	(90,567)	(91,789)	80,602	(89.0)	1,222	(1.3)	
Nonoperating revenues (expenses): Investment income (loss)	16,996	7,986	(33,670)	9,010	112.80	41,656	123.7	
OPEB nonoperating income (loss)	10,990	(22)	(33,670)	41	(186.4)	41,030 (16)	266.7	
Total nonoperating revenues					(,			
(expenses), net	17,015	7,964	(33,676)	9,051	113.6	41,640	123.6	
Increase (decrease) in net position	7,050	(82,603)	(125,465)	89,653	(108.5)	42,862	34.2	
Total net position - beginning	68,801	<u>151,404</u>	276,869	(82,603)	(54.6)	(125,465)	(45.3)	
Total net position - end	<u>\$ 75,851</u>	<u>\$ 68,801</u>	<u>\$ 151,404</u>	<u>\$ 7,050</u>	10.2%	<u>\$ (82,603)</u>	(54.6)%	
Total revenues	<u>\$ 117,360</u>	<u>\$ 94,497</u>	<u>\$ 47,665</u>	\$ 22,863	24.2%	\$ 46,832	98.3%	
Total expenses	<u>\$ 110,310</u>	<u>\$ 177,100</u>	<u>\$ 173,130</u>	\$ (66,790)	(37.7)%	\$ 3,970	2.3%	

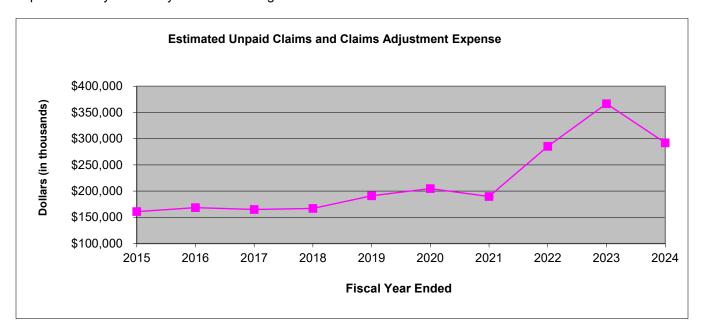
- Total assets decreased by \$67,289 in 2024 and increased by \$3,246 in 2023. The decrease in 2024 is the result of an increase in cash and cash equivalents a decrease in accounts receivables and a decrease in noncurrent investments. In 2024 there were increased deposits made to the trustee. Further, the decrease in noncurrent assets can be attributed to withdrawals during the year for claims payments. The increase in 2023 is result of an increase in cash and cash equivalents and accounts receivables, along with a decrease in deposits made to the trustee.
- Total liabilities decreased by \$74,471 in 2024 and increased by \$87,111 in 2023 The decrease in unpaid claims is the main driver of this decrease. Accrued expenses and other liabilities also contributed offset by smaller increases in unearned revenue and agent commissions payable for the current year. The payment of a number of large claims related to several earlier years and the current year resulted in the decrease. Increases in unpaid claims, accrued expenses and other liabilities are the components of the increase in 2023.
- The rise in total net position of \$7,050 in 2024 and the decline of \$82,603 in 2023 were due to several factors. In 2024, premium revenue and investment income increased and there was a large decrease in claims and claims adjustment expense when compared to the prior year. The investment gain of \$16,973 was driven by increasing interest rates and improved returns in the equities market. The combination of these changes resulted in the increase of net position of \$7,027 for 2024. The decrease in net position in 2023 was primarily due to the large increase in claims and claims adjustment expense driven by increasing reserves for claims. Deferred inflows decreased and deferred outflows slightly decreased from 2023 to 2024 due to the net changes in pension and OPEB activity for the year. In 2023 deferred inflows increased and deferred outflows decreased due to changes in pension activity for the year. Also included within the net position category are restricted positions of \$38,024 in 2024, \$32,363 in 2023, and \$78,988 in 2022. This is comprised of funds that provide mine subsidence coverage to the general public per West Virginia Code.
- Total net operating revenues increased by \$13,812 in 2024 and increased by \$5,192 in 2023. 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 decreased by \$66,981 for 2024. Claims expense decreased in 2024 due to more favorable claims development of several prior years and the current year resulting in an favorable impact of \$66,981 for 2024. Net claims and claims adjustment expense increased by \$97,863 in 2023. 2023 continued the trend of high claims expense driven by increasing reserves. In 2022, claims expense increased due to unfavorable claims development of several prior years resulting in a unfavorable impact of \$71,948. Further, approximately \$7,450 of the increase in claims in 2022 resulted from the change in BOE excess liability coverage being self-funded. Net nonoperating revenues increased by \$9,051 in 2024 from the nonoperating income in 2023 of \$7,964. 2023 saw an increase of \$41,640 from the loss in 2022 of \$33,670. The increase for 2024 was the result of investment income. Year over year investment returns for 2024 improved by \$9,010 and improved by 41,656 for 2023 compared to 2022 which had an investment loss of \$33,670.
- Total revenues and total expenses from 2024 to 2023 and from 2023 to 2022 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 rose 10.2% from the prior year compared with a decline of 54.6% from 2022 to 2023. Claims reserves decreased in 2024 and investment earnings increased. The effect of the increase in premium revenue, decreased claims and claims adjustment expense and investment gains resulted in an overall increase in net position for the year. Total net position at June 30, 2024 was \$75,851.

Unpaid Claims Liability

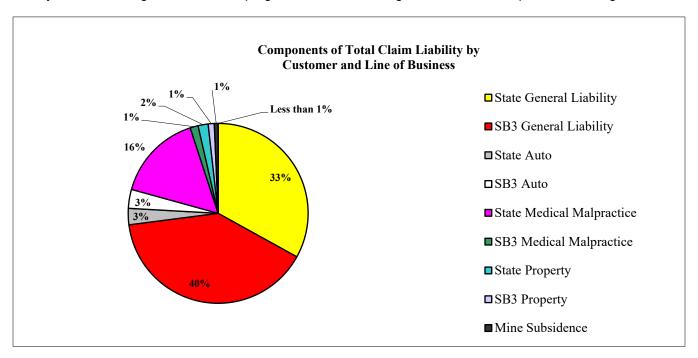
BRIM's most significant number on its statements of net position is the liability for estimated unpaid claims and claims adjustment expense. This liability consists of two parts: claims of which BRIM is aware that have been reserved and incurred but not reported (IBNR) claims, which are projected by an independent actuary. For 2024, year over year actual reserves decreased by \$39.5 while the projected IBNR total decreased by \$35.1. Payments in the current year for claims from prior years' reserves offset other reserve increases resulting in the combined decrease in 2024 of \$74.6. The majority of this decrease is caused by payments for abuse claims from several prior years which were filed in FY23. From fiscal year 2023 to 2024, the liability for unpaid claims decreased from \$366,680 to \$292,066, respectively. The chart below shows the estimated unpaid claims and claims adjustment expense liability for fiscal years 2015 through 2024.



Results by Line of Business for BRIM

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

The following chart shows the breakdown by customer and line of business of the total estimated claim liability number, which is \$292,066. 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

Prior to FY22, BRIM has had no deficiency in net position for the programs it has overseen for several years. During FY24 and FY23, due to adverse claims development, the net position of the SB3 program became a retained deficit of \$81,565 and \$90,811, respectively. 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 identify and address the risks underlying the adverse losses. 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 improved this fiscal year despite rising interest rates and a volatile equities market. In 2024, market conditions were more favorable for both stocks and fixed income investments. In 2023, BRIM had significant losses in both equity and fixed income investments. In 2023, market conditions were volatile for both stock and fixed income investments. 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 one withdrawal from the WVIMB in 2024 and 2023.

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 2023, and 2022, increasing retained reserves and negatively impacting operating results. The reserve decreased in 2024 due to the payout of a large number of claims.

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

Inflation prompted the Federal Reserve (Fed) to increase interest rates several times during FY24 and FY23. The Fed recently announced a rate decrease and it is anticipated that the Fed will continue to decrease rates in FY25. Rising interest rates and the volatility of the equities markets impacted BRIM's investment returns in FY24 and could impact operations in the future as well.

Requests for Information

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

Basic Financial Statements (in thousands)

West Virginia Board of Risk and Insurance Management Statements of Net Position June 30, 2024 and 2023 (in thousands)

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 26,028	\$ 24,728
Advance deposits with insurance company and trustee	257,498	235,648
Receivables	2,726	3,258
Restricted cash and cash equivalents	8,563	5,447
Restricted receivables		
Premiums due from other entities	1,539	1,534
Total current assets	296,354	270,615
Noncurrent Assets		
Equity position in investment pools	58,236	154,103
Restricted investments	32,593	29,754
Total noncurrent assets	90,829	183,857
Total assets	387,183	454,472
DEFERRED OUTFLOWS OF RESOURCES		
Pension	243	399
Other Post-employment Benefits	10	59
Total deferred outflows of resources	253	458
LIABILITIES		
Current Liabilities		
Estimated unpaid claims and claims adjustment expense	91,641	189,423
Unearned premiums	16,885	16,638
Agent commissions payable	1,797	1,646
Accrued expenses and other liabilities	621	669
Total current liabilities	110,944	208,376
Estimated Unpaid Claims and Claims Adjustment Expense, Net		
of Current Portion	200,425	177,257
Compensated Absences	182	191
Net Pension (Asset) Liability	(4)	148
Net Post-employment Benefits (Asset) Liability	(26)	20
Total noncurrent liabilities	200,577	177,616
Total liabilities	311,521	385,992
DEFERRED INFLOWS OF RESOURCES		
Other Post-employment Benefits	64	137
Total deferred inflows of resources	64	137
NET POSITION		
Restricted by State Code for Mine Subsidence Coverage	38,024	32,363
Unrestricted	37,827	36,438
Net position	\$ 75,851	\$ 68,801

West Virginia Board of Risk and Insurance Management Statements of Revenues, Expenses and Changes in Net Position Years Ended June 30, 2024 and 2023 (in thousands)

	2024	2023
Operating Revenues Premiums Less excess coverage/reinsurance premiums	\$ 115,334 (14,989)	\$ 95,502 (8,969)
Net operating revenues	100,345	86,533
Operating Expenses Claims and claims adjustment expense General and administrative	104,272 6,038	171,253 5,847
Total operating expenses	110,310	177,100
Operating Loss	(9,965)	(90,567)
Nonoperating Revenues (Expenses) Investment income OPEB nonoperating income (expense)	16,996 19	7,986 (22)
Net nonoperating revenues	17,015	7,964
Change in net position	7,050	(82,603)
Total Net Position, Beginning of Year	68,801	151,404
Total Net Position, End of Year	\$ 75,851	\$ 68,801

West Virginia Board of Risk and Insurance Management Statements of Cash Flows Years Ended June 30, 2024 and 2023 (in thousands)

	2024	2023
Operating Activities		
Receipts from customers	\$ 101,119	\$ 90,462
Payments to employees	(2,211)	(2,187)
Payments to suppliers	(3,780)	(3,648)
Payments to claimants	(178,886)	(89,868)
Deposits to advance deposit with insurance company		
and trustee	(189,830)	(82,248)
Withdrawals from advance deposit with insurance company		
and trustee	 176,876	 87,547
Net cash (used in) provided by operating activities	 (96,712)	 58
Investing Activities		
Purchase of investments	(104,407)	(50,812)
Sale of investments	203,974	51,459
Net investment earnings	 1,561	1,341
Net cash provided by investing activities	 101,128	1,988
Net Increase in Cash and Cash Equivalents	4,416	2,046
Cash and Cash Equivalents, Beginning of Year	 30,175	 28,129
Cash and Cash Equivalents, End of Year	\$ 34,591	\$ 30,175
Cash and Cash Equivalents Consist of		
Cash and cash equivalents	\$ 26,028	\$ 24,728
Restricted cash and cash equivalents	 8,563	 5,447
	\$ 34,591	\$ 30,175

West Virginia Board of Risk and Insurance Management Statements of Cash Flows Years Ended June 30, 2024 and 2023 (in thousands)

(Continued)

		2024	2023		
Reconciliation of Operating Loss to Net Cash (Used in)					
Provided by Operating Activities Operating loss	\$	(9,965)	\$	(90,567)	
Operating loss	Ψ	(9,903)	Ψ	(90,307)	
Adjustments to Reconcile Operating Loss to Net Cash					
(Used in) Provided by Operating Activities					
Pension and OPEB expense		102		(35)	
Change in advanced deposits, net		(12,954)		5,299	
Decrease (increase) in premiums receivable, net		527		(501)	
(Decrease) increase in estimated liability for unpaid claims and					
claims adjustment expense		(74,614)		81,385	
Increase in other liabilities		94		228	
Increase in unearned premiums		247		4,430	
Deferred outflows of resources - pension and OPEB contributions		(149)		(181)	
Total adjustments		(86,747)		90,625	
Net cash (used in) provided by operating activities	\$	(96,712)	\$	58	
Noncash Activities					
Increase in fair value of investments	\$	15,435	\$	6,645	

Notes to Financial Statements (in thousands)

Note 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 (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 Annual Comprehensive 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, 2024, 2023 and 2022, 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. In February 2023, the West Virginia Legislature passed HB3542 that transferred \$50 million from the mine subsidence fund to the BRIM unrestricted fund to be available for operational expenditure during the fiscal year ending June 30, 2023. This transfer resulted in a corresponding decrease in restricted net position and increase in unrestricted net position during the year ended June 30, 2023.

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 (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. Senate Bill 576 passed in March of 2018 mandated that any funds remaining in the Patient Injury Compensation Fund as of June 30, 2022, that will not be used for claims payments or administrative costs, be transferred to the General Reserve Fund. 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.

Note 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, 2024 and 2023, 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.

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 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 assets 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 \$149 and \$154 for the years ending June 30, 2024 and 2023, respectively, related to employer contributions to the PERS made during the current fiscal year subsequent to the measurement date. Deferred outflows of resources related to pension also consist of other amounts related to differences between projected and actual earnings on pension plan investments, differences between expected and actual experience related to pension, and changes in proportion and differences between BRIM's contributions and proportionate share of contributions. Deferred outflows of resources related to other post-employment benefits in the statements of net position were composed of \$0 and \$27 for the years ending June 30, 2024 and 2023, 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 assets 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 earnings on OPEB plan investments, and changes in proportion and differences between employer contributions and proportionate share of contributions.

Receivables and Premium Income

Receivables represent the amount outstanding for premiums from the insured covered under BRIM's insurance program. Management maintains an allowance for doubtful accounts to reserve for estimated losses based on the length of time the amount has been past due. As of June 30, 2024 and 2023, 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.

Subsequent Events

In preparing these financial statements, BRIM has evaluated events and transactions for potential recognition or disclosure through October 2, 2024, the date the financial statements were available for issuance.

Note 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 \$31,946 and \$29,208 at June 30, 2024 and June 31, 2023, 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 following table provides information on the weighted-average credit ratings of the West Virginia Money Market Pool's investments:

_	Credit Rating		202	4	2023		
Security Type	Moody's	S&P	Carrying Value	Percent	Carrying Value	Percent	
Corporate Bonds and Notes		A-1	\$ -	0.00%	\$ 50,000	0.50%	
Commercial paper	P-1	A-1+	3,626,718	37.76	2,281,084	23.14	
• •	P-1	A-1	3,636,575	37.85	4,522,938	45.88	
Negotiable CDs	P-1	A-1+	844,998	8.80	553,000	5.61	
	P-1	A-1	709,000	7.38	1,397,000	14.17	
		A+	-	0.00	-	0.00	
Money market funds	NR	AAAm	2,820	0.03	220,607	2.24	
Cash	NR	A-1+	-	0.00	-	0.00	
Repurchase agreements (underlying securities)							
U.S. Treasury bills and notes	s* Aaa	AA+	134,000	1.40	512,000	5.19	
U.S. Agency bonds and note	s Aaa	AA+	651,000	6.78	322,500	3.27	
			\$ 9,605,111	<u>100.00</u> %	\$ 9,859,129	<u>100.00</u> %	

^{*}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, 2024 and 2023, 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.

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

		2024	2023			
Investment Type	Fair Value	WAM Days	Fair Value	WAM Days		
Corporate bonds and notes	\$ -	-	\$ 50,000	15		
Commercial Paper	7,263,293	36	6,804,022	25		
Negotiable certificates of deposit	1,553,998	50	1,950,000	56		
Repurchase agreements	785,000	3	834,500	3		
Money market funds	2,820	3	220,607	3		
	<u>\$ 9,605,111</u>	36	\$ 9,859,129	29		

BRIM's amount invested in the West Virginia Money Market Pool of \$31,946 at June 30, 2024 and \$29,208 at June 30, 2023 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, 2024 and 2023, 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, Private Markets Pool, and the Treasury Inflation Protection Securities (TIPS).

Investment Objectives

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

Asset Allocation

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

	Base A	Strategic Allocation			
Asset Class	2024	2023	2024	2023	
Equity	30%	20%	25%	25%	
Fixed Income	70%	80%	35%	35%	
TIPS	0%	0%	10%	10%	
Private Markets					
Private Credit and Income	0%	0%	2%	2%	
Private Equity	0%	0%	4%	4%	
Real Estate	0%	0%	4%	4%	
Hedge Funds	0%	0%	15%	15%	
Cash*	0%	0%	5%	5%	
Combined total	100%	100%	100%	100%	

^{*}WVIMB 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:

	2024			2023				
		Cost		ir Value	Cost		_ Fa	ir Value
Large Cap Domestic Equity Pool	\$	12,382	\$	12,791	\$	22,990	\$	25,37
Non-Large Cap Domestic Equity Pool		2,292		2,281		3,756		4,573
International equity		5,528		6,077		11,180		11,755
International nonqualified		2,296		2,780		5,517		6,641
Total return fixed income		21,037		21,407		43,798		44,343
Core fixed income		8,762		9,207		18,304		18,737
Hedge fund		12,783		14,918		26,710		28,108
TIPS (Treasury Inflation Protection Securities)		8,882		9,019		18,202		17,832
Private Markets		7,872		7,894		17,215		17,349
Short-term fixed income		2,456		4,455		7,143		9,143
Total investments	\$	84,290	\$	90,829	\$	174,815	\$	183,857

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

	 2024	 2023
Investment income Interest income including realized gains on sale of securities Unrealized gain on investments	\$ 1,561 15,435	\$ 1,341 6,645
Total investment income	\$ 16,996	\$ 7,986

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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

LARGE CAP DOMESTIC EQUITY POOL

On July 1, 2020, the WVIMB 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).

At June 30, 2024 and 2023, BRIM's amount invested in the Large Cap Domestic Equity Pool of \$12,791 and \$25,376, respectively, represents approximately 3.8% and 8.0%, respectively, of total investments in this pool.

Investment Risk

At June 30, 2024, the Pool holds shares of a commingled equity fund that invests in equities included in the S&P 500 Index. The value of this investment at June 30, 2024, was \$327,287. The Pool is exposed to credit risk and interest rate risk from its money market mutual fund investment. As of June 30, 2024, the money market mutual fund has the highest credit rating and has a weighted average maturity of 35 days. The Pool is not exposed to concentration of credit risk, custodial credit risk, or foreign currency risk.

At June 30, 2023, the Pool invested in a commingled equity fund that invests in equities included in the S&P 500 Index. The Pool is exposed to credit risk and interest rate risk from its money market mutual fund investment. As of June 30, 2023, the money market mutual fund has the highest credit rating and has a weighted average maturity of 12 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:

	2024				
Assets	Level 1	Level 2	Level 3	Total	
Commingled equity fund	\$ 327,287	\$ -	\$ -	\$ 327,287	
Money market mutual fund	7,800	_		7,800	
Total	<u>\$ 335,087</u>	<u>\$</u>	<u>\$</u>	\$ 335,087	
A	Locald		023	Takal	
Assets	Level 1	2 Level 2	023 <u>Level 3</u>	Total	
Assets Commingled equity fund	Level 1 \$ 313,924			Total \$ 313,924	
		Level 2	Level 3		

NON-LARGE CAP DOMESTIC EQUITY POOL

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

The Pool's objective is to exceed, net of external investment management fees, the Russell 2500 Index over three-to five-year periods. Assets are managed by Cooper Creek Partners Management LLC and Westfield Capital Management, LLC.

BRIM's amount invested in the Non-Large Cap Domestic Equity Pool of \$2,281 and \$4,573 at June 30, 2024 and 2023, respectively, represents approximately 0.2% and 0.4% of total investments in this pool, respectively.

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, 2024 and 2023, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk

At June 30, 2024 and 2023, 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 WVIMB's custodian in the name of the WVIMB. The money market mutual fund and the Cash Collateral Account are not subject to custodial credit risk. All remaining securities are held by the WVIMB's custodian in the name of the WVIMB.

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, 2024 and 2023, the money market mutual fund's WAM was 35 days and 12 days, respectively. 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, 2024 and 2023, the WAM for the Cash Collateral Account was 3 days and 3 days, respectively.

Foreign Currency Risk

At times during the year the Pool holds securities and cash denominated in foreign currencies. As of June 30, 2023, there was no exposure to foreign currency risk. As of June 30, 2022, the amounts at fair value (in U.S. dollars) of equity investments and cash were as follows:

Currency	estments	C	ash	 Total
Canadian Dollar	\$ 12,624	\$	1	\$ 12,625

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:

Assets	2024					
	Level 1	Level 2	Level 3	Total		
Domestic common stock Foreign common stock Money market mutual fund Securities lending collateral	\$ 961,711 121,402 44,295	\$ - - - 67,121	\$ - - - -	\$ 961,711 121,402 44,295 67,121		
Total	<u>\$ 1,127,408</u>	<u>\$ 67,121</u>	<u>\$</u> _	<u>\$ 1,194,529</u>		

Assets	2023					
	Level 1	Level 2	Level 3	Total		
Domestic common stock	\$ 893,976	\$ -	\$ -	\$ 893,976		
Foreign common stock	72,687	-	-	72,687		
Money market mutual fund	76,212	-	-	76,212		
Securities lending collateral		112,669		112,669		
Total	<u>\$ 1,042,875</u>	<u>\$ 112,669</u>	<u>\$</u>	<u>\$ 1,155,544</u>		

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 were managed by Acadian Asset Management, LLC, Axiom International Investors, LLC (Axiom), LSV Asset Management, and Oberweis Asset Management, Inc.

BRIM's amount invested in the International Equity Pool of \$6,077 and \$11,755 at June 30, 2024 and 2023, respectively, represents approximately 0.2% and 0.4%, 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, 2024 and 2023, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk

At June 30, 2024 and 2023, 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 WVIMB's custodian in the name of WVIMB. 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 WVIMB's custodian in the name of WVIMB.

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, 2024 and 2023, the money market mutual fund has a WAM of 35 days and 12 days, respectively. 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, 2024 and 2023, the WAM for the Cash Collateral Account was 3 days and 3 days, respectively.

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, 2024 and 2023 are as follows:

	2024							
Currency	Equity <u>Investments</u>	Cash	Foreign Currency Spot Contracts	<u>Total</u>				
Australian Dollar	\$ 72,518	\$ 110	\$ -	\$ 72,628				
Brazilian Real	79,546	354	(1)	79,899				
British Pound	196,772	515	-	197,287				
Canadian Dollar	104,643	53	-	104,696				
Chilean Peso	· -	1	_	1				
Chinese Yuan Onshore	56,400	317	-	56,717				
Chinese Yuan Offshore	· -	17	-	17				
Danish Krone	29,388	7	_	29,395				
Egyptian Pound	27	-	-	27				
Emirati Dirham	34,887	7	_	34,894				
Euro Currency Unit	430,287	654	-	430,941				
Hong Kong Dollar	244,357	396	_	244,753				
Hungarian Forint	4,850	217	_	5,067				
Indian Rupee	292,048	39	-	292,087				
Indonesian Rupiah	22,583	234	_	22,817				
Israeli Shekel	7,326	3	-	7,329				
Japanese Yen	320,699	1,469	_	322,168				
Kuwaiti Dinar	2,454	134	-	2,588				
Malaysian Ringgit	12,913	14	-	12,927				
Mexican Peso	18,532	140	_	18,672				
New Taiwan Dollar	309,283	243	(8)	309,518				
New Zealand Dollar	, 56	-	-	[′] 56				
Norwegian Krone	34,106	154	_	34,260				
Philippine Peso	7,715	24	_	7,739				
Polish Zloty	19,042	-	-	19,042				
Russian Ruble	, -	5,253	-	5,253				
Qatari Riyal	1,248	, <u>-</u>	_	1,248				
Saudi Arabian Riyal	36,742	212	-	36,954				
Singapore Dollar	16,778	10	-	16,788				
South African Rand	15,479	2	-	15,481				
South Korean Won	259,245	24	(1)	259,268				
Swedish Krona	50,838	54	-	50,892				
Swiss Franc	85,261	582	-	85,843				
Thailand Baht	35,154	4	-	35,158				
Turkish Lira	19,140	130	-	19,270				
Total	2,820,317	11,373	(10)	2,831,680				
U.S. Dollar	216,418	9		216,427				
Total	<u>\$ 3,036,735</u>	<u>\$ 11,382</u>	<u>\$ (10</u>)	\$ 3,048,107				

	2023							
Currency	Equity <u>Investments</u>	Cash	Foreign Currency Spot Contracts	Total				
Australian Dollar	\$ 74,474	\$ 40	\$ -	\$ 74,514				
Brazilian Real	90,245	855	-	91,100				
British Pound	183,367	969	7	184,343				
Canadian Dollar	115,980	358	_	116,338				
Chilean Peso	2,296	-	_	2,296				
Chinese Yuan Onshore	_,	3	_	3				
Chinese Yuan Offshore	75,886	121	(1)	76,006				
Danish Krone	24,169	7	(')	24,176				
Egyptian Pound	19	4	_	23				
Emirati Dirham	16,587	23	_	16,610				
Euro Currency Unit	382,739	706	1	383,446				
Hong Kong Dollar	281,730	1,855	1	283,585				
Hungarian Forint	5,326	342	-	5,668				
Indian Rupee	138,619	54	-	138,673				
		84	-					
Indonesian Rupiah	39,173	47	-	39,257				
Israeli Shekel	2,761		-	2,808				
Japanese Yen	287,680	3,678	1	291,359				
Kuwaiti Dinar	2,374	4	-	2,378				
Malaysian Ringgit	6,313	9	-	6,322				
Mexican Peso	38,024	129	2	38,155				
New Taiwan Dollar	172,630	193	-	172,823				
New Zealand Dollar	34	-	-	34				
Norwegian Krone	20,875	580	-	21,455				
Philippine Peso	4,357	17	-	4,374				
Polish Zloty	11,996	-	-	11,996				
Russian Ruble	-	2,193	-	2,193				
Qatari Riyal	1,774	-	-	1,774				
Saudi Arabian Riyal	34,136	39	-	34,175				
Singapore Dollar	14,854	167	-	15,021				
South African Rand	16,149	3	-	16,152				
South Korean Won	201,905	74	(4)	201,975				
Swedish Krona	55,008	148	-	55,156				
Swiss Franc	73,182	34	2	73,218				
Thailand Baht	39,670	4	(8)	39,666				
Turkish Lira	10,002	43		10,045				
Total	2,424,334	12,783	-	2,437,117				
U.S. Dollar	265,786	201		265,987				
Total	\$ 2,690,120	<u>\$ 12,984</u>	<u> </u>	\$ 2,703,104				

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:

	2024								
Assets	Level 1	Level 2	Level 3	Total					
Common stock Money market mutual fund Preferred stock Securities lending collateral	\$ 3,005,519 47,955 31,216	\$ - - - 47,221	\$ - - - -	\$ 3,005,519 47,955 31,216 47,221					
Total	\$ 3,084,690	<u>\$ 47,221</u>	<u>\$</u>	\$ 3,131,911					

Assets	Level 1	Level 2	Level 3	Total						
Common stock	\$ 2,609,089	\$ -	\$ -	\$ 2,612,653						
ETF	54,997	-	-	54,997						
Money market mutual fund	20,511	-	-	20,511						
Preferred stock	26,034	-	-	22,470						
Securities lending collateral	_	108,807		108,807						
Total	<u>\$ 2,710,631</u>	<u>\$ 108,807</u>	<u>\$</u>	<u>\$ 2,819,438</u>						

INTERNATIONAL NON-QUALIFIED POOL

The Pool invests in a commingled equity fund, specifically 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 portfolio of equity securities of companies incorporated in any country other than the United States, 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. Subscriptions and redemptions may be subject to anti-dilution levies to offset costs such as stamp duty, brokerage commissions, foreign exchange costs, bid-offer spreads, and market impact charges.

BRIM's amount invested in the International Nonqualified Pool of \$2,780 and \$6,641 at June 30, 2024 and 2023, respectively, represents approximately 1.5% and 3.3%, respectively, of total investments in this pool.

Investment Risk

The Pool invests in a commingled equity fund that invests in equities denominated in foreign currencies. The value of this investment at June 30, 2024, was \$188,940. 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 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 \$21,407 and \$44,343, at June 30, 2024 and 2023, respectively, represented approximately 0.8% 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 WVIMB 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 WVIMB 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	_		2023					
AAA	\$	58,419	\$	32,765				
AA		1,278,656		917,161				
A		111,303		130,017				
BBB		491,247		610,127				
BB		325,290		329,773				
В		119,098		125,669				
CCC		27,439		25,396				
CC		9,868		8,310				
D		3,080		2,223				
A-1		149,038		4,632				
Total rated		2,573,438		2,202,884				
Not rated		69,460		49,260				
Withdrawn		6,949		16,811				
Total fixed income investments	<u>\$</u>	2,649,847	\$	2,252,144				

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, 2024 and 2023, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk

At June 30, 2024 and 2023, 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. Repurchase agreements, when held, are collateralized to a minimum of 102% and the collateral is held in the name of the WVIMB. 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 WVIMB's custodian in the name of the WVIMB. 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 WVIMB's custodian in the name of the WVIMB.

Interest Rate Risk

As of June 30, 2024 and 2023, 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, 2024 and 2022, the money market mutual fund has a WAM of 35 days and 12 days, respectively. 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, 2024 and 2023, the WAM for the Cash Collateral Account was 3 days and 3 days, respectively.

The WVIMB 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:

	2024			2023			
Investment Type		Fair Value	Effective Duration (Years)	Fair Value		Effective Duration (Years)	
Bank loans	\$	3,120	1.8	\$	2,661	2.0	
Commingled debt funds		165,991	2.9		155,511	3.6	
Corporate asset backed issues		53,932	1.9		53,142	1.3	
Corporate CMO		71,968	1.5		68,964	1.2	
Foreign asset backed issues		112,946	(0.1)		70,488	(0.2)	
Foreign corporate bonds		273,674	4.5		320,507	4.7	
Foreign government bond		233,006	5.1		252,975	5.5	
Municipal bonds		12,057	6.5		20,121	7.6	
Repurchase agreement		21,000	0.0*		4,300	0.0	
U.S. corporate bonds		306,350	4.6		441,684	5.6	
U.S. Government agency bonds		2,035	0.0*		3,359	0.1	
U.S. Government agency CMO		93,028	1.2		83,390	0.8	
U.S. Government agency CMO interest-only		9,974	2.7		3,697	2.6	
U.S. Government agency MBS		543,408	5.7		460,235	5.8	
U.S. Government agency TBA		216,730	4.0		35,738	6.4	
U.S. Treasury bonds		518,814	9.4		263,621	14.5	
U.S. Treasury inflation protected securities (TIPS	S)	11,814	12.6		11,751	8.8	
Total fixed income investments	\$	2,649,847		\$	2,252,144		

^{*}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 \$1,101,986 and \$775,654 of these securities at June 30, 2024 and 2023, respectively, representing approximately 42% and 34% of the value of the Pool's securities, respectively.

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 \$37,134 and \$35,599, or 22% and 23%, respectively, of the commingled investment pools hold substantially all of their investments in foreign currencies as of June 30, 2024 and 2023. This represents approximately 1% and 2% of the value of the Pool's securities at June 30, 2024 and 2023, 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:

		2024								
Currency	Foreign Fixed Income	Common Stock	Cash	Cash Due To/From Broker	Total					
Argentine Peso	\$ -	\$ -	\$ 6	\$ -	\$ 6					
Australian Dollar	-	-	1,536	431	1,967					
Brazilian Real	55,230	-	=	-	55,230					
British Pound	-	369	1,726	298	2,393					
Canadian Dollar	-	-	1,080	-	1,080					
Colombian Peso	3,421	-	-	-	3,421					
Dominican Peso	4,372	-	=	-	4,372					
Egyptian Pound	2,130	-	-	-	2,130					
Euro Currency Unit	30,842	-	2,005	253	33,100					
Georgian Lari	720	-	-	-	720					
Hungarian Forint	1,795	-	-	-	1,795					
Indonesian Rupiah	1,615	-	=	-	1,615					
Jamaican Dollar	2,189	-	=	-	2,189					
Japanese Yen	4,339	-	1,219	2,048	7,606					
Kazakhstani Tenge	4,498	-	=	-	4,498					
Mexican Peso	36,585	-	2,305	3,881	42,771					
New Zealand Dollar	-	-	742	-	742					
Peruvian Nuevo Sol	2,343	-	-	-	2,343					
Polish Zloty	3,047	-	-	-	3,047					
Russian Ruble	-	-	767	-	767					
South African Rand	10,324	-	3	-	10,327					
Swedish Krona	-	-	420	-	420					
Uruguayan Peso	2,629	-	-	-	2,629					
Uzbekistani Som	3,681	_	_		3,681					
Total	169,760	369	11,809	6,911	188,849					
U.S. Dollar	452,986	_	(694)	10,959	463,251					
Total	<u>\$ 622,746</u>	<u>\$ 369</u>	<u>\$ 11,115</u>	<u>\$ 17,870</u>	\$ 652,099					

^{*} Cash is reported as restricted on the Statement of Net Position

	2023										
Currency	Fix	Foreign Fixed Income		Common Stock		Cash		Cash Due To/From Broker		Total	
Argentine Peso	\$	57	\$	-	\$	15	\$	-	\$	72	
Australian Dollar		-		-		355		929		1,284	
Brazilian Real		64,585		-		757		-		65,342	
British Pound		-		620		2,086		(40)		2,666	
Canadian Dollar		-		-		1,090		-		1,090	
Colombian Peso		3,964		-		-		-		3,964	
Dominican Peso		3,849		-		-		-		3,849	
Euro Currency Unit		23,734		-		1,035		225		24,994	
Georgian Lari		769		-		-		-		769	
Hungarian Forint		3,227		-		-		-		3,227	
Indonesian Rupiah		22,386		-		2,163		-		24,549	
Japanese Yen		2,717		-		1,376		(1,480)		2,613	
Kazakhstani Tenge		3,517		-		-		-		3,517	
Mexican Peso		43,251		-		1,631		1,650		46,532	
New Zealand Dollar		-		-		728		-		728	
Peruvian Nuevo Sol		2,486		-		-		-		2,486	
Polish Zloty		3,037		-		-		-		3,037	
Russian Ruble		5,586		-		772		-		6,358	
South African Rand		9,288		-		1,306		-		10,594	
Swedish Krona		-		-		405		-		405	
Uruguayan Peso		4,933		-		-		-		4,933	
Uzbekistani Som		3,202		-		<u> </u>		<u>-</u>		3,202	
Total	:	200,588		620		13,719		1,284		216,211	
U.S. Dollar		446,043				(100)		10,021		455,964	
Total	\$	<u>646,631</u>	\$	620	\$	13,619	\$	11,305	\$	672,175	

^{*} Cash is reported as restricted on the Statement of Net Position

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.

	2024							
Assets	L	evel 1		Level 2	Lev	el 3		Total
Bank loans	\$	_	\$	3,120	\$	_	\$	3,120
Corporate ABS residual		_		1,094		_		1,094
Corporate ABS		-		53,932		-		53,932
Corporate CMO		_		71,968		-		71,968
Corporate preferred securities		11,384		· -		-		11,384
Foreign ABS		-		112,946		-		112,946
Foreign corporate bonds		_		273,674		-		273,674
Foreign currency forward contracts		_		5,826		-		5,826
Foreign equity investments		369		· -		_		369
Foreign government bonds		_		233,006		_		233,006
Futures contracts		6,271				_		6,271
Money market mutual fund		58,044		_		_		58,044
Municipal bonds		-		12,057		_		12,057
Options contracts purchased		1,869		121		_		1,990
Repurchase agreement		1,000		21,000		_		21,000
Securities lending collateral		_		48,614		_		48,614
Swaps		_		24,928		_		24,928
U.S. corporate bonds		_		306,350		_		306,350
U.S. Government agency bonds				2,035				2,035
U.S. Government agency CMO		_		93,028		_		93,028
U.S. Government agency CMO IO		_		9,974				9,974
U.S. Government agency MBS		_		543,408		_		543,408
U.S. Government agency TBAs		_		216,730		_		216,730
U.S. Treasury issues		-		518,814		_		518,814
U.S. TIPS		-		11,814		-		11,814
U.S. 11PS		-		11,014		-		11,014
Total	\$	77,937	\$	2,564,439	\$		\$	2,642,376
Commingled debt funds								165,991
Total							\$	2,808,367
<u>Liabilities</u>	<u>L</u>	evel 1		Level 2	Lev	el 3		Total
Familian common of familiand control to	Φ.		Φ.	(4.045)	Ф		Φ.	(4.045)
Foreign currency forward contracts	\$	(0.004)	\$	(1,245)	\$	-	\$	(1,245)
Futures contracts		(6,604)		- (445)		-		(6,604)
Options contracts written		(2,884)		(115)		-		(2,999)
Securities sold short		-		(26,054)		-		(26,054)
Swaps		_		(21,950)				(21,950)
Total	\$	(9,488)	\$	(49,364)	\$	<u>-</u>	\$	(58,852)

	2023							
Assets	Level 1	Level 2	Level 3	Total				
Bank loans Corporate ABS residual Corporate asset backed issues Corporate CMO Corporate preferred securities Foreign asset backed issues Foreign corporate bonds Foreign currency forward contracts Foreign equity investments Foreign government bonds Futures contracts Money market mutual fund Municipal bonds Options contracts purchased Repurchase agreement Securities lending collateral Swaps U.S. corporate bonds U.S. Government agency bonds U.S. Government agency CMO U.S. Government agency CMO U.S. Government agency MBS U.S. Government agency TBAs U.S. Treasury issues U.S. TIPS	\$ - - 11,069 - - 620 - 11,309 26,041 - 1,892	\$ 2,661 1,236 53,142 68,964 - 70,488 320,507 930 - 252,975 - 20,121 403 4,300 91,316 33,493 441,684 3,359 83,390 3,697 460,235 35,738 263,621 11,751	\$	\$ 2,661 1,236 53,142 68,964 11,069 70,488 320,507 930 620 252,975 11,309 26,041 20,121 2,295 4,300 91,316 33,493 441,684 3,359 83,390 3,697 460,235 35,738 263,621 11,751				
Total	\$ 50,931	\$ 2,224,011	\$ -	\$ 2,274,942				
Commingled debt funds Total	 			155,511 \$ 2,430,453				
Liabilities	Level 1	Level 2	Level 3	Total				
Foreign currency forward contracts Futures contracts Options contracts written Swaps	\$ (11,516) (5,509)	\$ (2,635) - (528) (37,702)	\$ - - - -	\$ (2,635) (11,516) (6,037) (37,702)				
Total	<u>\$ (17,025)</u>	<u>\$ (40,865</u>)	<u>\$</u>	<u>\$ (57,890)</u>				

The Pool's investments in commingled debt funds were measured at the NAV as of June 30, 2024 and 2023. 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 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 \$9,207 and \$18,737 at June 30, 2024 and 2023, respectively, and represented approximately 0.4% and 1.0%, 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 WVIMB limits the exposure to credit risk in the Pool by maintaining at least an average rating of BBB (investment grade) as defined by a nationally recognized statistical rating organization. The WVIMB 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 2024 2023								
Rating		2024							
AAA	\$	76,420	\$	43,966					
AA		1,265,263		1,147,027					
A		219,003		185,813					
BBB		383,552		277,969					
BB		8,036		10,142					
В		1,037		672					
CCC		114		120					
C		646		<u>-</u>					
Total rated		1,954,071		1,667,225					
Not rated		125,305		105,782					
Withdrawn		1,497		1,516					
Total fixed income investments	<u>\$</u>	2,080,873	\$	1,773,007					

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, 2024 and 2023, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk

At June 30, 2024 and 2023, 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 WVIMB's custodian in the name of the WVIMB. The money market mutual fund and the Cash Collateral Account are not subject to custodial credit risk. All remaining securities are held by the WVIMB's custodian in the name of the WVIMB.

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, 2024 and 2023, the money market mutual fund had a WAM of 35 days and 12 days, respectively. 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, 2024 and 2023, the WAM for the Cash Collateral Account was 3 days and 3 days, respectively.

The WVIMB 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:

	2024				2023			
Investment Type		Fair Value	Effective Duration (Years)		Fair Value	Effective Duration (Years)		
Corporate asset backed issues	\$	234,021	2.1	\$	166,971	2.0		
Corporate CMO		87,553	2.2		77,010	2.4		
Corporate CMO interest-only		105	1.6		123	1.7		
Corporate CMO principal-only		5,380	0.5		23	1.7		
Foreign asset backed issues		2,346	0.0*		2,281	(0.1)		
Foreign corporate bonds		166,741	4.1		121,780	4.4		
Foreign government bonds		5,786	9.3		3,213	11.7		
Municipal bonds		8,480	9.0		9,834	9.4		
U.S. corporate bonds		365,052	7.3		278,937	8.0		
U.S. Government agency CMO		116,733	5.1		112,612	5.1		
U.S. Government agency CMO interest-only		1,173	8.5		1,393	7.7		
U.S. Government agency CMO principal-only		1,746	5.2		1,770	5.0		
U.S. Government agency MBS		480,710	6.1		386,105	6.0		
U.S. Treasury bonds		605,047	8.2		610,95 <u>5</u>	8.2		
Total fixed income investments	\$	2,080,873		\$	1,773,007			

^{*}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. At June 30, 2024 and 2023, the Pool held \$929,767 and \$748,288, respectively, of these securities. This represents approximately 45% and 42%, 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:

		2024								
Assets	Level 1		L	_evel 2	Lev	el 3		Total		
Corporate ABS	\$	-	\$	234,021	\$	-	\$	234,021		
Corporate CMO		-		87,553		-		87,553		
Corporate CMO IO		-		105		-		105		
Corporate CMO PO		-		5,380		-		5,380		
Foreign ABS		-		2,346		-		2,346		
Foreign corporate bonds		-		166,741		-		166,741		
Foreign government bonds		-		5,786		-		5,786		
Money market mutual fund	17,0)14		-		-		17,014		
Municipal bonds		-		8,480		-		8,480		
Securities lending collateral		-		93,136		-		93,136		
U.S. corporate bonds		-		365,052		-		365,052		
U.S. Government agency CMO		-		116,733		-		116,733		
U.S. Government agency CMO IO		-		1,173		-		1,173		
U.S. Government agency CMO PO		-		1,746		-		1,746		
U.S. Government agency MBS		-		480,710		-		480,710		
U.S. Treasury issues				605,047				605,047		
Total	\$ 17,0	<u>)14</u>	\$ 2	2,174,009	\$	<u> </u>	\$	2,191,023		

	2023							
Assets	 Level 1 Level 2 Level 3		evel 3	Total				
Corporate asset backed issues	\$ -	\$	166,971	\$	_	\$	166,971	
Corporate CMO	-		77,010		-		77,010	
Corporate CMO IO	-		123		-		123	
Corporate CMO PO	-		23		-		23	
Foreign asset backed issues	-		2,281		-		2,281	
Foreign corporate bonds	-		121,780		-		121,780	
Foreign government bonds	-		3,213		-		3,213	
Money market mutual fund	40,206		-		-		40,206	
Municipal bonds	-		9,834		-		9,834	
Securities lending collateral	-		85,912		-		85,912	
U.S. corporate bonds	-		278,937		-		278,937	
U.S. Government agency CMO	-		112,612		-		112,612	
U.S. Government agency CMO IO	-		1,393		-		1,393	
U.S. Government agency CMO PO	-		1,770		-		1,770	
U.S. Government agency MBS	-		386,105		-		386,105	
U.S. Treasury issues	 <u>-</u>		610,955		<u>-</u>		610,955	
Total	\$ 40,206	\$	<u>1,858,919</u>	\$		\$	1,899,125	

HEDGE FUND POOL

The Pool was established to hold the WVIMB'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. The secondary benchmark is the FTSE 3 Month US T-Bill Index plus 500 basis points. Albourne America, LLC has been retained by the WVIMB to provide consulting services for this investment strategy.

BRIM's amount invested in the Hedge Fund Pool of \$14,918 and \$28,108 at June 30, 2024 and 2023, respectively, represented approximately 0.5% and 1.1%, 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, 2024 and 2023, the money market mutual fund has the highest credit rating and has a weighted average maturity of 35 days and 12 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, 2024 and 2023, 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, 2024 and 2023. 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 2024 and 2023.

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.

	2024								
Assets	Level 1	Level 2	Level 3	Total					
Money market mutual fund Hedge funds	<u>\$ 1,341</u>	<u>\$</u>	<u>\$</u>	\$ 1,341 2,846,583					
Total				\$ 2,847,924					
	2023								
Assets	Level 1	Level 2	Level 3	Total					
Money market mutual fund Hedge funds	<u>\$ 5,795</u>	<u> </u>	<u>\$</u>	\$ 5,795 <u>2,471,798</u>					
Total				<u>\$ 2,477,593</u>					

Total investments measured at the NAV \$ 2,471,798

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

	2024									
Hedge Fund Strategies		air Value	Redemption Frequency	Redemption Notice Period						
Directional (a)	\$	272,735	Mthly, Quarterly	5 to 65 days						
Equity long/short ^(b) Event-driven ^(c)		515,378 230,051	Quarterly Quarterly	45 to 90 days 180 days						
Long-biased ^(d)		93,166	Mthly	90 days						
Multi-strategy (e)		1,421,905	Mthly/Qtly/Semi-annually	45 to 90 days						
Relative-value ^(f)		285,057	Weekly, Quarterly	5 to 60 days						
		2,818,292								
In liquidation ^(g)		28,291								
Total investments measured at the NAV	\$	2 846 583								

		2023							
Hedge Fund Strategies	Fair Value	Redemption Frequency	Redemption Notice Period						
Directional ^(a)	\$ 165,411	Mthly	5 to 10 days						
Equity long/short (b)	465,886	Quarterly	45 to 90 days						
Event-driven (c)	149,664	Quarterly	180 days						
Long-biased (d)	81,963	Mthly	90 days						
Multi-strategy (e)	1,300,872	Mthly/Qtly/Semi-annually	45 to 90 days						
Relative-value (f)	<u>254,724</u>	Weekly, Quarterly	5 to 60 days						
	2,418,520								
In liquidation ^(g)	53,278								

- (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, 2024 and 2023, investments representing approximately 75% and 67%, respectively, of the fair value of the investments in this strategy were subject to maximum withdrawal restrictions.
- (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. The sole fund in this investment strategy is subject to maximum withdrawal restrictions.

- (d) Long-biased funds 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 2024 and 86% in 2023 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 53% and 59% in 2024 and 2023, respectively, of the fair value of the instruments in this strategy are subject to maximum withdrawal restrictions.
- (9) 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. Through May 31, 2023, the Pool's performance was measured against the Bloomberg U.S. Treasury Inflation Protection Index on an annualized basis over rolling three- to five-year periods, gross of fees. As of June 1, 2023, the Pool's performance is measured against the Bloomberg 1-10 Year Treasury Inflation Protected Securities Index on an annualized basis over rolling three- to five-year periods, gross of fess. Assets were invested in the BlackRock U.S. Treasury Inflation Protected Securities Fund B (BlackRock) through May 24, 2023. Effective May 25, 2023, assets are managed by Northern Trust Investments, Inc.

BRIM's amount invested in the TIPS Pool of \$9,019 and \$17,832 at June 30, 2024 and 2023, respectively, represented approximately 1.8% and 4.4% respectively, of total investments in this pool.

Credit Risk

The WVIMB limits the exposure to credit risk in the Pool's fixed income investments by primarily investing in United States Treasury inflation protected securities (U.S. TIPS). The Pool is exposed to credit risk from its money market mutual fund investment. The WVIMB reviews available ratings from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. As of June 30, 2024, all of the Pool's U.S. TIPS investments had a credit rating of AA. The money market mutual fund has the highest credit rating. As of June 30, 2023, the commingled bond fund was rated AA. 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, 2024 and 2023, the fund had an effective duration of 3.3 years and 2.5 years, respectively.

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:

		20	024						
Assets	Level 1	Level 2	Level 3	<u>Total</u>					
Money market mutual fund U.S. TIPS	\$ 83 	\$ - <u>511,976</u>	\$ - -	\$ 83 <u>511,976</u>					
Total	<u>\$ 83</u>	<u>\$ 511,976</u>	<u>\$</u>	<u>\$ 512,059</u>					
		20	023						
Assets	Level 1	Level 2	Level 3	Total					
Money market mutual fund U.S. TIPS	\$ 128 	\$ - 396,200	\$ - -	\$ 128 396,200					

PRIVATE MARKETS POOL

The objective of the Pool is to enhance the diversification and stability of the portfolio, while generating a higher level of income than generally available in the public fixed income markets and to provide for long-term growth of participants' assets and risk-reduction through diversification. The Pool primarily holds the WVIMB's investments in private credit & income funds, private equity funds, real estate investment trusts (REITs), and real estate limited partnerships and funds. Franklin Park, StepStone Group, LP, and Verus have been retained by the WVIMB to provide consulting services related to the selection of limited partnerships and funds. Publicly traded assets are managed by CBRE Investment Management and Security Capital Research & Management, Inc.

BRIM's amount invested in the Private Markets Pool of \$7,894 and \$17,349 at June 30, 2024 and 2023, respectively, represented approximately 0.1% and 0.3% 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, investments in unrated private credit & income funds, and the Cash Collateral Account. The WVIMB limits the exposure to credit risk in the Pool by maintaining at least an average rating of BBB (investment grade) as defined by a nationally recognized statistical rating organization. The WVIMB reviews available ratings from Standard & Poor's and Moody's, and reports the rating indicative of the greatest degree of risk. The money market mutual fund has the highest credit rating. The Cash Collateral Account is not rated. Credit risk associated with the unrated private credit & income funds are limited by requiring that underlying fund holdings are at least 90 percent collateralized by one or more assets of the borrower.

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

Rating		2023		
A	\$	509	\$	265
BBB		8,042		9,348
BB		2,667		1,887
CC		97		83
Total fixed income investments	<u>\$</u>	11,315	\$	11,583

Interest Rate Risk

The Pool is exposed to interest rate risk through its investments in U.S. corporate bonds, private credit & income funds, the money market mutual fund, and the Cash Collateral Account. The WVIMB monitors interest rate risk of U.S. corporate bonds by evaluating the effective duration. 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 percent 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. As of June 30, 2024 and 2023, the effective duration for U.S. corporate bonds was 3.6 and 5.2 years, respectively. The WVIMB manages interest rate risk of the private credit and income funds by investing primarily in funds that originate or invest in loans that have variable or floating interest rates, most of these investments have relatively short durations, and final maturities within three-to five-years. As of June 30, 2024 and 2023, the money market mutual fund has a weighted average maturity (WAM) of 35 and 12 days, respectively. 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, 2024 and 2023, the WAM for the Cash Collateral Account was 3 days.

Foreign Currency Risk

The Pool holds foreign common stock, real estate limited partnerships and funds, and cash that is denominated in foreign currencies that are exposed to foreign currency risks. The investments in private credit & income funds and private equity partnerships might be indirectly exposed to foreign currency risk.

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

		2024								
Currency	Co	oreign ommon Stock	Real Estate Limited Partnerships and Funds		Cash		Total			
Australian Dollar	\$	5,164	\$ -	\$	-	\$	5,164			
British Pound		3,813	-		-		3,813			
Canadian Dollar		3,170	68,949		_		72,119			
Euro Currency Unit		6,388	88,207		_		94,595			
Hong Kong Dollar		3,802	, -		_		3,802			
Japanese Yen		8,368	-		12		8,380			
Singapore Dollar		3,544	-		-		3,544			
Swedish Krona		1,187	-		_		1,187			
Swiss Franc		517					517			
Total		35,953	157,156		12		193,121			
U.S. Dollar		<u>-</u>	2,062,328		16,633		2,078,805			
Total	<u>\$</u>	35,953	\$ 2,219,328	\$	16,645	\$	<u>2,271,926</u>			

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

				20	23								
Currency	Co	oreign ommon Stock	Lir Partr	Estate nited nerships Funds		ash		Total					
Australian Dollar	\$	3,685	\$	-	\$	-	\$	3,685					
British Pound		3,974		-		-		3,974					
Canadian Dollar		1,664		61,089		-		62,753					
Euro Currency Unit		5,974		122,566		-		128,540					
Hong Kong Dollar		4,620		-		-		4,620					
Japanese Yen		8,340		-		28		8,368					
Singapore Dollar		2,857		-		-		2,857					
Swedish Krona		955		-		-		955					
Swiss Franc		1,13 <u>6</u>		<u>-</u>		<u>-</u>		1,136					
Total	\$	33,205	\$	183,655	\$	28	\$	216,888					
U.S. Dollar		2,006	2,	016,618		(18)		2,018,606					
Total	\$	35,211	\$ 2,	200,273	\$	10	\$	2,235,494					

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 a practical expedient. The table that follows sets forth information about the level within the fair value hierarchy at which the Pool's assets and liabilities are measured at June 30, 2024. All of the Pool's investments in private credit & income funds, private equity partnerships, real estate limited partnerships and funds, and other private funds were valued using the NAV, and as such, they have not been categorized in the fair value hierarchy table.

	2024								
Assets		Level 1	L	evel 2	Le	vel 3		Total	
Foreign common stock Money market mutual fund Securities lending collateral U.S. common stock U.S. corporate bonds U.S. preferred stock	\$	35,953 124,369 - 161,123 - 9,905	\$	19,117 - 11,315	\$	- - - -	\$	35,953 124,369 19,117 161,123 11,315 9,905	
Total	\$	331,350	\$	30,432	\$			361,782	
Private credit & income funds Private equity partnerships Real estate limited partnerships and funds								1,038,589 2,654,612 2,219,328	
Total							\$	6,274,311	
				20	24				
Assets		Level 1		evel 2		vel 3		Total	
Foreign common stock Money market mutual fund Securities lending collateral U.S. common stock U.S. corporate bonds U.S. preferred stock	\$	35,211 102,222 - 165,185 - 10,577	\$	12,799 - 11,583	\$	- - - - -	\$	35,211 102,222 12,799 165,185 11,583 10,577	
Total	\$	313,195	\$	24,382	\$		\$	337,577	
Private credit & income funds								905,767	
Private equity partnerships Real estate limited partnerships and funds Total								2,762,811 2,200,273 6,206,428	

The following table presents information on investments measured at the NAV as of June 30:

					2024		
Strategies		air Value	_	Infunded mmitments	Contractual Termination Date Range	Redemption Frequency ^(a)	Redemption Notice Period
Private credit & income funds:							
Core debt (b)	\$	588,660	\$	122,514	N/A	Quarterly	45 days
Opportunistic debt (c)		174,743		121,286	2029 to 2031	N/A	N/A
Specialty credit (d)		261,649		182,647	2026 to 2031	N/A	N/A
Private equity partnerships:							
Corporate finance - buyout (e)		1,796,982		549,680	2024 to 2035	N/A	N/A
Corporate finance - distressed del	ot ^(f)	25,982		16,263	2025	N/A	N/A
Corporate finance - growth equity	(g)	167,116		91,166	2025 to 2031	N/A	N/A
Corporate finance - hard assets (h)		128,978		47,031	2024 to 2033	N/A	N/A
Corporate finance - mezzanine (i)		2,055		480	N/A	N/A	N/A
Corporate finance - structured cap	oital ^(j)	61,236		22,337	2024 to 2028	N/A	N/A
Corporate finance - turnaround (k)		100,430		100,687	2024 to 2034	N/A	N/A
Venture capital ^(l)		371,833		44,249	2025 to 2034	N/A	N/A
Real estate limited partnerships and	funds:						
Core (m)		1,167,442		-	N/A	Quarterly	45-90 days
Opportunistic (n)		355,393		245,046	2024 to 2034	N/A	N/A
Value ^(o)		696,493		493,208	2024 to 2068	N/A	N/A
Total	\$	5,898,992	\$	2,036,594			

The following table presents information on investments measured at the NAV as of June 30:

				2023		
Strategies	Fair Value	Unfur Commit		Contractual Termination Date Range	Redemption Frequency ^(a)	Redemption Notice Period
Private credit & income funds:						
Core debt (b) \$	549,338	\$	128,749	N/A	Quarterly	45 days
Opportunistic debt (c)	146,939		147,895	2026 to 2031	N/A	N/A
Specialty credit (d)	209,490	•	176,298	2023 to 2032	N/A	N/A
Private equity partnerships:						
Corporate finance - buyout (e)	1,826,637	Ę	526,529	2023 to 2035	N/A	N/A
Corporate finance - distressed debt (f)	32,076		16,263	2024	N/A	N/A
Corporate finance - growth equity (g)	156,717		72,879	2023 to 2031	N/A	N/A
Corporate finance - hard assets (h)	137,442		37,235	2023 to 2033	N/A	N/A
Corporate finance - mezzanine (i)	1,886		480	N/A	N/A	N/A
Corporate finance - structured capital (i) 81,780		21,967	2023 to 2028	N/A	N/A
Corporate finance - turnaround (k)	102,132	•	106,394	2024 to 2032	N/A	N/A
Venture capital ^(l)	424,141		51,214	2024 to 2034	N/A	N/A
Real estate limited partnerships and fund	s:					
Core ^(m)	1,210,979		7,500	N/A	Quarterly	45-60 days
Opportunistic ⁽ⁿ⁾	297,442	2	286,576	2023 to 2034	N/A	N/A
Value ^(o)	691,852		<u>579,621</u>	2023 to 2065	Quarterly	90 days
Total <u>\$</u>	5,868,851	\$ 2,	159,600			

⁽a) Investments without standard redemption frequencies cannot be redeemed until termination of the partnership.

⁽b) Core debt funds are primarily senior-secured commercial loans that are on the more conservative end of the spectrum of the private credit market. This may also include funds that invest in senior real estate mortgages and other debt that is structured such that it is considered to have a core risk/return profile. The returns on core private credit investments are expected to be derived from contractual income.

Opportunistic debt funds is a broad classification that includes different types of debt strategies that have the highest risk-return profile in the private credit market. This may include strategies that invest in distressed debt, complex capital

solutions, special situation loans, or market dislocations. It also includes specialized financing to specific industries that are underserved by the general debt markets. The returns on these assets are generally derived from both contractual income and an equity component.

- (d) Specialty credit funds typically invest in asset-backed loans collateralized by commercial or consumer receivables, assets, or loans, as well as other specialty types of commercial loans. This also includes real estate debt funds that invest in mezzanine or other subordinated real estate debt, and/or target higher risk properties than a typical core fund. Specialty Credit investments are typically in the mid-range of the risk return spectrum of the private credit market.
- (e) Corporate Finance Buyout funds acquire controlling or influential interests in companies.
- (f) Corporate Finance Distressed Debt funds acquire the debt of companies experiencing operational or financial distress usually converting the debt to equity and exercising control of the business.
- (9) Corporate Finance Growth Equity funds invest in companies to expand or restructure operations, enter new markets, or finance an acquisition.
- (h) Corporate Finance Hard Assets funds acquire controlling or influential interests in companies operating in natural resources or infrastructure.
- (i) Corporate Finance Mezzanine funds acquire or issue subordinated debentures frequently in businesses controlled by the General Partner, but in another fund.
- (I) Corporate Finance Structured Capital funds combine common equity, preferred equity, fixed-income, and/or customized debt instruments to offer capital appreciation with downside protection.
- (k) Corporate Finance Turnaround funds acquire the debt and or equity of companies experiencing operational or financial distress in order to radically reorganize and improve the business.
- (l) Venture Capital funds make investments in early stage through late stage companies, frequently start-ups in technology or healthcare.
- (m) Core funds are more conservative real estate investments that use a very modest level of financing to acquire and hold high-quality, stable properties typically located in major markets. Assets within these strategies tend to have high occupancy rates, higher credit tenants, and staggered lease terms, with a number of long-term leases expiring in fiveto-ten years.
- (n) Opportunistic funds have higher risk/return profiles and have broad strategies to achieve these types of returns. Common strategies are properties that need significant rehabilitation or a total redevelopment to transition to a different type of property (for example, converting an office building to condominiums). It may also include new development, distressed debt strategies, and more complex transactions, as well as a more traditional value-add strategy that is financed with a higher amount of leverage.
- (o) Value funds typically use more leverage than core funds and target higher return opportunities by acquiring properties that the manager believes they can add value through capital renovations to the physical facility or enhanced leasing and management activities. Most of these properties have in-place cash flow, which is expected to increase as the business plans are implemented. This could include making physical improvements to the asset that will allow it to command higher rents, increasing efforts to lease vacant space at the property to quality tenants, or improving the management of the property and thereby increasing customer satisfaction or lowering operating expenses where possible.

SHORT-TERM FIXED INCOME POOL

The main objective of the 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 WVIMB operated investment pools without sustaining capital losses while earning a small return above inflation. The Pool's benchmark, net of external investment management fees, is the FTSE 3 Month US T-Bill Index. JP Morgan Investment Advisors, Inc. manages the Pool.

BRIM's amount invested in the Short-Term Fixed Income Pool of \$4,455 and \$9,143 at June 30, 2024 and 2023, respectively, represented approximately 1.7% and 4.9%, respectively, of total investments in this Pool.

Credit Risk

The WVIMB 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. At June 30, 2024, the Pool held approximately 31% of its total assets in U.S. Treasury issues Repurchase agreements are collateralized by United States Treasury bonds.

The WVIMB 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, 2024 and 2023.

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, 2024 and 2023, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk

At June 30, 2024 and 2023, 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 WVIMB. All remaining investments are held by the WVIMB's custodian in the name of the WVIMB.

Interest Rate Risk

The Pool is exposed to interest rate risk from its fixed income investments and money market mutual fund investments. The WVIMB monitors interest rate risk of the Pool by limiting the 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	2024 Carrying Value	WAM (Days)	2023 Carrying Value	WAM (Days)
Repurchase agreement U.S. Government agency bonds U.S. Treasury bills	\$ 31,730 149,920 81,814	1 5 17	\$ 22,771 94,933 68,905	3 8 13
Total investments	<u>\$ 263,464</u>	8	<u>\$ 186,609</u>	9

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 GASB Statement No. 72 fair value hierarchy levels as of June 30:

			20	024		
Assets	Lev	/el 1	 Level 2	Lev	el 3	Total
Repurchase agreement	\$	-	\$ 31,730	\$	-	\$ 31,730
U.S. Government agency bonds		-	149,920		-	149,920
U.S. Treasury issues			 81,814			 81,814
Total	\$		\$ 263,464	\$		\$ 263,464

	2023									
Assets	Level 1		Level 2		Level 3		Total			
Repurchase agreement	\$	-	\$	22,771	\$	-	\$	22,771		
U.S. Government agency bonds		-		94,933		-		94,933		
U.S. Treasury issues		<u>-</u>		68,90 <u>5</u>	-	<u> </u>		68,90 <u>5</u>		
Total	\$	<u>-</u>	\$	186,609	\$	<u> </u>	\$	186,609		

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, 2024 and 2023 of \$257,498 and \$235,648, respectively, are presented net of amounts due to AIG for claims funding. At June 30, 2024 and 2023, amounts payable to AIG were \$5,651 and \$28,137, respectively.

The following table provides information on the weighted-average credit ratings of the advance deposits as of June 30:

		2	024				2	023		
Security Type	Moody's	S&P		Fair /alue	Percent of Assets	Moody's	S&P	Fai <u>Valı</u>		Percent of Assets
Corporate bonds										
and notes	A1	A+	\$	74	0.03%	A1	A+	\$ 1	045	0.40 %
	Aa1	AA+		-	0.00	Aa1	AA+		-	0.00
	Aa2	AA		1,255	0.48	Aa2	AA	1	327	0.51
	Aa2	AA-		-	0.00	Aa2	AA-		-	0.00
	Aa3	AA-		474	0.18	Aa3	AA-		542	0.21
	Aaa	AA+		968	0.37	Aaa	AA+		980	0.37
	Aaa	AAA		951	0.36	Aaa	AAA	2	010	0.77
	WR	AA-			0.00	WR	AA-	1	124	0.43
				3,722	1.42			7	028	2.69
U.S. Treasury bills										24.42
and notes	Aaa	NR		245,784	93.36	Aaa	NR	239		91.18
	NR	NR		7,690	2.94	NR	NR	10	409	3.97
				253,474	96.30			249	467	95.15
U.S. Agency-debenture	NR	NR		2,332	.89	NR	NR	2	290	0.87
	Aaa	AA+		2,395	.92	Aaa	AA+	2	<u>418</u>	0.92
				4,727	1.81			4	708	1.79
Money market funds	NR	NR		1,226	0.47	NR	NR		969	0.37
Total rated investments			\$	<u>263,149</u>	<u>100.00</u> %			<u>\$ 262</u>	<u>172</u>	<u>100.00</u> %

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, 2024 and 2023, 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:

		20	24		2023			
Investment Type	Fa	air Value	WAM Years	Fair Value		WAM Years		
Corporate bonds and notes	\$	3,722	1.32	\$	7,028	1.86		
U.S. Treasury bills		253,474	2.97		249,467	3.39		
U.S. Agency debenture		4,728	3.31		4,708	4.31		
Money market funds		1,225	0.00		969	0.04		
Total rated investments	<u>\$</u>	263,149		\$	262,172			

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 advance deposits with an insurance company and trustee in accordance with fair value hierarchy levels as of June 30:

	2024							
Assets	Level 1	Level 2	Level 3	<u>Total</u>				
Corporate bonds and notes	\$ 3,722	-	-	3,722				
U.S. Treasury bills	253,474	-	-	251,898				
U.S. Agency debenture	4,728	-	-	4,728				
Money market funds	1,225	-	_	1,225				
Total	<u>\$ 263,149</u>	<u>\$</u>	<u>\$</u>	<u>\$ 261,573</u>				

	2023									
Assets	Level 1		Level 2	Level 3	Total					
Corporate bonds and notes	\$	7,028	_	-	7,028					
U.S. Treasury bills		249,467	-	-	249,467					
U.S. Agency debenture		4,708	-	-	4,708					
Money market funds		969		_	969					
Total	\$	262,172	<u>\$</u> _	<u>\$</u>	<u>\$ 262,172</u>					

The fair value tables above do not include a net escrow liability of \$5,561 and \$26,524 at June 30, 2024 and 2023, respectively.

Note 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.

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

		2024	 2023
Unpaid claims and claims adjustment expense liability at beginning of year Incurred claims and claims adjustment expense	\$	366,680	\$ 285,295
Provision for insured events of the current year		92,025	88,684
Increase (decrease) in provision for insured events of prior years		11,247	 82,569
Total incurred claims and claims adjustment expense		103,272	 171,25 <u>3</u>
Payments Claims and claims adjustment expense attributable to insured events of the current year Claims and claims adjustment expense attributable to insured events of		(14,156)	(15,123)
prior years		(163,730)	<u>(74,745</u>)
Total payments		(177,886)	 (89,868)
Total unpaid claims and claims adjustment expense liability at end of year	<u>\$</u>	292,066	\$ 366,680

If the unpaid claims and claims adjustment expense liability were discounted using a 4% discount factor for 2024 and 2023 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 \$23,212 and \$26,801 for fiscal years 2024 and 2023, respectively. The overall unpaid claim liability number includes a provision for allocated and unallocated claims adjustment expense. Payments related to insured events of prior years was the primary reason for the overall decrease in the reserves from the prior year.

Note 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 least age 55 with age and service equal to 80 or greater. The straight-life annuity retirement benefit, established by State statute, is equivalent to 2% of the employee's final

average salary multiplied by years of service. Final average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. For all employees hired on or after July 1, 2015, average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired on or after July 1, 2015 who have separated from employment with a participating PERS agency prior to retirement, the retirement age increases to age 64.

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, 2024, 2023 and 2022, 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 \$149, \$154 and \$157 for the fiscal years ended June 30, 2024, 2023 and 2022, respectively.

Net Pension Asset (Liability), Pension Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The West Virginia Consolidated Public Retirement Board (WVCPRB) administers this cost-sharing multiple-employer plan. At June 30, 2024 and 2023, BRIM reported an asset of \$4 and a liability of \$(148) for its proportionate share of the net pension asset (liability). The net pension asset (liability) reported at June 30, 2024 was measured as of June 30, 2023 and the total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation as of July 1, 2022, rolled forward to the measurement date of June 30, 2023. BRIM's proportion of the net pension asset (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, 2023. At June 30, 2024, BRIM's proportionate share was 0.0976%, which was a decrease of 0.0015% from its proportionate share as of June 30, 2023.

For the years ended June 30, 2024 and 2023, BRIM recognized pension expense of \$154 and \$75, respectively. At June 30, 2024 and 2023, BRIM reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024			2023				
	Outfl	erred ows of ources	Inflo	erred ws of urces	Outflo	erred ows of ources	Inflo	erred ws of ources
Net difference between projected and actual earnings on pension plan investments	\$	27	\$	-	\$	89	\$	-
Differences between expected and actual experience		37		-		57		-
Difference in assumptions Changes in proportion and differences between BRIM's contributions and proportionate share		28		-		97		-
of contributions BRIM's contributions made subsequent to the measurement date of June 30, 2023 and		2		-		2		-
2022		149		<u> </u>		<u>154</u>		
Total	\$	243	\$		\$	399	\$	

Employer contributions to PERS made during the fiscal year, subsequent to the pension asset (liability) measurement date, are recorded as deferred outflows of resources and will be recognized as a reduction of the net pension asset (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, 2024 will be recognized in pension expense (expense offset) as follows:

Year ending June 30:

2025	\$ (1)
2026	\$ (101)
2027	\$ 214
2028	\$ (18)

Actuarial Assumptions And Methods

The total pension asset (liabilities) for financial reporting purposes were determined by actuarial valuation using the actuarial assumptions and methods described, as follows:

	2024	2023
Valuation date:	July 1, 2022 rolled forward to June 30, 2023	July 1, 2021 rolled forward to June 30, 2022
Inflation	2.75%	2.75%
Salary increase	2.75-6.75%, avg., including inflation	2.75-6.75%, avg., including inflation
Investment rate of return	7.25%, net of pension plan investment expense	7.25%, net of pension plan investment expense

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

The economic actuarial assumptions used in the valuations were based on the results from an actual experience study for the period July 1, 2015 through June 30, 2020.

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, 2023 and 2022, are summarized below:

Asset Class	2023 Long-Term Expected Rate of Return	2022 Long-Term Expected Rate of Return
Domestic equity	6.5%	5.3%
International equity	9.1%	6.1%
Core fixed income	4.3%	2.2%
Real estate	5.8%	6.5%
Private equity	9.2%	9.5%
Hedge funds	4.6%	3.8%

Discount Rate

The discount rate used to measure the total pension asset (liability) for the June 30, 2024 and 2023 reporting was 7.25%. 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 asset (liability).

Sensitivity of BRIM'S Proportionate Share of the Net Pension Asset (Liability) to Changes in the Discount Rate

The following presents BRIM's proportionate share of the net pension asset (liability) calculated using the discount rate of 7.25%, as well as what BRIM's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

		1% Decrease (6.25%)		Current Discount <u>Rate (7.25%)</u>		1% Increase (8.25%)	
BRIM's proportionate share of net pension asset (liability) as of June 30, 2024	\$	(907)	\$	4	\$	773	
		Decrease 6.25%)	Dis	rrent count (7.25%)		ncrease .25%)	
BRIM's proportionate share of net pension asset (liability) as of June 30, 2023	\$	(1,044)	\$	(148)	\$	620	

Note 6. Other Post-Employment Benefits

Plan Description

BRIM participates in the West Virginia Other Postemployment Benefit Plan (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 (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, 2023. 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 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 RHBT Controller, Jennifer Priddy, at (304) 352-0298, ext. 20298. You can also submit your questions in writing to West Virginia Public Employees Insurance Agency, 601 57th Street, SE Suite 2, Charleston, West Virginia 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 \$70 for the year ended June 30, 2023. Paygo rates were \$116 from July 2021 to January 2022 and \$48 from February 2022 to June 30, 2022. 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 \$0, \$27 and \$21 for the fiscal years ended June 30, 2024, 2023 and 2022, 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 Assets (Liabilities), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024 and 2023, BRIM reported an asset of \$26 and a liability of \$(20) for its proportionate share of the net OPEB asset (liability). The net OPEB asset (liability) reported at June 30, 2024 was measured as of June 30, 2023 and the total OPEB asset (liability) used to calculate the net OPEB asset (liability) was determined by an actuarial valuation as of June 30, 2022. For fiscal year 2023, the net OPEB asset (liability) was measured as of June 30, 2022 and the total OPEB asset (liability) used to calculate the net OPEB asset (liability) was determined by an actuarial valuation as of June 30, 2021. BRIM's proportion of the net OPEB asset (liability) as of June 30, 2024 and 2023 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, 2023 and 2022, respectively. At June 30, 2024, BRIM's proportionate share was 0.0165%, which was a decrease of 0.0014% from its proportionate share as of June 30, 2023.

At June 30, 2024 and 2023, BRIM reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024				2023				
	Deferred Outflows of Resources		Deferred Inflows of Resources		Deferred Outflows of Resources		Deferred Inflows of Resources		
Net difference between expected and actual earnings on OPEB investments	\$	_	\$	_	\$	3	\$		
Differences between expected and actual experience		-		15		-		25	
Changes in assumptions		-		15		-		51	
Changes in proportion and differences between BRIM's contributions and proportionate share of contributions		2		34		14		61	
Reallocation of opt-out employer changes in proportionate share		8		-		15		-	
BRIM's contributions made subsequent to the measurement date of June 30, 2023 and 2022		_		_		27		_	
Total	\$	10	\$	64	\$	59	\$	137	

Employer contributions to RHBT made during the fiscal year, subsequent to the net OPEB asset (liability) measurement date, are recorded as deferred outflows of resources and will be recognized as a reduction of the net OPEB asset (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 3.573 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:

2025	\$ (44)
2026	\$ (12)
2027	\$ 3
2028	\$ (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, 2024 and 2023, BRIM recognized OPEB revenue of \$88 and \$120, respectively.

For the years ended June 30, 2024 and 2023, BRIM recognized revenue (expense) of \$19 and \$(22), 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 asset (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 asset (liability), the related State of West Virginia support, and the total portion of the net OPEB asset (liability) that was associated with BRIM as of June 30 was as follows.

		24	2023		
BRIM's proportionate share of the net OPEB asset (liability): State of West Virginia's special funding proportionate share of the	\$	26	\$	(20)	
net OPEB asset (liability) associated with BRIM		11		<u>(7</u>)	
Total portion of the net OPEB asset (liability) associated with BRIM	\$	<u>37</u>	\$	(27)	

Actuarial Assumptions

The net OPEB asset (liability) measured as of June 30, 2023 applicable to Plan Employer's fiscal year ended June 30, 2024 financial reporting was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions:

Inflation	2.50%
Salary increases	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.
Investment rate of return	7.40%, net of OPEB plan investment expense, including inflation.
Healthcare cost trend rates	Trend rate for pre-Medicare and Medicare per capita costs of 7.0% medical and 8.0% drug. The rends increase over four years to 9.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2032 for plan year end 2022, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032.
Actuarial cost method	Entry Age Normal Cost Method.
Amortization method	Level percentage of payroll over a 20-year closed period beginning June 30, 2017.

Postretirement: Pub-2010 General Healthy Retiree Mortality Tables (100% males, 108% females) projected with MP-2021 for TRS. Pub-2010 General Below Median Healthy Retiree Tables (106% males, 113% females) projected with MP-2021 for PERS. Pub-2010 Public Safety Healthy Retiree Mortality Tables (100% males, 100% females) projected with Scale MP-2021 for Troopers A and B. Pre-Retirement: Pub-2010 General Employee Mortality Tables (100% males, 100% females) projected with Scale MP-2021 for TRS. Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2021 for PERS. Pub- 2010 Public Safety Employee Mortality Tables projected with Scale MP-2021 for Troopers A & B.

The long-term expected rate of return of 7.40% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.60% for long-term assets invested with the West Virginia Investment Management Board and an expected short-term rate of return of 2.75% for assets invested with the BTI.

Long-term pre-funding assets are invested with the WVIMB. The strategic asset allocation consists of 45% equity, 15% fixed income, 6% private credit and income, 12% private equity, 10% hedge fund and 12% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the BTI.

The long-term rates of return on OPEB plan investments are determined using a building block method in which estimates of expected future real rates of return (expected returns, net of OPEB 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 weighting the expected future real rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions (CMA), and forecast returns were provided by the Plan's investment advisors, including WVIMB. The projected return for the Money Market Pool held with the BTI was estimated based on WVIMB 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 <u>Real return</u>
Equity	7.4%
Fixed Income	3.9%
Private Credit and Income	7.4%
Private Equity	10.0%
Hedge Funds	4.5%
Real Estate	7.2%

Single Discount Rate

A single discount rate of 7.40% 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 7.40%. 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. Based on these assumptions, 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 asset (liability).

Sensitivity of BRIM'S Proportionate Share of the Net OPEB Asset (Liability) to Changes in the Discount Rate

The following presents BRIM's proportionate share of the net OPEB asset (liability) calculated using the discount rate of 7.40%, as well as what BRIM's proportionate share of the net OPEB asset (liability) would be if it were calculated using a discount rate that is one percentage point lower (6.40%) or one percentage point higher (8.40%) than the current rate:

	1% Decrease (6.40%)		Current Discount Rate (7.40%)		1% Increase (8.40%)	
BRIM's proportionate share of net OPEB asset (liability) as of June 30, 2024	\$	4	\$	26	\$	50
		ecrease 65%)	Disc	rrent count 6.65%)		crease 65%)
BRIM's proportionate share of net OPEB asset (liability) as of June 30, 2023	\$	(51)	\$	(20)	\$	7

Sensitivity of the Net OPEB Asset (Liability) to Changes in the Healthcare Cost Trend Rates.

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

	1% Decrease		Healthcare Cost Trend Rates		1% Increase	
Net OPEB asset (liability) as of June 30, 2024	\$	67	\$	26	\$	(22)
	1% D	ecrease		care Cost	1% Ir	ncrease
Net OPEB asset (liability) as of June 30, 2023	\$	(11)	\$	(20)	\$	57

Note 7. Lease Arrangement

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

On April 29, 2022, BRIM signed a new lease with the West Virginia Department of Administration, a related party, effective September 1, 2022 for 12,882 square feet at the Albert Summers building located at 1124 Smith Street, Charleston, West Virginia for an annual rent of \$228. This lease expires on June 30, 2025.

West Virginia Board of Risk and Insurance Management (an Enterprise Fund of the State of West Virginia) Notes to Financial Statements June 30, 2024 and 2023 (in thousands)

Note 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 \$58,434 and \$52,094 for the years ended June 30, 2024 and 2023, 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" (Fund) maintained by the State Treasurer. The balance in this fund was \$17,709 and \$13,206 at June 30, 2024 and 2023, respectively. The Fund is not included in BRIM's financial statements but is included in the general fund of the State.

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

BRIM has entered into various 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 \$1.25 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 \$1,540 reinsurance and recoveries for the fiscal year ended June 30, 2024, and \$1,007 for the fiscal year ended June 30, 2023.

Note 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 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.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Premiums and investment revenues (losses)										
Earned	\$ 63,037	\$ 72,706	\$ 81,209	\$ 85,663	\$ 104,345	\$ 105,385	\$ 112,083	\$ 52,429	\$ 103,488	\$ 132,326
Ceded	6,197	6,909	6,681	6,518	6,627	6,915	4,438	4,758	8,969	14,989
Net earned	56,840	65,797	74,528	79,145	97,718	98,470	107,645	47,671	94,519	117,337
Unallocated expenses, including administrative fees paid to third-party claims administrators	7,653	7,911	8,290	8,507	8,684	9,224	9,171	9.444	10,352	10,358
3) Estimated incurred claims and claims adjustment										
expense, end of policy year Incurred	60.040	66.740	70 705	70,000	60,000	70.400	77 500	07.474	00.004	02.025
	62,342	66,740	70,705	72,629	69,092	70,402	77,590	97,174	88,684	92,025
Ceded				596_		593		1,000		
Net incurred	62,342	66,740	70,705	72,033	69,092	69,809	77,590	96,174	88,684	92,025
Paid (cumulative) claims and claims adjustment expense as of										
End of policy year	11,146	12,863	11,922	11,846	10,321	12,300	13,159	16,970	15,123	14,156
One year later	24,010	23,494	23,067	22,032	22,279	21,954	27,860	32,838	31,619	14,100
Two years later	34.801	34.585	37,673	32,994	38,212	34,527	42.224	50,598	01,010	
Three years later	43,864	44,997	44,538	41,881	49.610	44,017	50,745	00,000		
Four years later	48,379	49,631	50,017	47,127	55,523	48,863	00,140			
Five years later	50,322	51,867	54,902	50,790	58,915	40,000				
Six years later	51,125	53,474	56,069	53,808	30,313					
Seven years later	51,123	54,173	57,323	33,000						
Eight years later	51,484	54,818	37,323							
Nine years later	52,058	34,010								
5) Reestimated ceded claims and expenses	-	2,782	-	596	-	-	-	1,000	-	-
6) Reestimated net incurred claims and allocated										
claims adjustment expense										
End of policy year	62,342	66,740	70,705	72,033	69,092	69,809	77,590	96,174	88,684	92,025
One year later	65,545	64,655	65,589	65,418	69,463	63,910	74,521	92,937	98,316	
Two years later	62,727	62,537	65,151	62,380	72,909	63,711	73,834	98,294		
Three years later	59,235	59,700	62,032	58,836	69,754	58,465	70,819			
Four years later	55,907	57,468	62,533	59,061	67,669	56,877				
Five years later	55,374	57,241	61,465	48,275	67,813					
Six years later	54,240	56,798	59,482	58,072						
Seven years later	54,085	56,353	59,624							
Eight years later	54,069	57,573								
Nine years later	53,924									
(Decrease) increase in estimated net incurred claims and allocated claims adjustment expense										
from end of policy year	(8,418)	(9,167)	(11,081)	(13,961)	(1,279)	(12,932)	(3,756)	2,120	9,632	
from end of policy year	(0,418)	(8,107)	(11,001)	(13,901)	(1,279)	(12,932)	(3,736)	2,120	9,032	-

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:

		20	24		2023 Mine								
			Mine										
	Liability	Property	Subsidence	Total	Liability	Property	Subsidence	Total					
Unpaid claims and claims adjustment expense liability at beginning													
of fiscal year	\$ 356,430	\$ 8,494	\$ 1,756	\$ 366,680	\$ 274,686	\$ 8,946	\$ 1,663	\$ 285,295					
Incurred claims and claims adjustment expense Provision for insured events of the													
current fiscal year Increase in provision for insured events of	81,244	8,708	2,073	92,025	78,817	8,538	1,329	88,684					
prior fiscal years	9,187	1,794	266	11,247	80,394	1,628	547	82,569					
Total incurred claims and claims adjustment expense	90,431	10,502	2,339	103,272	159,211	10,166	1,876	171,253					
Payments Claims and claims adjustment expense attributable to insured events of the current fiscal year Claims and claims adjustment expense attributable to insured	11,535	1,935	686	14,156	11,461	3,549	113	15,123					
events of the prior													
fiscal years	153,757	8,545	1,428	163,730	66,006	7,069	1,670	74,745					
Total claims and claims adjustment expense payments	165,292	10,480	2,114	177,886_	77,467	10,618	1,783	89,868					
Total unpaid claims and claims adjustment expense liability at end of the fiscal year	\$ 281,569	\$ 8,516	\$ 1,981	\$ 292,066	\$ 356,430	\$ 8,494	\$ 1,756	\$ 366,680					

West Virginia Board of Risk and Insurance Management Schedule of Proportionate Share of the Net Pension Asset (Liability) in PERS Last Ten Fiscal Years

(in thousands except percentages)

-														
	_	2024	 2023	2022	 2021	 2020	2019	 2018	_	2017	_	2016	_	2015
BRIM's proportionate (percentage) of the net pension asset (liability)		0.0976%	0.0991%	0.1018%	0.1008%	0.0995%	0.0964%	0.0767%		0.0833%		0.0836%		0.0994%
BRIM's proportionate share of the net pension asset (liability)	\$	4	\$ (148)	\$ 894	\$ (533)	\$ (214)	\$ (249)	\$ (331)	\$	(766)	\$	(467)	\$	(367)
BRIM's covered payroll	\$	1,635	\$ 1,606	\$ 1,635	\$ 1,573	\$ 1,432	\$ 1,275	\$ 1,013	\$	1,100	\$	878	\$	962
BRIM's proportionate share of the net pension's asset (liability) as a percentage of its covered payroll		-0.24%	9.22%	-54.68%	-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 asset (liability) *		100.05%	98.24%	111.07%	92.89%	96.99%	96.33%	93.67%		86.11%		91.29%		93.98%

 $^{^{\}star}$ 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.

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

	 2024	 2023	 2022	 2021	 2020	 2019	 2018	 2017	 2016	2015
Statutorily required contribution	\$ 149	\$ 154	\$ 156	\$ 158	\$ 152	\$ 142	\$ 138	\$ 123	\$ 149	\$ 127
Contributions in relation to the statutorily required contribution	 (149)	 (154)	 (156)	 (158)	 (152)	 (142)	 (138)	 (123)	 (149)	 (127)
Contribution deficiency (excess)	\$ 	\$ 								
Covered payroll	\$ 1,714	\$ 1,635	\$ 1,606	\$ 1,635	\$ 1,573	\$ 1,432	\$ 1,275	\$ 1,013	\$ 1,100	\$ 878
Contributions as a percentage of covered payroll	8.69%	9.42%	9.71%	9.66%	9.66%	9.92%	10.82%	12.14%	13.55%	14.00%

Required Supplementary Information (in thousands)

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

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

June 30, 2024 and 2023

(in thousands)

Note 1. 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 (an Enterprise Fund of the State of West Virginia)
Notes to Required Supplementary Information – Schedule of Proportionate Share of the Net Pension Asset (Liability) in PERS and Schedule of Contributions to PERS
June 30, 2024 and 2023
(in thousands)

Note 2. Changes in Assumptions

Disability rates

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

2023-2020

	2023-2020	<u></u>
Projected salary increases:		_
State	2.75 – 5.55%	
Non-state	3.60 - 6.75%	
Inflation rate	2.75%	
Mortality rates	Healthy males -108% of Pub 2010 Non-Annuitant, Scale MP-2018	
	Healthy females-122% or Pub 2010 Non-Annuitant, Scale MP-2018	
	Disabled males - 118% of Pub 2010	
	Disabled annuitant, Scale MP-2018	
	Disabled females - 117% of Pub 2010	
	Disabled annuitant, Scale MP-2018	
Withdrawal rates:		
State	2.28 - 45.63%	
Non-state	2.50 – 35.88%	
Disability rates	0.005 – 0.54%	
	2019	2018-2015
Projected salary increases:		
State	3.10 – 5.30%	3.00 - 4.60%
Non-state	3.35 – 6.50%	3.00 - 4.60%
Inflation rate	3.00%	3.00%
Mortality rates	Healthy males -108% of Pub 2010 Non-Annuitant, Scale MP-2018	Healthy males-110% of RP-2000 Non-Annuitant, Scale AA
	Healthy females-122% or Pub 2010 Non-Annuitant, Scale MP-2018	Healthy females-101% or RP-2000 Non-Annuitant, Scale AA
	Disabled males - 118% of Pub 2010	Disabled males - 96% of RP-2000
	Disabled annuitant, Scale MP-2018	Disabled annuitant, Scale AA
	Disabled females - 117% of Pub 2010	Disabled females - 107% of RP-2000
	Disabled annuitant, Scale MP-2018	Disabled annuitant, Scale AA
Withdrawal rates:		
State	2.275 – 45.63%	1.75 –35.10%
Non-state	2.500 – 35.88%	2 – 35.80%
5		

0.005 - 0.54%

0 - .675%

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

	2024	2023	2022	2021	2020	2019	2018
BRIM's proportionate (percentage) of the net OPEB asset (liability)	0.0165%	0.0179%	0.0204%	0.0256%	0.0236%	0.0219%	0.0208%
BRIM's proportionate share of the net OPEB asset (liability)	\$ 26	\$ (20)	\$ 6	\$ (113)	\$ (391)	\$ (470)	\$ (512)
State's proportionate share of the net OPEB asset (liability) associated with BRIM	 11_	 (7)	 1_	 (25)	 (80)	 (97)	 (105)
Total	\$ 37	\$ (27)	\$ 7	\$ (138)	\$ (471)	\$ (567)	\$ (617)
BRIM's covered-employee payroll	\$ 906	\$ 1,036	\$ 1,081	\$ 1,109	\$ 1,040	\$ 905	\$ 812
BRIM's proportionate share of the net OPEB asset (liability) as a percentage of its covered-employee payroll	-2.87%	1.93%	-0.56%	-10.19%	-37.60%	-51.93%	-63.05%
Plan fiduciary net position as a percentage of the total OPEB asset (liability) *	109.66%	93.59%	101.81%	73.49%	39.69%	30.98%	25.10%

 $^{^{\}star}$ 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 Eight Fiscal Years (in thousands except percentages)

	2024	 2023	2022	 2021		2020		2019	 2018	 2017
Statutorily required contribution	\$ -	\$ 27	\$ 21	\$ 37	\$	39	\$	45	\$ 44	\$ 43
Contributions in relation to the statutorily required contribution	 	 (27)	(21)	 (37)		(39)		(45)	 (44)	 (43)
Contribution deficiency (excess)	\$ 	\$ 	\$ _	\$ 	\$		\$		\$ 	\$ _
Covered-employee payroll	\$ 953	\$ 906	\$ 1,036	\$ 1,081	\$	1,109	\$	1,040	\$ 905	\$ 812
Contributions as a percentage of covered-employee payroll	 0%	 3%	 2%	 3%	_	4%	_	4%	 5%	 5%

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

Other Supplementary Information (in thousands)

	Other Lines of Business	Mine Subsidence	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 26,028	\$ -	\$ 26,028
Advance deposits with carrier/trustee	257,498	-	257,498
Receivables, net	2,726	-	2,726
Restricted cash and cash equivalents	-	8,563	8,563
Restricted receivables, net		1,539	1,539
Total current assets	286,252	10,102	296,354
Noncurrent Assets			
Investments	58,236	-	58,236
Restricted investments		32,593	32,593
Total non current assets	58,236	32,593	90,829
Total assets	344,488	42,695	387,183
DEFERRED OUTFLOWS OF RESOURCES			
Pension	243	-	243
Other Post-employment Benefits	10		10
Total deferred outflows of resources	253		253
LIABILITIES			
Current Liabilities			
Estimated unpaid claims and claims adjustment expense	90,463	1,178	91,641
Unearned revenue	14,206	2,679	16,885
Agent commissions payable	1,797	-	1,797
Accrued expenses and other liabilities	621	-	621
Total current liabilities	107,087	3,857	110,944
Noncurrent Liabilities			
Estimated claims and claims adjustment expense, noncurrent	199,620	805	200,425
Compensated absences	173	9	182
Net pension liability	(4)	-	(4)
Net other post-employment benefits liability	(26)	-	(26)
Total noncurrent liabilities	199,763	814	200,577
Total liabilities	306,850	4,671	311,521
DEFERRED INFLOWS OF RESOURCES			
Pension Other Post-employment Benefits	64	-	64
Total deferred inflows of resources	64		64
NET POSITION			
Restricted	_	38,024	38,024
Unrestricted	37,827		37,827
Net position	\$ 37,827	\$ 38,024	\$ 75,851

West Virginia Board of Risk and Insurance Management Combining Statement of Revenues, Expenses and Changes in Net Position Year Ended June 30, 2024 (in thousands)

	_	Other ines of usiness		Mine osidence		Total
Operating Revenues	•	440.404	•	4.040	•	445.004
Premiums	\$	110,424	\$	4,910	\$	115,334
Less excess coverage/reinsurance premiums		(14,989)				(14,989)
Total operating revenues		95,435		4,910		100,345
Operating Expenses						
Claims and claims adjustment expense		101,933		2,339		104,272
General and administrative expense		5,900		138		6,038
Total operating expenses		107,833		2,477		110,310
Operating (loss) income		(12,398)		2,433		(9,965)
Nonoperating Expenses						
Investment income		13,765		3,231		16,996
Legislative appropriation		-		-		-
OPEB nonoperating loss	-	19				19
Net nonoperating income		13,784		3,231	,	17,015
Decrease in net position	\$	1,386	\$	5,664	\$	7,050

West Virginia Board of Risk and Insurance Management Form 7 - Deposits Disclosure June 30, 2024 (in thousands)

		Fair Value
Cash with Treasurer	<u>\$</u>	2,645 (1)
(1) Agrees to audited statement of cash flows as follows Cash with Treasurer Cash equivalents with BTI	\$	2,645 ⁽²⁾ 31,946 ⁽²⁾
	<u> \$ </u>	34,591 (3)
(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	\$	26,028 8,563
	\$	34,591

West Virginia Board of Risk and Insurance Management Form 8 - Investments Disclosure June 30, 2024 (in thousands)

Investment Pool	Amount Unrestricted			_	Amount estricted	•	_	Amount eported	Fair Value	
BTI and WVIMB Investment Pools										
Cash liquidity	\$	26,028		\$	8,563 ⁽¹		\$	34,591		\$ 34,591
Long-term		58,236	(1)		32,593	1)		90,829	(3)	90,829
Total investments	\$	84,264	(1) =	\$	41,156	1)	\$	125,420	=	\$ 125,420
(1) Agrees to audited statement of net position as follows										
Investments with BTI and WVIMB Less investments classified as	\$	84,264	(1)	\$	41,156					
cash equivalents		26,028	_		8,563					
Total investments	\$	58,236	(2)	\$	32,593	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, 2024 (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	\$	8,563 ⁽¹⁾
Unrestricted		26,028 (1)
Total cash and cash equivalents		34,591
Less investments disclosed as cash equivalents		2,645 (2)(3)
Fair value of deposits as disclosed on Form 7	\$	31,946 (2)
Investments		
Investments as reported		
Noncurrent – restricted	\$	32,593 ⁽¹⁾
Noncurrent – unrestricted		58,236 ⁽¹⁾
Total investments		90,829
Add investments disclosed as cash equivalents		
Fair value of investments as disclosed on Form 8	_\$	90,829 (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, 2024 (in thousands)

	A	mount
Accounts receivable (other than State agencies) Total accounts receivable as of June 30, 2024 Less allowance for doubtful accounts	\$	4,266 (1)
Net receivable	\$	4,266
(1) Derived from the audited statement of net position as follows Receivables Restricted receivables	\$	2,726 ⁽²⁾ 1,539 ⁽²⁾
	\$	4,265

⁽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, 2024 (in thousands)

Receivable From	A	mount
Accounts receivable from other State agencies	<u>\$</u>	16 (1)
(1) Premiums due from other State agencies Premiums due from other entities	\$	16 2,710
Total receivables	\$	2,726 (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, 2024 (in thousands)

Type of Debt Compensated absences – annual leave	Final Maturity Date	Balance June 30, 2023		Payments		Other Changes		Balance June 30, 2024	
	Varies	\$	191	\$	_	\$	(9)	\$	182 ⁽¹⁾

⁽¹⁾ Agrees to audited statement of net position

Forvis Mazars, LLP 500 Virginia Street East, Suite 800 Charleston, WV 25301 P 304.343.0168 | F 304.343.1895 forvismazars.us



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*

Independent Auditor's Report

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

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, 2024, 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 2, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on 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.

Forvis Mazars, LLP

Charleston, West Virginia October 2, 2024

Attachment B

Management Representation Letter

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

Provided to:

Forvis Mazars, LLP
Certified Public Accountants
500 Virginia Street East, Suite 800
Charleston, WV 25301

The undersigned ("We") are providing this letter in connection with Forvis Mazars' audit of the financial statements of West Virginia Board of Risk and Insurance Management (BRIM), which comprise the Statements of Net Position as of June 30, 2024 and 2023, 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.

Our representations are current and effective as of the date of Forvis Mazars' report: October 2, 2024.

Our engagement with Forvis Mazars is based on our contract for services dated: June 14, 2024.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to Forvis Mazars' report in conformity with accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

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 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.

Confirmation of Matters Specific to the Subject Matter of Forvis Mazars' Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

- 1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- 2. We acknowledge our responsibility for the design, implementation, and maintenance of:
 - a. Internal control relevant to the preparation and fair presentation of the financial statements

that are free from material misstatement, whether due to fraud or error.

- b. Internal control to prevent and detect fraud.
- 3. 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 financial records and related data, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. All minutes of directors' and committee of directors meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the board, if applicable, and maintained as part of our records.
 - e. All significant contracts.
- 4. We have responded fully and truthfully to all your inquiries.

Government Auditing Standards

- We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.
- 6. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
- 7. There are no known violations or possible violations of laws, regulations, including those pertaining to adopting, approving, and amending budgets, and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
- 8. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts, or violations of provisions of contracts or grant agreements that you or other auditors report.
- 9. We have a process to track the status of audit findings and recommendations.
- 10. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other studies.
- 11. We have provided our views on any findings, conclusions, and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit of the financial statements performed in accordance with Government Auditing Standards.

Misappropriation, Misstatements, & Fraud

- 12. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
 - a. Misappropriation of assets.
 - b. Misrepresented or misstated assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance.
- 13. We have no knowledge of fraud or suspected fraud affecting the entity involving:
 - Management or employees who have significant roles in internal control over financial reporting, or
 - Others when the fraud could have a material effect on the financial statements.
- 14. We understand that the term "fraud" includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity's assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.
- 15. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, customers, analysts, other regulators, short-sellers, suppliers, or others.
- 16. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

Ongoing Operations

17. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year of the date of this letter without consideration of potential mitigating effects of management's plans not yet fully implemented and concluded substantial doubt does not exist.

Related Parties

18. We have disclosed to you the identity of all of the entity's related parties and all the related-party relationships of which we are aware.

In addition, we have disclosed to you all related-party transactions and amounts receivable from or payable to related parties of which we are aware, including any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

- 19. We understand that the term related party refers to:
 - Affiliates
 - Entities for which investments are accounted for by the equity method
 - Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management
 - Management and members of their immediate families
 - Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The term <u>affiliate</u> refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

20. Related-party transactions asserted to or disclosed in the financial statements as arm's length were conducted on terms equivalent to those prevailing for comparable transactions with unrelated parties or, in the absence of comparable transactions, terms that would be offered in good faith to unrelated parties, and support regarding the assertion has been provided.

Litigation, Laws, Rulings & Regulations

- 21. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
- 22. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
- 23. There are no known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
- 24. There are no regulatory examinations currently in progress for which we have not received examination reports.

Nonattest Services

- 25. You have provided nonattest services, including the following, during the period of this engagement:
 - Assisting with preparing a draft of the financial statements and related notes and consultation on accounting matters.
 - Assistance in preparing the Annual Comprehensive Financial Report (ACFR)
 - Advise about appropriate accounting principles and their application

26. With respect to these services:

- a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
- b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.
- c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
- d. We have evaluated the adequacy of the services performed and any findings that resulted.
- We have established and maintained internal controls, including monitoring ongoing activities.
- f. When we receive final deliverables from you, we will store those deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

Financial Statements & Reports

- 27. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.
- 28. 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 Asset (Liability) in PERS, the Schedule of Proportionate Share of the Net OPEB Asset (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 Net Position, 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 the presentation of the supplementary information in accordance with the applicable criteria.
 - c. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
 - d. The methods of measurement and presentation of the supplementary information are unchanged 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.
 - e. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
 - f. We understand 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.

- g. 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.
- 29. With regard to other information that is presented in the form of our annual report:
 - a. We confirm that BRIM's Annual Comprehensive Financial Report (ACFR) comprise the annual report for the entity.
 - b. We acknowledge we have not provided you with a draft of the annual report, as of the issuance date of your auditor's report. We will provide you with the final draft of the document that has been approved by the Board of Directors, *prior to issuance*, in order for you to be able to complete your required procedures on such documents.

Transactions, Records, & Adjustments

- 30. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 31. The entity has appropriately reconciled its general ledger accounts to their related supporting information. All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. All intracompany (and intercompany) accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.
- 32. We have everything we need to keep our books and records.
- 33. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.
- 34. There are no uncorrected misstatements or omitted disclosures.

Governmental Accounting & Disclosure Matters

- 35. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 36. With regard to deposit and investment activities:
 - a. All deposit, repurchase and reverse repurchase agreements, and investment transactions have been made in accordance with legal and contractual requirements.
 - b. Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
 - c. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
 - d. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.

- 37. BRIM does not have any component units or joint ventures.
- 38. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 39. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 40. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance is available and have determined that net position is properly recognized under the policy.
- 41. The entity's ability to continue as a going concern was evaluated and that appropriate disclosures are made in the financial statements as necessary under GASB requirements.
- 42. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis (budgetary comparisons, modified approach to infrastructure, pension, and other postemployment benefit information), has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions, and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.
- 43. With regard to pension and other postretirement benefits (OPEB):
 - a. We believe the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - b. We have provided you with the entity's most current pension and OPEB plan instrument for the audit period, including all plan amendments.
 - c. The participant data provided to you related to pension and OPEB plans are true copies of the data submitted or electronically transmitted to the plan's actuary.
 - d. The participant data that we provided the plan's actuary for the purposes of determining the actuarial present value of accumulated plan benefits and other actuarially determined amounts in the financial statements were complete.

General Government Matters

- 44. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, as amended.
- 45. All funds that meet the quantitative criteria in in GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended, and No. 37, Basic Financial Statements—and Management's Discussion and Analysis-for State and Local Governments: Omnibus—an Amendment of GASB Statements No. 21 and No. 34, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

- 46. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 47. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 48. We have appropriately disclosed that the entity is following either its established accounting policy regarding which governmental fund 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 or is following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes and have determined that fund balance is properly recognized under the policy.
- 49. We have exercised due care in the preparation of the introductory and statistical sections included in our annual comprehensive financial report (ACFR) and are not aware of any information contained therein that is inconsistent with the information contained in our basic financial statements.

Accounting & Disclosure

- 50. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements or other arrangements (either written or oral) that are in place.
- 51. Except as reflected in the financial statements, there are no:
 - Plans or intentions that may materially affect carrying values or classifications of assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance.
 - b. Material transactions omitted or improperly recorded in the financial records.
 - c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
 - d. Events occurring subsequent to the balance sheet date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.
 - e. Agreements to purchase assets previously sold.
 - f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.
 - Guarantees, whether written or oral, under which the entity is contingently liable.
 - h. Known or anticipated asset retirement obligations.
- 52. Except as disclosed in the financial statements, the entity has:
 - a. Satisfactory title to all recorded assets, and those assets are not subject to any liens,

pledges, or other encumbrances.

- Complied with all aspects of contractual agreements, for which noncompliance would materially affect the financial statements.
- 53. The loss reserve specialists used by management in estimating the loss and loss adjustment expense and premium deficiency reserves and pension and OPEB liabilities 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 pension and OPEB liabilities and have adequately considered the qualification of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the 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 impact on the independence or objectivity of the specialists.

Revenue, Accounts Receivable, & Inventory

- 54. Adequate provisions and allowances have been accrued for any material losses from:
 - a. Uncollectible receivables.
 - b. Purchase commitments in excess of normal requirements or at prices in excess of prevailing market prices.

Estimates

- 55. We have identified all accounting estimates that could be material to the financial statements and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.
- 56. 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, which refer to volumes of business, revenues, available sources of supply, or markets, loans, investments, or deposits, existing at the date of the financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

Fair Value

- 57. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated course of action.
 - b. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.

- c. The significant assumptions appropriately reflect market participant assumptions.
- The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
- e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Pension & Postretirement Benefits

- 58. We believe the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 59. We are unable to determine the possibility of a withdrawal liability in a multiemployer benefit plan.
- 60. We do not intend to compensate for the elimination of postretirement benefit by granting an increase in pension benefits.

GASB Statement 96, Subscription-Based Information Technology Arrangements

- 61. In connection with the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96), we represent the following:
 - a. We have identified a complete population of potential subscription-based information technology arrangements (SBITAs) as of the implementation date.
 - b. We have reviewed all significant contracts to identify subscription and nonsubscription components as of the earliest date of adoption. Allocation of costs between subscription and nonsubscription components are based upon standalone prices or other reasonable factors.
 - c. Measurements of the subscription assets and liabilities are based upon facts and circumstances that existed at the beginning of the period of implementation.
 - d. The estimates related to any options to extend or terminate the SBITA terms within the measurement of subscription liability and an intangible right to use IT subscription asset agrees to management's plans for the SBITA.
 - e. The discount rates for each SBITA are based upon what would be obtained by the entity for similar payment amounts during the subscription term as an incremental rate.
 - f. We have adequate controls in place to prevent and/or detect errors in subscription assets and liabilities on a recurring basis.
 - g. We have determined that the impact of adopting GASB 96 is not material to the material financial statements.

Other Matters

- 62. BRIM is an enterprise fund of The State of West Virginia and, accordingly, is included as part of the primary government in the State's Annual Comprehensive Financial Report.
- 63. Amounts due to and from American International Group (AIG) are properly presented net for

financial purposes as we have a legal write of offset.

- 64. 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.
- 65. 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, 2024 and 2023. 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, 2024 and 2023. We have estimated that a premium deficiency reserve is not necessary at June 30, 2024 or June 30, 2023.
- 66. 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, 2024 and 2023, 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.
- 67. 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.
- 68. 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 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 rata 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.

Stephen Panaro, controller
Stephen W. Panaro, CFO
- W ·
Emily Fleck Emily Fleck (Oct 2, 2024 15:49 EDT)
Emily Fleck, Controller
Melody Duke
Melody Duke, Executive Director

STATE OF WEST VIRGINIA

DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



John McHugh Acting Cabinet Secretary Melody Duke Executive Director Melody.A.Duke@wv.gov

Executive Director's Report December 17, 2024

- A. Marshall University and West Virginia University Medical Malpractice Program
- As of December 8, 2024, Marshall has deposited \$1,210,000 into the escrow account for FY 2025. The fiscal year-to-date cumulative interest totals \$27,997,99. Disbursements totaling \$914,157.96 have been paid thus far in FY 2025.
- As of December 8, 2024, a total of \$3,710,906.17 has been deposited into WVU's escrow account for FY 2025. The fiscal year-to-date cumulative interest totals \$61,629.05. Disbursements totaling \$3,787,179.83 have been paid thus far in FY 2025.
- B. State and Non-State Liability Claims & Litigation Information

TRIALS

We have three cases to verdict so far in 2024, with two defense verdicts and one mistrial due to a hung jury. No additional trials are scheduled for 2024.

8/18/2024 (501-752982) Insured: WV Regional Jail Authority; Plaintiff: Estate of Zachary Bailey; Kanawha Co. Cir. Ct. Settled during trial. Plaintiff was an inmate at North Central Regional Jail; plaintiff was alleged to have died because of the use of excessive and unnecessary force by Correctional Officers. This case settled for \$1,000,000 after one day of testimony.

7/25/2024 (501-920864) Insured: WV State Police; Plaintiff; Eugene Nabors, Jr.; U.S. Dist. Ct. – So. WV (Beckley); Defense Verdict. The plaintiff alleged injury resulting from the use of excessive force as well as false arrest. We made no offer on this case.

2/22/2024 (501-920311) Insured: Marshall University; Plaintiff: Hannah Cyrus; Cabell Co. Cir. Ct. Defense Verdict. The plaintiff alleged failure to diagnose ectopic pregnancy caused her pain and suffering, but she gave birth to a healthy child. We made no offer on this medical malpractice case.

2/14/2024 (501-939820) Insured: WV Division of Corrections; Plaintiff: Joshua Short; U.S. Dist. Ct. – So. WV (Beckley); Mistrial due to hung jury. Inmate Joshua Short alleged injury as the result of excessive force. Last Demand was \$49,000 and last offer was \$5,000. This case was settled for \$15,000 on May 2,2024.

PAID CLAIMS (November 2024 Data)

November 2024 Indemnity payments total \$3,400,000 vs November 2023 payments of \$69,900,000 a decrease of 95.1%. This is attributable to abuse claims paid in November 2023.

November 2024 Legal payments total \$1,800,000 vs. November 2023 Legal payments of \$2,000,000 an increase of 11.1%.

OUTSTANDING CLAIMS (November 2024 Data)

November 2024 Indemnity reserves total \$106,300,000 vs. November 2023 Indemnity reserves of \$90,000,000, an increase of 15.3%.

November 2024 Expense reserves total \$43,100,000 vs. November 2023 Expense reserves of \$36,800,000 an increase of 14.6%.

CLAIMS COUNTS (August 2024 Data)

November 2024 New claims of 732 vs. November 2023 of 699, an increase of 4.5%.

November 2024 Closed claims of 262 vs. November 2023 of 301, a decrease of 12.9%.

November 2024 Open claims of 1,400 vs. November 2023 of 1,200, an increase of 16.6%.

DURATION – CREATE TO CLOSED DATE CLAIMS (August 2024 Data)

November 2024 Duration of 122 Days vs. November 2023 Duration of 178 Days, a decrease of 31.4%.

CLOSING RATIO (August 2024 Data)

November 2024 Closing Ratio of 91.6% vs. November 2023 Closing Ratio of 109.9%, a decrease of 16.6%.

Joint Committee on Insurance and PEIA

BRIM was asked to present to the Joint Committee on Insurance and PEIA on Monday, December 9, 2024. Jeremy and I presented on the history of BRIM, loss control and the impact of SB 875. Some questions centered on premium rating and reserves.

Transition Team for Governor Elect Morrisey – I met with members of governor elect Morrisey's transition team Thursday, December 12, 2024. The meeting lasted for an hour and 15 minutes and was general in nature. Questions centered on BRIM and what we do as a state agency.

Liability Broker Update – BRIM received questions from an interested insurance carrier and will have responses to USI by end of week of December 16, 2024. We additionally expect to have information from USI before the end of the month regarding reinsurance. USI is compiling a white paper to aid in explanation of reinsurance and the results from their market search.

Loss Ratio Cancellation Notices – BRIM held an appeal hearing for Tri-State Transit Authority on Friday, September 20, 2024. From the hearing BRIM decided to rescind the cancellation notice effective October 14, 2024, and issue a non-renewal notice in January 2025 to be effective July 1, 2024. Additionally, rescission notices were sent to Logan-Mingo Area Mental Health and Williamson Health and Wellness after a re-review indicated these entities did not meet the loss ration criteria. The remaining entities were cancelled with BRIM Cabell County Community Services Organization, HealthNet Aeromedical Services, City of Westover and Monongalia County Urban Mass Transit.

Liability Policy Changes/Premium Rating Review

BRIM is analyzing possible liability policy limit caps in some coverage areas and increasing deductibles for auto, liability and property. Additionally, BRIM is working with our actuaries to modify aspects of the premium calculation for both the state and non-state.

Claim Audit Services

BRIM is starting to work on Part 2 of the Claims Audit with vendor, Strategic Claims Direction. The focus of Part 2 is in-house property and mine subsidence claims.

Speaking Engagement

BRIM was asked to present to a meeting of Chief Financial Officers and Procurement Officers that the Higher Education Planning Commission held on November 8, 2024. Jeremy Wolfe, Woodrow White and Emily Fleck provided general information about insurance, including coverage, loss control and finance relating to BRIM.

Upcoming Board Meeting schedule for 2025:

Tuesday, March 18, 2025 @ 1PM

Tuesday, June 17, 2025 @ 1PM

Tuesday, September 16, 2025 @ 1PM

Tuesday, December 16, 2025 @ 1PM

Sincerely,

Melody Duke Executive Director

MAD/ldm

ST WEST LINE

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

Chief Financial Officer's Report December 17, 2024

A. P-Card Report

CD copies mailed to the board contain the supporting detail for P-card purchases for the months of July through October 2024. These totals are:

July	\$36,635.61
August	\$45,650.34
September	\$70,833.16
October	\$35,912.25

B. Audit Update

We completed our audit prior to the deadline of October 15th and submitted the financial statements and footnotes on October 2nd. I would like to thank everyone at Brim that helped with the audit.

C. Current Financial Results

- The financial results presented are for the four months ending October 31st, 2024.
 The results reflect the actuarially estimated unpaid losses from AON's risk funding study as of September 30, 2024, plus an additional accrual for October.
- Net premium revenue through October has increased \$3.2 million compared to FY24. The increase reflects an increase in premiums based on the actuarial estimated loss pics.
- Retained case reserves are \$62.5 million lower this year compared to the prior year and actuarially estimated IBNR is \$8.2 million lower than the prior year. Combined total current and non-current claims liabilities (i.e., unpaid claims) are \$70.7 million lower than last year through October. Our reserve adjustment in the first quarter of this year was a reduction in reserves of \$5.3 million compared with a small increase in reserves in the fourth quarter of FY24.
- Claims and claims adjustment expense of \$33.7 million is \$20.5 million dollars lower than last year due to lower claims expenses during the current fiscal year.
- Investment gains through October were \$9.1 million compared to investment losses through October of 2023 of \$5.4 million. This is a positive year-over-year change of \$14.5 million. Through October the Bank of New York trust has earned \$5.7 million. Because of the relatively short duration of the fixed income holdings in the trust (3.6 years) and decreasing interest rates the returns in the trust have been positive year to date. Equity markets experienced volatility during FY24 and that trend is continuing in FY25. Our returns with the West Virginia Investment Management Board were positive through October of this year with gains of \$2.8 million. We also earned \$614,000 of interest with the West Virginia Board of Treasury Investments.

- The combination of higher reinsurance premiums, lower claims expense, positive investment returns and a small increase in premium revenue resulted in an increase in net position of \$10.1 million compared with a decrease in net position of \$28.1 million in FY24. The largest factor in this increase was the decrease in claims and claims adjustment expenses. The overall impact is a year-over-year positive change of \$38.2 million.
- Our current net position of \$85.9 million includes the mine subsidence program's net position of 39.9 million, leaving BRIM's unrestricted net position at \$46 million. This compares with a net position of \$40.6 million last year and a net position at June 30, 2024 of \$75.8 million.

D. Financial Markets

The financial markets have continued to fluctuate since our last board meeting. The Dow Jones Industrial Average closed at 43,914 last week. The yields on US Treasury Notes have fluctuated this year. The 10-year note had a yield of just over 4% at the beginning of January increasing to a yield of 4.4% last week. This is down from the year-to-date high yield of over 4.6% in May.

The Federal Reserve cut interest rates at its meeting in September a half percentage-point and lowered the rate again at its meeting November by a quarter point. The Fed is anticipated to cut rates another quarter point at their meeting in December. The reduction in November brought the benchmark rate to a range of 4.5% to 4.75%. Core inflation, which excludes the food and energy categories, was 3.3% in November as expected according to The Wall Street Journal. In November prices increased 2.7% for the 12-month period, compared to 2.4% in September and 2.6% in October.

Because of the uncertainty with interest rates, the volatility of the stock market and inflation concerns BRIM's investment returns outlook remains uncertain for FY25.

Respectfully submitted,

Stephen W. Panaro, CPA Chief Financial Officer

West Virginia Board of Risk and Insurance Management

Statements of Net Position

For the Four Months Ended October 31st

Assets Current assets; Case And cash equivalents \$21,818 \$15,848 Advance deposits with insurance company and trustee 259,348 239,163 Receivabales 25,396 5,069 Prepaid insurance 11,467 6,068 Restricted cash and cash equivalents 10,076 6,168 Premiums due from other entities 329,645 276,382 Total current assets 329,645 276,382 Noncurrent assets 239,657 114,863 Restricted investments 33,607 29,074 Total noncurrent assets 93,657 114,863 Total assets 423,302 391,244 Deferred Outflows of Resources 243 399 Deferred Outflows of Resources 243 399 Deferred Outflows of Resources - OPEB 91,641 155,023 Agent commissions payable 91,641 155,023 Claims Payable 167 1,090 Claims Payable 167 1,090 Claims Payable 168 1,000 <t< th=""><th></th><th colspan="3">2024</th><th colspan="2">2023</th></t<>		2024			2023	
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Claims Payable 108 0 Accrued expenses and other liabilities 23,103 2,366 Total current liabilities 140,249 180,545 Estimated unpaid claims and claims adjustment expense net of current portion 197,102 170,054 Compensated absences 182 192 Net pension liability (4) 148 Total noncurrent liabilities 197,280 170,393 Total liabilities 337,529 350,938 Deferred Inflows of Resources 0 0 Deferred Inflows of Resources - OPEB 64 137 Net position: Restricted by State code for mine subsidence coverage 38,026 32,363 Unrestricted 37,826 36,438 Net Assets (Deficiency) 10,111 (28,174)	Unearned premiums		23,723			
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Compensated absences 182 192 Net pension liability (4) 148 Total noncurrent liabilities 197,280 170,393 Total liabilities 337,529 350,938 Deferred Inflows of Resources 0 0 Deferred Inflows of Resources - OPEB 64 137 Net position: Restricted by State code for mine subsidence coverage 38,026 32,363 Unrestricted 37,826 36,438 Net Assets (Deficiency) 10,111 (28,174)	Total current liabilities		140,249		180,545	
Compensated absences 182 192 Net pension liability (4) 148 Total noncurrent liabilities 197,280 170,393 Total liabilities 337,529 350,938 Deferred Inflows of Resources 0 0 Deferred Inflows of Resources - OPEB 64 137 Net position: Restricted by State code for mine subsidence coverage 38,026 32,363 Unrestricted 37,826 36,438 Net Assets (Deficiency) 10,111 (28,174)					Senden Champour Seglephonocourt	
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Unrestricted 37,826 36,438 Net Assets (Deficiency) 10,111 (28,174)	Net position:					
Net Assets (Deficiency) 10,111 (28,174)	Restricted by State code for mine subsidence coverage					
Net position \$ 85,963 \$ 40,627	Net Assets (Deficiency)	,				
	Net position	\$	85,963	\$	40,627	

Unaudited

West Virginia Board of Risk and Insurance Management

Statements of Revenues, Expenses, and Changes in Net Position

For the Four Months Ended October 31st

	2024		2023		
	(In Thousands)				
Operating revenues	(-14 - 14 - 14 - 14 - 14 - 14 - 14 - 14				
Premiums		41,362	\$	38,554	
Less coverage/reinsurance programs		(4,586)		(4,966)	
Net operating revenues		36,776		33,588	
Operating expenses					
Claims and claims adjustment expense		33,700		54,241	
General and administrative		2,113		2,126	
Total operating expenses		35,813		56,367	
Operating income (loss)		963		(22,779)	
Nonoperating revenues					
Investment income		9,148		(5,395)	
Legislative Appropriation		0		0	
OPEB Non Operating Income		0		0	
Net nonoperating revenues		9,148		(5,395)	
Changes in net position		10,111		(28,174)	
Total net position, beginning of year		75,852		68,801	
Total net position, end of period	\$	85,963	\$	40,627	

Unaudited

STATE OF WEST VIRGINIA

DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT



John McHugh Acting Cabinet Secretary Melody Duke Executive Director Melody.A.Duke@wv.gov

Loss Control Report to the Board December 2024

BRIM and Liberty Mutual Insurance sponsored two boiler safety and operational seminars in October. Approximately 87 individuals participated in the seminars. The level of interest from our insured continues to be at high levels.

In October, we sent out loss control questionnaires to our senate bill #3 insured. The completed questionnaires and supporting documentation are due to BRIM on January 1, 2023.

BRIM participated in a presentation at the West Virginia High Education Policy Commission's Chief Financial Officer's Conference at Concord University. BRIM provided content relating to its Finance Department, Underwriting Department, and Loss Control Department.

Jeremy Wolfe served as a panelist at the 2024 West Virginia Digital Government Summit. The panel discussed cybersecurity costs and navigating financial impacts of such costs. Jeremy presented on costs associated with cyber liability claims and the importance of risk assessments within cyber security programs.

During the months September, October and November, Tawney conducted 220 inspections and Liberty conducted 759. The reports are being processed according to established procedures.

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

16 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: Lillian James Learning Center, Inc, Grant County Board of Education, Sobrania, Inc, West Virginia Voluntary Organizations Active In Disasters, Greenbrier Senior Housing, Little Kanawha Transit Authority, Romney Unity Apartments, Kanawha County Public Service District, City of Williamson Housing Development, West Virginia University Medical Corporation, Tucker County Senior Citizens, Town of Barrackville, Hampshire County Board of Education, West Virginia Public

Employee Grievance Board, and Logan-Mingo Area Mental Health.

16 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: Town of Monongah, Webster County Board of Education, Summers County Board of Education, Upshur County Board of Education, Community Action of Southeastern West Virginia, West Virginia Professional Charter School Board, Lemma Village, Inc, Friends of Hansford, Inc, Little Eagle Child Care Center, Inc, Milton Housing Authority, Clay Senior and Community Services, Inc, AFL-CIO Appalachian Council, Inc, Boys and Girls Club of Parkersburg, West Virginia County Music Hall of Fame and Museum, and City of Sistersville.

Dated: December 11, 2024

Respectfully submitted,

Jeremy C. Wolfe

Deputy Director / Risk Manager



Eric Householder Cabinet Secretary Melody Duke
Executive Director
Melody.A.Duke@wv.gov

The board meeting was not held due to a lack of a quorum

AGENDA BOARD MEETING OF THE WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT TUESDAY, MARCH 18, 2025 @ 1PM

(meeting held in person and remotely)

Chairman Price Call to Order

Chairman Price Roll Call

Chairman Price Approval of Board Minutes

December 17, 2024

REPORTS

Jo Ellen Cockley, FCAS, MAA

Director & Actuary - Global Risk Consulting

Aon

Risk Funding Study

As of 6/30/2024

Melody Duke

Executive Director

Executive Director's Report

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

Jeremy C. Wolfe Loss Control Manager Loss Control Report

FINISHED BUSINESS

NEW BUSINESS

ADJOURNMENT

ldm

Eric Householder Cabinet Secretary

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

AGENDA BOARD MEETING OF THE WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT **TUESDAY, JUNE 17, 2025 @ 1PM**

(meeting held in person and remotely)

Vice - Chairman Lane

Call to Order

Vice - Chairman Lane

Roll Call

Vice - Chairman Lane

Approval of Board Minutes

December 17, 2024

REPORTS

Jo Ellen Cockley, FCAS, MAA

Director & Actuary - Global Risk Consulting

Aon

Risk Funding Study As of 6/30/2024

Melody Duke

Acting Executive Director

Executive Director's Report

Stephen W. Panaro, CPA

Chief Financial Officer

Jeremy C. Wolfe

Loss Control Manager

Financial Report

PCard Report

David C, Dyer

Chief Privacy Officer

Loss Control Report

Privacy Report

UNFINISHED BUSINESS

NEW BUSINESS

ADJOURNMENT

ldm



John McHugh Acting Cabinet Secretary Melody Duke Executive Director Melody.A.Duke@wv.gov

DRAFT

MINUTES OF THE MEETING WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT

December 17, 2024 @ 1PM (Meeting held in person & telephonically)

BOARD MEMBERS:

Gordon Lane, Jr., Vice Chairman

(chaired the meeting in Chairman Price's absence)

Leah Cooper, Member Kristin Boggs, Member

Allan L. McVey, Board Secretary, Ex-Officio Member Commissioner, WV Office of the Insurance

Commissioner

BRIM PERSONNEL:

Melody Duke, Executive Director

John L. Fernatt, Deputy Director/Claims Manager

Jeremy Wolfe, Deputy Director/Risk & Insurance Manager

Stephen W. Panaro, CPA, CFO

Woodrow White, Underwriting Manager

Emily Fleck, Controller

Jason Stover, Office Assistant Lora Myers, Recording Secretary

BRIM PROGRAM

Steve Fowler, BRIM Counsel

REPRESENTATIVES: I

Brenda Samples, USI Insurance Services. LLC

Bob Ayers, USI Insurance Services. LLC Dave Stacy, USI Insurance Services, LLC Dan Rittenhouse, AIG Claim Services

GUESTS:

Norman Mosrie, Partner, Forvis Mazars

Eric Nelson, WV Senate

Sarah Long, CFO, WV Dept of Administration

Kelsey Knotts, WVU Risk Management Donna Hadrych, WVU Health Sciences Stacie Honaker, WVU Health Sciences

Samuel Ollis, Big I WV

Robert Fisher

CALL TO ORDER

- Vice-Chairman Lane called the board meeting of the West Virginia Board of Risk and Insurance Management to order on Tuesday, December 17, 2024 at 1:02PM. The meeting was held both in person and telephonically.
- Vice-Chairman Lane requested the sign-in sheet be signed by all board members and meeting attendees to verify attendance. Remote participants should verify with confirmation email to Lora Myers at Lora.D.Myers@wv.gov.

APPROVAL OF MINUTES

- A motion to approve the Minutes of the September 17, 2024, board meeting minutes was requested. Member Kristin Boggs moved the approval of the board meeting minutes from the prior meeting. Motion was seconded by Member Leah Cooper.
- No discussion, a vote took place and the MOTION ADOPTED.

REPORTS

Forvis Mazars

- Norman Mosrie presented at the meeting for Forvis Mazars. Mr. Mosrie presented the Audited Financial Report June 30, 2024. Mr. Mosrie thanked the board for the opportunity to present. Mr. Mosrie reviewed the Forvis Mazars Report to the Board of Directors Results of the 2024 Financial Statements Audit including Required Communications. Copies of the report were provided electronically prior to the meeting and on site for those attending in person.
- Mr. Mosrie commented that the audit went very well. He thanked Stephen Panaro, Emily Fleck and Melody Duke for their assistance and commented on his appreciation of the BRIM team. There were no reportable matters observed during the audit. He also reported that no audit adjustments were made.
- Mr. Mosrie shared a brief overview of the Statement of Net Position (page 10). He also reported that cash is stable and the market had a good year. The big impact was FY24 due to paid claims for Miracle Meadows. The Statement of Cash Flows(page 12) was also reviewed. Net cash position increases were reported. Notes to Financial Statements (page 52) were briefly discussed and Mr. Mosrie noted that some old claims are still being figured in.
- Mr. Panaro thanked Mrs. Fleck for her hard work on the audit. He also commented on very seasoned staff we have in Mr. Mosrie's team and how that relationship makes the processes for the audit run very smoothly.
- Mr. Mosrie offered to address any questions, no questions. Forvis Mazars
 Audited Financial Report June 30, 2024 was received, a copy is attached and
 made part of the record.

Executive Director's Report

- Melody Duke was called upon to present the Executive Director's Report. She reported on the Marshall and West Virginia University Medical Malpractice Programs. Included in her report were total deposits/disbursements up to this point for FY2025.
- Mrs. Duke reported on the State and Non-State Liability Claims and Litigation information, as well as trials, paid claims, outstanding claims, claim counts,

- duration and closing ratios. So far in 2024, we have three cases to verdict two defense verdicts and one mistrial. No additional trials are scheduled for 2024.
- Mrs. Duke reported that BRIM was asked to present to the Joint Committee on Insurance and PEIA. The presentation was on Monday, December 9, 2024.
 Melody and Jeremy discussed the history of BRIM, loss control and the impact of SB875. Some questions centered on premium rating and reservers.
- Mrs. Duke met with members of governor elect Morrisey's transition team on Thursday, December 12, 2024. The meeting was general and went on for over an hour. Questions were mostly about what BRIM does as a state agency.
- A liability broke update was provided. BRIM received questions from an interested insurance carrier and will have responses to USI by the end of the December 16th week. We expect to have information from USI before the end of the month regarding reinsurance. USI is compiling a white paper to aid in the explanation of reinsurance and the results from their market search.
- The Executive Director discussed the Loss Ratio Cancellation Notices, BRIM held an appeal hearing for Tri-State Transit Authority on Friday, September 20, 2024. BRIM decided to rescind the cancellation notice effective October 14, 2024, and issue a non-renewal notice in January 2025 to be effective July 1, 2024. Additionally, rescission notices were sent to Logan-Mingo Health and Williamson Health and Wellness after a re-review indicated these entities did not meet the loss ration criteria. The following entities were cancelled with BRIM: Cabell County Community Services Organization, HealthNet Aeromedical Services, City of Westover, and Monongalia County Urban Mass Transit.
- Also reported, BRIM is analyzing possible liability policy limit caps in some coverage areas and increasing deductibles for auto, liability and property, BRIM is also working with our actuaries to modify aspects of the premium calculations for both state and non-state.
- Claim Audit Services review, BRIM is beginning to work on Part 2 of the Claims Audit with vendor, Strategic Claims Direction. The focus of Part 2 in in-house property and mine-subsidence claims.
- BRIM was asked to present in a meeting of Chief Financial Officers and Procurement Officers. The meeting was held by the Higher Education Planning Commission on November 8, 2024. Jeremy Wolfe, Woodrow White and Emily Fleck provided general information about insurance, including coverage, loss control and finance relating to BRIM.
- Announcement of the Upcoming Board Meeting schedule for 2025 includes the following:

Tuesday, March 18, 2025 @ 1PM Tuesday, June 17, 2025 @ 1PM Tuesday, September 16, 2025 @ 1PM Tuesday, December 16, 2025 @ 1PM

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

BRIM Financial Report

Stephen Panaro was asked to present the Chief Financial Officer's Report. Mr.
 Panaro reviewed the P-Card Report for July through October 2024.

- Mr. Panaro commented that we completed our audit prior to the deadline for submission of October 15th. The financial statements and footnotes were submitted on October 2nd.
- Mr. Panaro reported on the financial results:
- Presentation of the four months ending October 31, 2024. The results reflect the
 actuarially estimated unpaid losses from AON's risk funding study as of June 30,
 2024, as well as an accrual for October.
- Net premium revenue through October has increased \$3.2 million compared to FY24. The increase reflects an increase in premiums based on the actuarial estimated loss pics.
- Retained case reserves are \$62.5 million lower this year compared to the prior year and actuarially estimated IBNR is \$8.2 million lower than the prior year.
 Combined total current and non-current claims liabilities (i.e., unpaid claims) are \$70.7 million lower than last year through October. Our reserve adjustment in the first quarter of this year was a reduction in reserves of \$5.3 million compared with a small increase in reserves in the fourth quarter of FY24.
- Claims and claims adjustment expense of \$33.7 million is \$20.5 million dollars lower than last year due to lower claims expenses during the current fiscal year.
- Investment gains through October were \$9.1 million compared to investment losses through October of 2023 of \$5.4 million. This is a positive year-over-year change of \$14.5 million. Through October, the Bank of New York trust has earned \$5.7 million. Due to the relatively short duration of the fixed income holdings in the trust (3.6 years) and decreasing interest rates the returns in the trust have been positive year to date. Equity markets experienced volatility during FY24 and that trend continued to FY25. Our returns with the WV Investment Management Board were positive through October of this year with gains of \$2.8 million. We also earned \$614,000 of interest with the WV Board of Treasury Investments.
- The combination of higher reinsurance premiums, lower claims expense, positive investment returns and a small increase in premium revenue resulted in an increase in net position of \$10.1 million compared with a decrease in net position of \$28.1 million in FY24. The largest factor in this change was a decrease in claims and claims adjustment expenses. The overall impact is a year-over-year positive change of \$38.2 million.
- Our current net position of \$85.9 million includes the mine subsidence program's net position of \$39.9 million, leaving BRIM's unrestricted net position at \$46 million. This compares with a net position of \$40.6 million last year and a net position at June 30, 2024 of \$75.8 million.
- Mr. Panaro continued his report with information on the Financial Markets. The financial markets have continued to fluctuate since our last board meeting. The DJIA closed at 43,914 last week. The yields on US Treasury Notes have fluctuated this year. The 10-year note had a yield of just over 4% and increased to a yield of 4.4% last week. This is down from year-to-date high yield of over 4.6% in May.
- The Federal Reserve cut interest rates at its meeting in September a half percentage point and lowered the rate again at its November by a quarter point. The Fed is anticipated to cut rates another quarter point at the December meeting. The reduction in November brought the benchmark rate to a range of 4.5% to 4.75%. Core inflation, which excludes food and energy categories, was 3.3% in November.

- Because of uncertainty with interest rates, the volatility of the stock market and inflation concerns BRIM's investment returns outlook remains uncertain for FY25..
- Mr. Panaro asked for questions, no questions. The Chief Financial Officer's Report (including financials) was received and filed, a copy is attached and made part of the record.

Loss Control Report

- Jeremy Wolfe was asked to present the Loss Control Report.
- BRIM and Liberty Mutual Insurance sponsored two boiler safety and operational seminars in October. Approximately 87 individuals participated in the seminars. The level of interest from our insureds continues to be at high levels.
- In October, we sent out loss control questionnaires to our senate bill #3 insureds. The completed questionnaires and supporting documents are due on January 1.
- BRIM participated in a presentation at the West Virginia Higher Education Policy Commission's Chief Financial Officer's conference at Concord University.
 BRIM provided content relating to its Finance Department, Underwriting Department, and Loss Control Department.
- Mr. Wolfe reported that he served as a panelist at the 2024 West Virginia Digital Government Summit. The panel discussed cyber security costs and navigating financial impacts of such costs. Mr. Wolfe presented on costs associated with cyber liability claims and the importance of risk assessments within cyber security programs.
- During September, October and November, Tawney conducted 220 inspections and Liberty conducted 759. The reports are being processed according to established procedures.
- Since last reported, our loss control technical staff reports the following activity:
 16 Standards of Participation Visits and 16 Loss Control Visits.
- Mr. Wolfe asked if there were any questions, no questions. The Loss Control Report was received and filed, a copy is attached and made part of the record.

UNFINISHED BUSINESS

NEW BUSINESS

ADJOURNMENT

- There was a request for a motion to adjourn the BRIM board meeting. Member Kristin Boggs moved to adjourn the meeting. The motion was seconded by Member Leah Cooper.
- No discussion, a vote took place and the MOTION ADOPTED. The meeting adjourned.

Board Chairman	Date	

State of West Virginia Board of Risk and Insurance Management

Actuarial Discussion

Presented March 18, 2025



Risk Funding Study As of 6/30/2024



AON

6/30/24 Retained Unpaid Loss Estimates - Goal/Scope

- Programs
 - State Spending Units (SSU)
 - Senate Bill 3 Entities (SB3)
- Coverages Evaluated
 - Automobile
 - General Liability
 - Property
 - Medical Malpractice
 - Mine Subsidence (standalone program separate from SSU and SB3)
- Estimated unpaid losses on an unlimited and retained basis as of 6/30/24 for occurrences 6/30/24 and prior
- Projected policy/occurrence year 7/1/24-25 and 7/1/25-26 ultimate retained losses
 - 7/1/25-26 ultimate retained loss forecast used in subsequent rating analyses
- Projected retained losses to be paid from 7/1/24-25
- Projected retained losses to be reported from 7/1/24-25
- Determination if a premium deficiency exists for any program/coverage

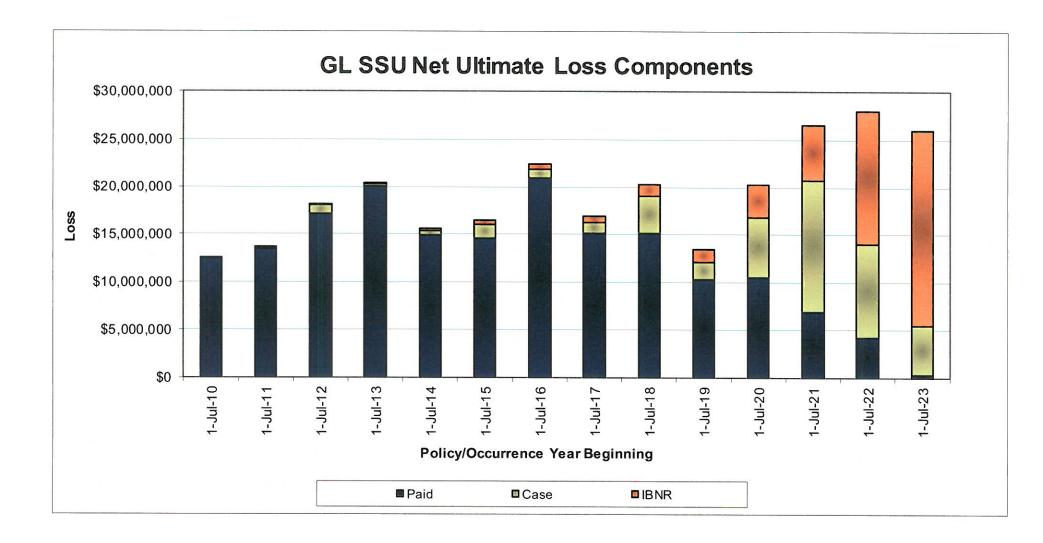


6/30/24 Retained Unpaid Loss Estimates - Definitions

- Unpaid Loss = Ultimate Loss Paid Loss
 - Paid loss is included in data provided to actuary
 - Ultimate losses are actuarially determined through several actuarial projection methods
 - Ultimate losses represent the estimated total dollar amount of claims associated with occurrences 6/30/24 and prior, regardless of when they are paid
- Equivalently: Unpaid Loss = Case Reserves + IBNR
 - Case reserves are set by claim adjusters, and included in data provided to actuary
 - IBNR is actuarially determined
- IBNR = Incurred But Not Reported
 - Two Components
 - 1. Provision for incidents which have already occurred, but have not yet been reported as claims (sometimes called "pure" IBNR)
 - 2. Provision for further development on known claims (sometimes called IBNER: Incurred But Not Enough Reported)
- Ultimate Losses = Paid Losses + Case Reserves + IBNR



6/30/24 Retained Unpaid Loss Estimates – Example





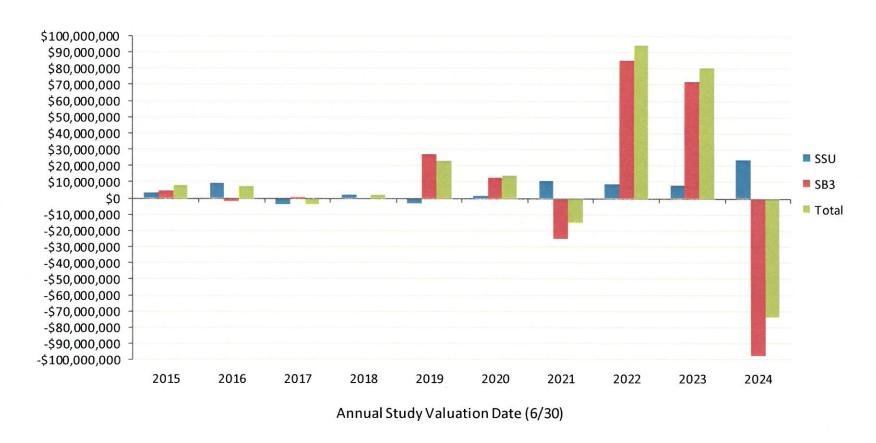
6/30/24 Retained Unpaid Loss Estimates - Results

- Estimated unpaid loss decreased \$73.9 million (-20.4%) from 6/30/2023
- SB3 general liability decreased \$97.9 million
 - In July/August 2023, settlements were reached on 97 claims/suits alleging abuse at a particular insured location
 - Indemnity settlement value of these 97 claims was \$950,000 to \$1 million each
 - 165 reported claims for this insured as of 6/30/2024
 - 15 of these claims are open as of 6/30/24 (each case reserved for \$1 million)
- SSU general liability increased \$14.5 million
 - Three wrongful conviction claims from policy/occurrence year 7/1/22-23 valued at \$900,000 to \$1 million each
 - Four inmate class-action lawsuit claims of \$1 million each
 - Numerous new Department of Corrections claims
 - Lower than expected loss payments
- SSU medical malpractice increased \$9.9 million
 - Three new large claims of approximately \$2 million each (indemnity + expenses)
 - Increase to medical schools liability limits for recent policy years due to inflation adjustments based on the US Department of Labor Consumer Price Index
 - Lower than expected claims payments



Historical Changes in Unpaid Loss

Historical Change in Retained Unpaid Loss Compared to Prior Annual Actuarial Review Total SSU and SB3



 Large increases/decreases in SB3 unpaid losses from 2019-2024 primarily due to the reporting and payment of abuse claims

Retained Ultimate Loss Changes Between 6/30/23 and 6/30/24 Studies

Policy	Change in	Change in	Change in GL	Change in GL	Change in	Change in	Change in	Change in	Change in MS	Total SSU	Total SB3	Overall Total
Inception	Auto SSU Ult	Auto SB3 Ult	SSU Ult	SB3 Ult	Prop SSU Ult	Prop SB3 Ult	MM SSU Ult	MM SB3 Ult	Ult	Change	Change	Change
_ =												×
Prior	0	0	915,142	684,417	0	626	(32,529)	0	0	882,613	685,042	1,567,655
7/1/2011	0	0	97,992	90,239	0	0	568,048	0	О	666,040	90,239	756,279
7/1/2012	0	0	460,000	306,405	0	0	0	0	0	460,000	306,405	766,405
7/1/2013	0	0	110,000	(541,681)	0	1,007	0	0	О	110,000	(540,675)	(430,675)
7/1/2014	0	0	(40,000)	(138,673)	0	0	33,675	0	o	(6,325)	(138,673)	(144,998)
7/1/2015	0	0	1,460,000	(305,019)	0	2,474	68,000	0	(5,508)	1,528,000	(302,545)	1,219,947
7/1/2016	0	0	410,000	(315,552)	0	0	45,000	0	2,017	455,000	(315,552)	141,465
7/1/2017	(228,378)	78	(180,000)	276,831	0	(1,871)	(1,180,000)	0	(999)	(1,588,378)	275,038	(1,314,339)
7/1/2018	(98,027)	(146,812)	1,050,000	(587,783)	0	(9,683)	(60,000)	(2,127)	(10,986)	891,973	(746,405)	134,582
7/1/2019	(150,000)	(387,082)	(130,000)	(414,516)	(7,695)	(2,454)	(460,000)	(25,475)	(9,982)	(747,695)	(829,527)	(1,587,204)
7/1/2020	(120,000)	1,466,435	(410,000)	(2,082,071)	(328,754)	(29,293)	(1,280,000)	(39,843)	(29,971)	(2,138,754)	(684,771)	(2,853,496)
7/1/2021	(850,000)	(234,911)	2,350,000	1,889,606	74,732	(47,670)	2,290,000	(40,942)	116,483	3,864,732	1,566,083	5,547,298
7/1/2022	(450,000)	(948,834)	3,900,000	2,830,859	(384,000)	(122,200)	2,724,997	512,041	242,040	5,790,997	2,271,866	8,304,903
7/1/2023	(706,382)	66,885	695,931	(180,584)	290,064	(313,964)	1,877,056	(17,033)	366,776	2,156,668	(444,696)	2,078,748
					- "							
Total	(2,602,787)	(184,241)	10,689,064	1,512,478	(355,653)	(523,029)	4,594,247	386,621	669,869	12,324,871	1,191,829	14,186,569
Total Excl Prior	(2,602,787)	(184,241)	9,773,923	828,062	(355,653)	(523,655)	4,626,776	386,621	669,869	11,442,258	506,787	12,618,914
Total Excl Latest	(1,896,405)	(251,127)	9,993,134	1,693,062	(645,717)	(209,065)	2,717,191	403,655	303,094	10,168,202	1,636,525	12,107,821



Impact of Ultimate Loss Changes For Prior Policy Periods On BRIM's Financial Statements

- Incurred Loss (in a Calendar Year) = (Ultimate Losses for Current Policy Period) + (Changes in Ultimate Losses for Prior Policy Periods)
- If changes in ultimate losses for prior policy years are negative, then the incurred losses are reduced (conversely, positive changes to prior policy year ultimate losses increases the incurred losses)
- Per previous slide, in the 6/30/24 risk funding study, prior policy year ultimate losses were increased by \$12.1 million
 - Driven by GL SSU and Medical Malpractice SSU



June 30, 2024 Risk Funding Study – Financial Impact

Coverage	Program	6/30/23 Retained Unpaid Losses	Paid in Period 7/1/23 - 6/30/24	Accrued in Period 7/1/23 - 6/30/24	Rollforward 6/30/24 Retained Unpaid Losses	Actual 6/30/24 Retained Unpaid Losses	Actuarial Adjustment Between 6/30/23 and 6/30/24 Reviews	Change in Unpaid Between 6/30/23 and 6/30/24 Reviews
Automobile	SSU	9,355,030	6,152,655	7,906,382	11,108,757	8,505,970	(2,602,787)	(849,060)
Automobile	SB3	10,604,452	7,752,512	7,133,115	9,985,055	9,800,814	(184,241)	(803,638)
Automobile	Total	19,959,482	13,905,167	15,039,497	21,093,812	18,306,784	(2,787,028)	(1,652,698)
General Liability General Liability General Liability	SSU SB3 Total	81,018,287 213,362,368 294,380,655	21,482,453 121,662,259 143,144,713	25,304,069 22,230,584 47,534,653	84,839,903 113,930,693 198,770,596	95,528,967 115,445,403 210,974,371	10,689,064 1,514,710 12,203,775	14,510,680 (97,916,965) (83,406,285)
Property Property	SSU SB3	5,336,538 3,072,181	4,126,972 3,703,859	4,413,936 4,318,364	5,623,502 3,686,686	5,267,849 3,163,657	(355,653) (523,029)	(68,689) 91,476
Property	Total	8,408,719	7,830,830	8,732,300	9,310,189	8,431,506	(878,683)	22,787
Medical Malpractice Medical Malpractice Medical Malpractice	SSU SB3 Total	35,445,610 3,115,701 38,561,311	6,219,698 257,386 6,477,084	11,530,549 903,533 12,434,083	40,756,462 3,761,848 44,518,310	45,350,708 4,148,469 49,499,177	4,594,247 386,621 4,980,868	9,905,098 1,032,769 10,937,867
Mine Subsidence		1,657,505	2,046,164	1,589,304	1,200,645	1,870,514	669,869	213,009
Subtotal SSU Subtotal SB3 Grand Total	SSU SB3	131,155,465 230,154,702 362,967,672	37,981,778 133,376,016 173,403,958	49,154,937 34,585,596 85,329,837	142,328,624 131,364,283 274,893,552	154,653,495 132,558,343 289,082,352	12,324,871 1,194,061 14,188,801	23,498,030 (97,596,359) (73,885,320)



Loss Funding



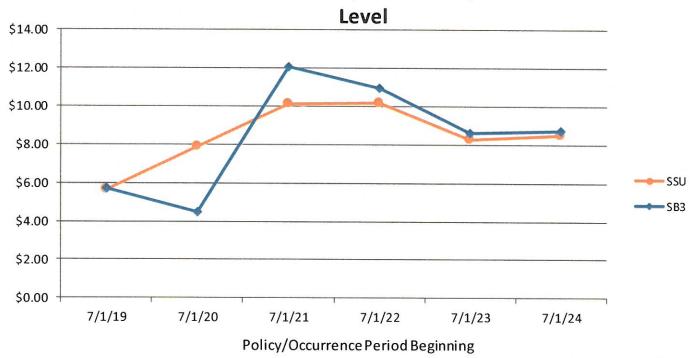
AON

Comparison of Premium and Ultimate Losses

			SSU SB3					
			Projected			Projected		
		Charged	Ultimate		Charged	Ultimate		
Policy/Occur	rence Period	Premium	Retained Loss	Difference	Premium	Retained Loss	Difference	
				= = = =				
7/1/1998	6/30/1999	21,526,869	24,907,202	(3,380,333)	23,070,990	18,069,572	5,001,418	
7/1/1999	6/30/2000	20,982,952	29,173,913	(8,190,961)	22,677,285	21,101,221	1,576,064	
7/1/2000	6/30/2001	20,018,978	19,341,481	677,497	20,951,525	21,926,635	(975,110)	
7/1/2001	6/30/2002	27,130,323	21,716,023	5,414,300	26,524,921	33,618,316	(7,093,395)	
7/1/2002	6/30/2003	36,181,360	16,612,849	19,568,511	37,843,695	33,062,559	4,781,136	
7/1/2003	6/30/2004	36,011,418	20,023,245	15,988,173	35,793,345	34,866,148	927,197	
7/1/2004	6/30/2005	46,715,999	23,045,729	23,670,269	41,269,868	35,292,840	5,977,028	
7/1/2005	6/30/2006	39,985,777	17,921,629	22,064,148	40,920,237	37,508,177	3,412,061	
7/1/2006	6/30/2007	39,091,169	23,204,020	15,887,149	39,480,713	33,808,340	5,672,373	
7/1/2007	6/30/2008	36,258,662	24,410,981	11,847,681	34,852,156	43,067,660	(8,215,504)	
7/1/2008	6/30/2009	31,595,637	24,118,184	7,477,453	28,901,791	27,959,125	942,666	
7/1/2009	6/30/2010	28,257,070	23,071,733	5,185,337	27,889,296	26,622,855	1,266,441	
7/1/2010	6/30/2011	25,239,238	23,403,143	1,836,095	25,232,989	26,359,732	(1,126,743)	
7/1/2011	6/30/2012	25,296,014	29,343,477	(4,047,463)	23,769,617	38,932,311	(15,162,694)	
7/1/2012	6/30/2013	25,645,800	28,895,352	(3,249,552)	19,306,565	36,380,040	(17,073,475)	
7/1/2013	6/30/2014	27,255,798	31,266,864	(4,011,066)	22,654,784	37,820,452	(15,165,668)	
7/1/2014	6/30/2015	32,118,612	26,808,596	5,310,016	23,780,631	22,655,539	1,125,092	
7/1/2015	6/30/2016	37,539,189	28,188,961	9,350,228	24,839,798	24,842,744	(2,946)	
7/1/2016	6/30/2017	41,308,635	34,551,048	6,757,587	27,305,131	20,143,492	7,161,640	
7/1/2017	6/30/2018	45,525,708	30,462,582	15,063,126	29,303,814	21,853,362	7,450,452	
7/1/2018	6/30/2019	47,713,061	33,802,312	13,910,749	31,281,103	28,993,389	2,287,714	
7/1/2019	6/30/2020	47,671,801	30,927,278	16,744,523	30,667,674	21,280,660	9,387,014	
7/1/2020	6/30/2021	47,883,785	42,940,490	4,943,295	30,781,385	25,695,894	5,085,491	
7/1/2021	6/30/2022	48,856,179	54,293,532	(5,437,353)	32,440,548	41,857,953	(9,417,405)	
7/1/2022	6/30/2023	52,093,686	52,754,997	(661,311)	38,267,207	43,260,403	(4,993,196)	
7/1/2023	6/30/2024	58,434,092	51,311,605	7,122,487	51,618,995	34,140,900	17,478,095	
То	ıtal	946,337,811	766,497,226	179,840,585	791,426,062	791,120,318	305,744	

General Liability





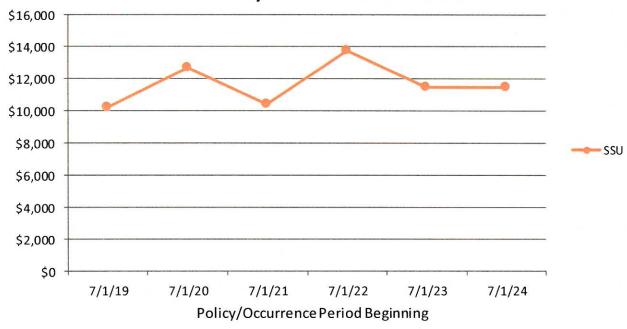
Notes: - Loss rates are on a retained basis, and gross of any deductibles.

- Loss rates for policy/occurrence periods beginning 7/1/20 thru 7/1/22 do not reflect \$6.25M limits/self-funded excess for BOE's.



Medical Malpractice

MM Loss Rate Per Base Class Physician FTE 2024/25 Limits & Cost Level



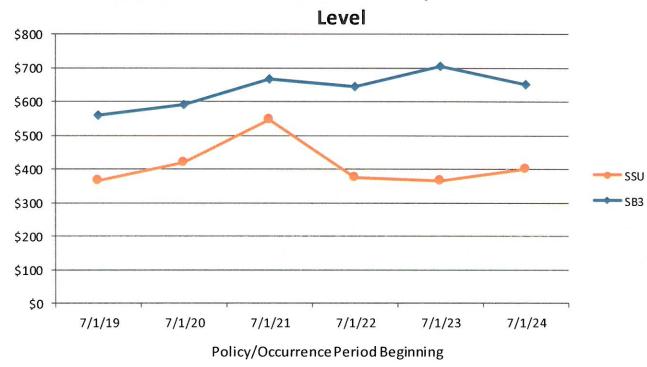
Notes: - Loss rates are on a retained basis, and gross of any deductibles.

- Effective 7/1/15 the limit for the medical schools increased from \$1 million to \$1.5 million and increases each year in line with the CPI until it reaches \$2 million.



Automobile

Auto Loss Rate Per Vehicle at 2024/25 Limits & Cost

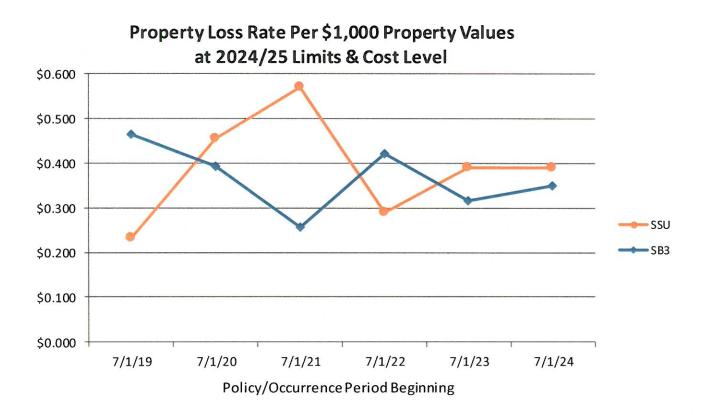


Notes: - Loss rates are on a retained basis, and gross of any deductibles.

- Loss rates for policy/occurrence periods beginning 7/1/20 thru 7/1/22 do not reflect \$6.25M limits/self-funded excess for BOE's.



Property



Note: Loss rates are on a retained basis, and gross of any deductibles.



Interim Study as of 12/31/2024



AON

December 31, 2024 Interim Analysis – Overview of Results

- Unpaid loss estimates increased \$2.7 million (1.0%) between 6/30/24 and 12/31/24
- SB3 General Liability (\$0.3 million increase)
 - Eleven newly reported claims alleging abuse at the particular insured location previously discussed
 - Case reserved for \$1 million indemnity each
 - The eleven new claims were offset against prior/existing IBNR estimate
 - One previously open claim settled for \$1 million
 - As of 12/31/24 there have been 176 reported claims related to abuse at this insured
 - 25 of these are open as of 12/31/24
- SB3 Auto Liability increased \$2.3 million
 - Three claim increases ranging from \$500,000 to \$900,000 each
- SSU Medical Malpractice increased \$1.2 million
 - Four newly reported claims of \$900,000 each



December 31, 2024 Interim Analysis - Table of Results by Coverage

COMPARISON OF RETAINED UNPAID LOSS & ALAE (NET OF DEDUCTIBLES) 12/31/2024 vs. 6/30/2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

								Change from 6/30/20 in Retained U	24 to 12/31/2024
		Retained Case			Retained Case				
		Reserves at	Retained IBNR at	Retained Unpaid	Reserves at	Retained IBNR at	Retained Unpaid		
Line of Business	Entity	12/31/2024	12/31/2024	at 12/31/2024	6/30/2024	6/30/2024	at 6/30/2024	Dollar Change	Percent Change
Automobile	SSU	2,607,704	5,457,323	8,065,027	3,732,841	4,773,129	8,505,970	(440,943)	-5.2%
Automobile	SB3	6,945,613	5,088,006	12,033,619	5,111,533	4,689,280	9,800,814	2,232,805	22.8%
General Liability	SSU	41,439,122	53,191,972	94,631,094	46,791,635	48,737,332	95,528,967	(897,873)	-0.9%
General Liability	SB3 x Insured 1	29,346,246	49,646,978	78,993,224	32,230,083	45,715,321	77,945,403	1,047,821	1.3%
General Liability	SB3 Insured 1	25,704,008	11,000,000	36,704,008	15,500,000	22,000,000	37,500,000	(795,992)	-2.1%
Property	SSU	4,260,237	1,178,004	5,438,241	3,649,220	1,618,630	5,267,849	170,392	3.2%
Property	SB3	1,200,275	2,344,102	3,544,377	2,026,897	1,136,760	3,163,657	380,720	12.0%
Medical Malpractice	SSU	21,196,317	25,352,788	46,549,105	19,900,224	25,450,484	45,350,708	1,198,396	2.6%
Medical Malpractice	SB3	1,459,230	2,121,901	3,581,131	2,288,048	1,860,421	4,148,469	(567,338)	-13.7%
Mine Subsidence		399,957	1,916,705	2,316,662	514,000	1,356,514	1,870,514	446,148	23.9%
Subtotal - SSU		69,503,380	85,180,087	154,683,467	74,073,920	80,579,575	154,653,495	29,972	0.0%
Subtotal - SS3 x Insured 1		38,951,364	59,200,988	98,152,351	41,656,560	53,401,783	95,058,343	3,094,008	3.3%
Subtotal - SS3 Incl. Insured	11	64,655,372	70,200,988	134,856,359	57,156,560	75,401,783	132,558,343	2,298,016	1.7%
Subtotal - SSU + SB3 x Insu	red 1	108,454,744	144,381,075	252,835,818	115,730,480	133,981,358	249,711,838	3,123,980	1.3%
Subtotal - SSU + SB3 Incl. In	nsured 1	134,158,751	155,381,075	289,539,826	131,230,480	155,981,358	287,211,838	2,327,988	0.8%
Total		134,558,708	157,297,780	291,856,488	131,744,480	157,337,872	289,082,352	2,774,136	1.0%
Total x Insured 1		108,854,701	146,297,780	255,152,480	116,244,480	135,337,872	251,582,352	3,570,128	1.4%
									i e

Notes

The above values reflect BRIM's total retained unpaid loss (i.e. including self-funded SB3 BOE excess).



Rating



AON

Top 10 Risks facing the Public Sector

- 1. Cyber Attack or Data Breach
- 2. Damage to Brand or Reputation
- 3. Failure to Attract or Retain Top Talent
- 4. Regulatory or Legislative Changes
- 5. Economic Slowdown or Slow Recovery
- 6. Cash Flow or Liquidity Risk
- 7. Property Damage
- 8. Business Interruption
- 9. Political Risk
- 10. Failure to Innovate or Meet Customer Needs

Source: Aon's Global Risk Management Survey



Property & Casualty Market Update

- Primary Casualty Market
 - Q3 2024 renewals
 - General liability rate increases of 4.4%
 - Auto Liability rate increases of 8.1%
 - GL increases due to insurers response to increased loss costs and high-severity claims
 - AL increases driven by catastrophic losses, as well as the continued emergence of contingent losses for those commercial clients with large fleets
- Umbrella/Excess Casualty Market
 - 14.3% average rate increase for Q3 2024 renewals
 - 7th consecutive quarter of average rate increases
 - Excess layer premiums being wiped out by nuclear verdicts
 - Results in excess carriers pulling back deployed capacity
- Property Market
 - Rates decreased approximately 5.5% for Q2 2024 renewals
 - 3rd consecutive quarter of rate decreases after 27 straight quarters of rate increases
 - Recent hurricane losses were within the insurance market's catastrophe tolerance
 - Aggressive underwriting approaches for accounts with desirable occupancy classes and profitable historic loss ratios



Medical Professional Liability Market Update

- Aon 2024 HPL/PPL benchmark report of losses limited to \$5M findings
 - Claim frequency for hospital professional liability is steady
 - Claim severity, including defense costs, is growing at an annual rate of 5.0%
 - West Virginia loss costs more than 46% higher than countrywide average
- University Health Systems
 - University Health Systems generally serve more acute patients than Non-University Systems
 - University Health Systems experience higher claim severity and loss rates than Non-University Systems
 - Claim Frequency is similar for both University and Non-University Systems
- Changes to components of total hospital exposures
 - Outpatient visits have been steadily increasing
 - Births and inpatient surgeries are declining



Policy Year 7/1/25-26 Rating for BRIM

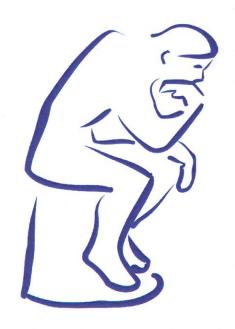
- Currently working on the SB3 rating analysis for 7/1/25-26 policy year
- Draft of SSU rating analysis completed
- Particular attention is being paid to General Liability given the recent loss emergence
- Rates reflect undiscounted forecasted losses, rather than discounted forecast
 - Effectively includes a risk margin, since rates are no longer reduced for anticipated investment income



Jo Ellen Cockley, FCAS, MAAA Director & Actuary +1 302 299 8961 jo.ellen.cockley@aon.com

Terry C. Pfeifer
Senior Consultant
t +1.410.363.5053
terry.pfeifer@aon.com

Jenny L. Grant, ARM Consultant t + 1.303.302.6954 jenny.grant@aon.com



Questions & Discussion



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

Eric Householder Cabinet Secretary

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

Executive Director's Report June 17, 2025

- A. Marshall University and West Virginia University Medical Malpractice Program
- As of April 17, 2025, Marshall has deposited \$2,145,000 into the escrow account for FY 2025. The fiscal year-to-date cumulative interest totals \$45,557.89. Disbursements totaling \$1,535,969.35 have been paid thus far in FY 2025.
- As of April 17, 2025, a total of \$7,216,365.79 has been deposited into WVU's escrow account for FY 2025. The fiscal year-to-date cumulative interest totals \$103,196.81. Disbursements totaling \$5,547,934.02 have been paid thus far in FY 2025.
- B. State and Non-State Liability Claims & Litigation Information

TRIALS

No cases have been tried in 2025 to date.

There are no trials scheduled for June.

PAID CLAIMS (May 2025 Data)

May 2025 Indemnity payments total \$1,900,000 vs May 2024 indemnity payments of \$2,100,000 a decrease of 9.52%.

May 2025 Legal payments total \$1,400,000 vs. May 2024 Legal payments of \$2,100,000 a decrease of 33.33%.

OUTSTANDING CLAIMS RESERVES (May 2025 Data)

May 2025 Indemnity reserves total \$89,000,000 vs. May 2024 Indemnity reserves of \$104,500,000, a decrease 14.83%.

May 2025 Expense reserves total \$47,600,000 vs. May 2024 Expense reserves of \$41,700,000 an increase of 14.147%.

CLAIMS COUNTS (May 2025 Data)

May 2025 New claims of 685 vs. May 2024 of 654, an increase of 4.74%.

May Closed claims of 379 vs. May 2024 of 302, an increase of 25.49%.

May 2025 Open claims of 1500 vs. May 2024 of 1200, an increase of 25.00%.

DURATION – CREATE TO CLOSED DATE CLAIMS (May 2025 Data)

May 2025 Duration of 108 Days vs. May 2024 Duration of 124 Days, for a decrease 12.90%.

CLOSING RATIO (May 2025 Data)

May 2025 Closing Ratio of 127.6% vs. May 2024 Closing Ratio of 108.8%, an increase of 17.27%.

Legislative Session

There were a couple of bills affecting BRIM, one was an extension of the non-state permissive entities moratorium and the second was to change the statute of limitations for sexual abuse back to age 20. Neither bill was passed.

Loss Ratio Analysis for the Non-State Program – BRIM completed the loss ratio analysis for non-renewal effective July 1, 2025. There was only one insured that received a notice and that was Tri-State Transit Authority (TTA). TTA did submit an appeal, and a hearing was held Tuesday, March 11, 2025. From the hearing BRIM decided to rescind the non-renewal notice effective July 1, 2025, and they will be renewed with a premium increase. TTA provided BRIM documents of their Articles of Agreement, Operator's Handbook, Public Transportation Agency Safety Plan, TTA Policies and Work Rules for Non-Management Employes, the Safety, Security and Emergency Preparedness Plan, example driver run notes, and operator seniority checklist. TTA explained the hiring and discipline process, accident analysis and upcoming live video monitoring. It was also established that the Tri State Transit Authority provided important, if not vital, infrastructure in and around the City of Huntington and Cabell County for public bus service.

Liability Endorsements

BRIM has completed an endorsement for the state and non-state programs for a \$500,000 limitation of coverage for excessive force claims made by person(s) taken into custody. The endorsement defines excessive force, claimant and person(s) taken into custody and understanding of the limit of liability. This along with adding the abuse endorsement to the state program (non-state added for FY2025) has been provided to AIG with an effective date of July 1, 2025.

Insurance and Contract Renewals

BRIM is awaiting insurance renewals for the upcoming fiscal year. The brokers for cyber and property report that the market is stabilizing and expect either a flat too small decrease in property and that the cyber may be flat for or slight increase if we want to increase our limits. The crime renewal will be up slightly as there was an increase in state employee counts. We are additionally in the early stage of re-negotiating an AIG 5-year contract renewal. This will be the first time that many of the management staff have encountered this type of negotiation. I was part of the 2021-2025 renewal but am eager to complete this renewal.

Risk Management Software Program

A major accomplishment with our eRims software came in early May as we went live with the Underwriting module. This has been a few years in the works and while we are working through some glitches with our programmers are excited to reach this goal. The final two modules, Loss Control and Finance, are in development stages, and we hope to have those completed by the end of the calendar year.

AIG - Charleston Office

Last year, around this time, the AIG Charleston Office experienced 5 tenured individuals that decided to take an early retirement buyout. They additionally had an another individual to resign leaving a six person hole in their workflow. I am excited to announce that they have filled all six positions and are once again fully staffed.

STRIMA – John Fernatt, Woodrow White and Shelley Brightwell will be attending the 2025 STRIMA Conference this fall in Jekyll Island, Georgia the week of September 6, 2024, through September 12, 2025.

BRIM Staff Changes

Long time employee, Lori Tarr retired February 28, 2025, with 30 years of service. We are very sad to see her leave and appreciate her tenure with the state. BRIM recently hired David Dyer as the Chief Privacy Officer, which replaces Ashley Summitt who resigned from state service in August 2024. Additional changes at BRIM are the promotion of Shelley Brightwell as the Deputy Claim Manager and the promotion of Mary Ann Escarda as the Deputy Chief Privacy Officer.

The final staff change, as you all know, has been my decision to accept the Director position with the Division of Finance which is housed under the Department of Administration like BRIM. The Governor's Office has decided to retain me as Acting Executive Director of BRIM until a replacement can be named.

Upcoming Board Meeting schedule for 2025:

Tuesday, September 16, 2025 @ 1PM

Tuesday, December 16, 2025 @ 1PM

Melody Duke Idm

Melody Duke

Acting Executive Director

MAD/ldm

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

Eric Householder Cabinet Secretary



Chief Financial Officer's Report June 17, 2025

A. P-Card Report

Electronic copies mailed to the board contain the supporting details for P-card purchases for the months of February through April 2025. These totals are:

February \$30,543.85 March \$30,851.39 April \$21,112.11

B. Current Financial Results

- The financial results presented are for the ten months ended April 30th, 2025. The
 results reflect the actuarially estimated unpaid losses from AON's risk funding
 study as of March 31, 2025, plus an additional accrual for April.
- Net premium revenue through April has increased \$7.7 million compared to FY24.
 The increase reflects an increase in premiums based on the actuarial estimated loss picks.
- Retained case reserves are \$23.4 million higher this year compared to the prior year and actuarially estimated IBNR is \$11.2 million lower than the prior year. Combined total current and non-current claims liabilities (i.e., unpaid claims) are \$12.2 million higher than last year based on the March 31st AON actuarial study. Our reserve change in the third quarter of this year of \$3.9 million was due to small increases in both retained case reserves and IBNR.
- Claims and claims adjustment expense of \$87.4 million is \$1.8 million dollars higher than last year due primarily to small increases in reserve adjustments during the current fiscal year.
- Investment income through April was \$21.7 million compared to investment income through April of 2024 of \$8.8 million. This is a positive year-over-year change of \$13 million. Through April the Bank of New York trust has gained \$15.1 million. Because of the relatively short duration of the fixed income holdings in the trust (3.7 years) and current interest rates the returns in the trust have been positive. Equity markets experienced volatility during FY24 and that trend continues in FY25. We have earned \$5.2 million from our investments with the West Virginia Investment Management Board. Additionally, we had \$1.2 million of interest income from the BTI through April and \$234 thousand of interest income from our cash collateral account with AIG.
- The combination of higher reinsurance premiums, marginally higher claims expenses than the prior year, positive investment returns and increased premium revenue resulted in an increase in net position of \$20.4 million compared with an

increase in net position of \$1.8 million in FY24. The largest factor in this increase over the prior year has been increased investment returns during the current fiscal year. The year-to-date positive change in retained earnings is a marked improvement from FY24.

 Our current net position of \$96.3 million includes the mine subsidence program's net position of \$42.5 million, leaving BRIM's unrestricted net position at \$53.8 million. This compares with a net position of \$70.6 million last year.

C. Financial Markets

Financial markets have continued to be volatile since we had our last meeting. The DJIA has had many peaks and valleys this year, with a relatively flat year to date return. With the continued uncertainty in the economy this volatility is likely to continue

The Federal Reserve is meeting on June 17th and 18th and is expected to hold interest rates steady. The Fed has said that they will make interest rate decisions based on "careful, objective and nonpolitical analysis" according to The Wall Street Journal. The uncertainty over trade policy and its impact on hiring and investment is the main reason that the Fed has held rates steady.

Hiring slowed in May with 139,000 jobs added. The unemployment rate remained at 4.2%. The increase in jobs was more than the labor department anticipated. The consumer price index increased 2.4% from May 2024 to May 2025, the change from April 2024 to April 2025 was 2.3%. Core prices which exclude food and energy items rose 0.1% from April. This was below the 0.3% gain that economists had expected.

Because of high interest rates, the volatility of the stock market and inflation concerns BRIM's investment returns outlook remains uncertain for the remainder of FY25.

Respectfully submitted,

Stephen W. Panaro, CPA

Chief Financial Officer

West Virginia Board of Risk and Insurance Management

Statements of Net Position

For the Ten Months Ended April 30th

	2025		2024		
	(In Thousa			nds)	
Assets					
Current assets:					
Cash and cash equivalents	\$	24,093	\$	27,090	
Advance deposits with insurance company and trustee		284,055		252,569	
Receivabales		59,923		23,380	
Prepaid insurance		3,088		2,447	
Restricted cash and cash equivalents		11,809		8,226	
Premiums due from other entities		1,539		1,534	
Total current assets		384,507		315,246	
Noncurrent assets:					
Equity position in internal investments pools		40,314		56,636	
Restricted investments		34,517		31,656	
Total noncurrent assets		74,831		88,292	
Total assets		459,338		403,538	
Deferred Outflows of Resources		243		399	
Deferred Outflows of Resources - OPEB		10		59	
Liabilities					
Current liabilities:					
Estimated unpaid claims and claims adjustment expense		75,991		189,423	
Unearned premiums		23,361		21,767	
Agent commissions payable		1,369		1,353	
Claims Payable		0		47	
Accrued expenses and other liabilities		54,626		22,599	
Total current liabilities		155,347		235,189	
Estimated unpaid claims and claims adjustment expense net of current portion		207,697		97,705	
Compensated absences		182		192	
Net pension liability		(4)		148	
Total noncurrent liabilities		207,875		98,044	
Total liabilities		363,222		333,233	
Deferred Inflows of Resources		0		0	
Deferred Inflows of Resources - OPEB		64		137	
Net position:					
Restricted by State code for mine subsidence coverage		38,026		32,363	
Unrestricted		37,826		36,438	
Net Assets (Deficiency)		20,453		1,825	
Net position	\$	96,305	\$	70,627	

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

	2025		2024	
	(In Thousands)			
Operating revenues				
Premiums		104,080	\$	95,846
Less coverage/reinsurance programs		(12,965)		(12,451)
Net operating revenues		91,115		83,394
Operating expenses				
Claims and claims adjustment expense		87,412		85,570
General and administrative		5,011		4,766
Total operating expenses		92,423		90,336
Operating income (loss)		(1,308)		(6,942)
Nonoperating revenues				
Investment income		21,761		8,767
OPEB Non Operating Income		0		0
Net nonoperating revenues		21,761		8,767
Changes in net position		20,453		1,825
Total net position, beginning of year		75,852		68,801
Total net position, end of period	\$	96,305	\$	70,627

Unaudited

STATE OF WEST VIRGINIA

DEPARTMENT OF ADMINISTRATION BOARD OF RISK AND INSURANCE MANAGEMENT

Eric Householder Cabinet Secretary



Executive Director
Melody.A.Duke@wv.gov

Loss Control Report to the Board June 2025

Non-state agency loss control questionnaires were due on January 1, 2024. 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 have completed the evaluations and approximately 55% or 521 insured entities within the non-state insurance program will be receiving a form of a premium credit.

During the month of May, we sent out loss control questionnaires to all state agencies. The deadline for submission to BRIM is August 1, 2025. At that time, we will gather the necessary information for calculation of loss control credits or surcharges for fiscal year 2026.

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 renewed our contract for insurance loss control inspection services with Tawney Insurance and Safety Solutions and our boiler and air conditioning systems insurance and loss prevention inspection services with Liberty Mutual Insurance.

For the year 2024, the Department completed 102 consultation visits. We are pleased with the specialists' efforts, as these visits remain the keystone of our risk management efforts.

During the months of December, January, February, March, April, and May Tawney conducted 239 inspections and Liberty Mutual Insurance conducted 1,501. The reports are being processed according to established procedures.

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

12 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: City of Glenville, Tucker County Board of Education, Martinsburg Housing Authority, Cabell-Huntington Coalition for the Homeless, West Virginia Credentialing Board, Inc., McDowell County Board of Education, Cedar Lakes

Conference Center, Division of Multimodal Transportation Facilities, REACHH-Family Resource Center, Hancock County Health Department, Izaak Walton League of America, and Office of Inspector General.

24 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 & Daycare Center, Inc., West Virginia Real Estate Appraiser Licensing & Certification Board, West Virginia Municipal Pension Oversight Board, Lincoln County Board of Education, Ohio County Public Service District, Office of Technology, Preston County Health Department, Braxton County Convention & Visitors Bureau, Taylor County Board of Education, Greater Paw Paw Sanitary District, Oral Fishing Club, Community Networks, Inc., Division of Purchasing, Milan Puskar Health Right, Hancock County Board of Education, Calhoun County Board of Education, Office of Attorney General, West Virginia Board of Osteopathic Medicine, West Virginia Fleet Management Office, Land Division/Department of Agriculture, West Virginia Auditor's Office, Wood County Board of Education, Shepherd University, and Cabell County Board of Education.

Dated: June 10, 2025

Respectfully submitted,

Jeremy C. Wolfe

Deputy Director / Risk Manager

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

SOLVEST DE LA CONTROL DE LA CO

Eric Householder Cabinet Secretary

Melody Duke Executive Director

Chief Privacy Officer's Report June 17, 2025

A. Privacy Office Updates

On 05/05/2025 I, David Dyer was hired as the new Chief Privacy Officer.
 Additionally, Mary Ann Escarda was promoted to Deputy Chief Privacy Officer.
 Interviews are being held for the Administrative Position.

B. Management Team Meetings

 A privacy calendar was created to help manage reports, projects and privacy meetings. Planning is in progress for upcoming PMT meetings.

C. Privacy Training

A Privacy Management Team Meeting is scheduled for Sep 23, 2025.

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

 The Deputy CPO presented Purchasing as a Privacy Powerhouse during a webinar of procurement staff for the WV Division of Purchasing. May 14, 2025

D. 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 1,2025, There have been no new PIA's. However, 3 are being actively reviewed.

 A Privacy Impact and Risk Assessment (PIRA) is a tool used by agencies to evaluate how their systems, processes, or projects may affect the privacy of individuals. It helps identify what personal data is being collected, how it is used, stored, or shared, and assesses the potential risks of unauthorized access, disclosure, or misuse. The PIRA process ensures agencies take appropriate steps to protect sensitive information and comply with applicable privacy laws and policies.

The primary goal of a PIRA is to proactively manage privacy risks before they become issues. It provides a structured way to document privacy considerations, recommend safeguards, and support transparency and accountability in how data is handled. PIRAs are essential for maintaining public trust and ensuring agencies remain in compliance with state and federal data protection standards.

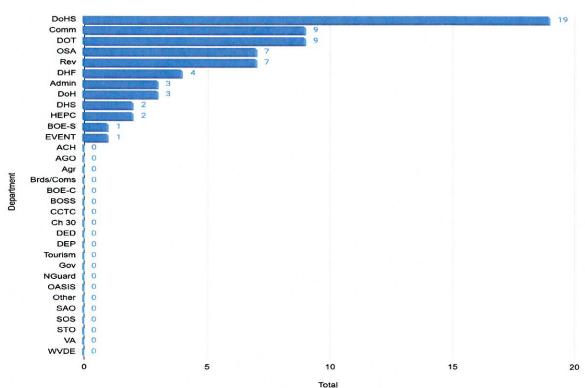
Since March 1,2025, 41 PIRAs have been submitted. Of that, 10 remain open and the SPO is working with Agency and Department Privacy Officers to close.

E. Privacy Trends and Analysis as of Jan 1, 2025

Departmental Breakdown

Departments with Highest Incident Reports:

- 1. Department of Health and Human Services (DoHS): 19
- 2. Commerce (Comm): 9
- 3. Department of Transportation (DOT): 9



Total vs. Department

Others with moderate counts: OSA, Revenue, Health Facilities, etc.

Incident Trends

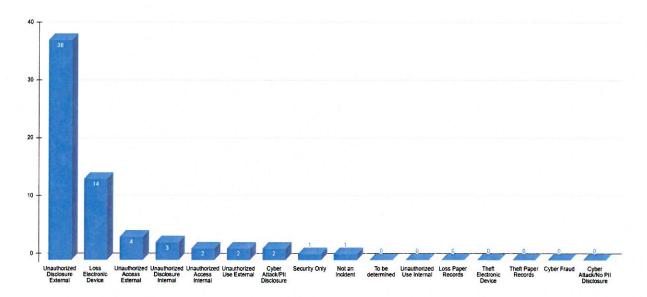
Unauthorized external disclosures and electronic device losses dominate the risk landscape.

Recommendation: Enhance awareness training on handling personal identifiable information (PII), especially during external communication or device transport.

Department Focus

DoHS leads with 19 incidents, significantly more than other departments.

Recommendation: Conduct a targeted privacy risk assessment in DoHS and potentially offer enhanced privacy workshops or technology solutions to mitigate recurring issues.



Agencies with high incident counts often reflect strong internal awareness and reporting procedures. Conversely, agencies with zero reported incidents are also a concern, as this may indicate a lack of awareness, underreporting, or unfamiliarity with privacy responsibilities. These agencies will be prioritized for outreach and education.

F. Moring Forward

- Implement data-driven outreach to agencies that lag in PIRA submission or resolution.
- Launch monthly dashboards to monitor the lifecycle and aging of privacy assessments by department.
- Begin developing key performance indicators to evaluate program effectiveness.
- Draft an operations manual for the SPO by the end of July.

G. Conclusion

Following the departure of the previous Chief Privacy Officer, the State Privacy Office has focused on re-establishing structure, rebuilding momentum, and addressing the backlog of privacy assessments and submissions. These early months have been dedicated to catching up on delayed work, reconnecting with agency partners, and re-aligning the office with our strategic goals and executive order.

At the same time, we are laying a strong foundation for a more efficient and proactive office, one that not only reacts to incidents but helps prevent them through training. From implementing standardized tracking tools to strengthening agency outreach and initiating targeted training, we are working to ensure the Privacy Office is a resource for every department, not just a requirement.

The goal moving forward is clear: build a privacy program that is responsive, consistent, and rooted in collaboration and accountability.

Very Respectfully,

David DyerDavid Dyer, CPM
Chief Privacy Officer

WV Executive Branch