



Annual Comprehensive Financial Report

For the fiscal years ending

June 30, 2024 and June 30, 2023



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED
JUNE 30, 2024 AND JUNE 30, 2023**

Issued by:

Alaska Municipal League Joint Insurance Association, Inc.

Headquartered in Anchorage, Alaska

Published: November 1, 2024

Kevin Smith, Executive Director

Li Gong, Finance Manager

Mission Statement

The Alaska Municipal League Joint Insurance Association, Inc. is a member-driven pool dedicated to providing stable, cost effective risk financing and quality claims and loss control services, designed to meet the needs of local governments and school districts.

Re-adopted 7/30/21

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INTRODUCTORY SECTION



October 15, 2024

To: Members of the Alaska Municipal League Joint Insurance Association, Inc.

We are pleased to submit the fiscal year 2024 Annual Comprehensive Financial Report (ACFR) of the Alaska Municipal League Joint Insurance Association, Inc. (Association). As you know, the Association is more than just coverage. We are a service-driven, one-stop-shop for local government risk financing in the State of Alaska.

Fiscal year 2025 may be the last year the Association operates as the AMLJIA. The board and staff are working toward a consolidation/merger by July 1, 2025, that if approved by the membership, should mark a new era of public entity pooling in Alaska. The new pool will be called the Alaska Public Risk Alliance and will continue to focus on member services. However, with a larger pool comes more stability in pricing, more predictability in losses, more clout in the excess and reinsurance markets, and more opportunities for efficiency. We are truly excited about the possibilities for the Alliance and hope you will vote affirmatively for its creation.

While we are not driven by profit, it is important to maintain a sound financial position to continue our member services. We partner with our members and provide local solutions to local problems while maintaining stable rates and delivering the broadest possible coverage. This ACFR reflects the financial activities of the Association over the last year.

Management is responsible for the accuracy of the data presented as well as its completeness, fairness, and presentation with appropriate disclosures. This report is presented in a manner designed to set forth fairly the Association's financial position and operational results as measured by the financial activity of its various policy years. The financial statements were prepared in conformance with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by an independent auditing firm of certified public accountants. The disclosures and supplementary information, including the statistical section which illustrates various claims activities, have been prepared to provide the reader with a more comprehensive understanding of the Association's operating and financial activities.

The Association's bylaws and state statute require an annual audit of the financial statements by a certified public accountant. The Board of Trustees makes the final selection of the financial auditor. The Association's financial statements for the fiscal years ended June 30, 2024, and 2023, were audited by Gilbert CPAs. Gilbert CPAs is an independent auditing firm of certified public accountants with expertise in insurance pool accounting. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Association are presented fairly and free of any material misstatements. The audit was conducted in accordance with Generally Accepted Audit Standards and involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluating the overall presentation of the financial statements. The auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the Association's financial statements for the fiscal year ended June 30, 2024, are fairly presented in

conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). The Association's MD&A can be found immediately after the independent auditor's report. The MD&A is an excellent source of information for people wishing to understand the Association's business and performance over the past year.

The Government Finance Officers Association reports a growing awareness that the Annual Finance Report should be management's report to its governing body, constituents, oversight bodies, resource providers, membership, investment advisors, and creditors. The Association agrees with this direction, and in keeping with the provisions of the Association's bylaws, will send a copy of the report to the executive contact of each member municipality and school district.

Profile of the Association

The Association is an organization of municipalities and school districts in Alaska which have joined together to form an Association under Alaska Statute 21.76. Members may enter into cooperative agreements with each other for the purpose of establishing, operating, or participating in a joint insurance arrangement through which the participating members agree to pool contributions in order to either assume risks from losses to the members on a group basis or purchase coverage for the members on a group basis. The Association administers a combination of self-insurance and commercial insurance coverage, including but not limited to, property, liability, and workers' compensation; claims administration and litigation management services; extensive risk management, loss control consulting, and training programs; and a risk management information system and exposure reporting system for its members.

The Association's daily operations are conducted by the executive director, who is responsible for management and supervision of the policies and procedures established within the bylaws and by the Board of Trustees. The Association is governed by a Board of Trustees, which is appointed by the Board of Directors of its parent organization, the Alaska Municipal League (AML), and itself. The Board of Trustees is comprised of ten members. Not less than five members are from participating municipalities, school districts, charter schools, or colleges; the remainder are from the membership, one at-large, and the AML executive director (non-voting). The Board elects a Chair, Vice Chair, Secretary and Treasurer. The Secretary and Treasurer cannot be Board members. During the fiscal year ended June 30, 2024, Bryant Hammond, Special Projects Manager, City of Nome, was Chair of the Association.

Standing committees are: the Executive/Policy Committee, which consists of the Association's Chair, Alaska Municipal League's executive director, and two Trustees; the Claims Committee; the Finance Committee; the Audit Committee; and the Underwriting Committee. In addition to the standing committees, there are three advisory committees: the Schools Advisory Committee, which consists of appointed school representatives; the Municipal Advisory Committee, consisting of appointed municipal representatives; and the Police Professional Advisory Committee, which is comprised by member police chiefs appointed by the Trustees.

Internal Control Structure

The Association's accounting is organized so that each membership year is accounted for and can be evaluated independently. Assets, liabilities, revenues, and expenses of each year are reported separately on an accrual basis. This financial reporting practice is necessary because the composition of the Association's membership changes from year to year.

In developing and evaluating the Association's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with the executive director's authorization and recorded properly to permit preparation of financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that the evaluation of costs and benefits requires reasonable business judgment by management. All internal control decisions occur within the above framework. We believe that the Association's internal accounting controls adequately safeguard assets and provides reasonable assurance of the proper recording of financial transactions.

Budgetary Control

Budgetary control is an administrative function of the executive director's office. All disbursements are reported to the Association's Board of Trustees. Association staff develop a line item budget which is approved by the Board of Trustees. Throughout the year, the Board of Trustees compares budget to actual financial information and makes adjustments as needed.

Loss and Loss Adjustment Expenses Incurred and Other Claims Expense, including Unallocated Loss Adjustment Expense for FY 2024 and FY 2023, were \$14,760,569 and \$12,980,178, respectively. The Association recognizes an expense for claims losses which have been reported to the Association and for estimated claims incurred but not reported. A liability for losses payable represents the amount of unpaid losses as of the date of the financial statements. For interim financial reporting purposes, losses that are incurred but not reported to the Association are recognized as an expense throughout the year.

Premiums for Excess and Other Insurance in fiscal/policy year 2024 totaled \$15,054,900. The Association obtained specific excess and loss agreements for the period July 1, 2023, through June 30, 2024, which insured the Association against losses arising out of one occurrence in excess of the self-insured retention for each line of coverage as outlined in the table below:

For the period of 7/1/2023–6/30/2024:

<u>Retention</u>	<u>Self-Insured Limits</u>	
General Liability, Public Officials' Errors and Omissions, and Auto Liability	\$500,000	\$15,500,000
Property	\$500,000*	\$500,000,000
Workers' Compensation	\$750,000	Statutory
Police Professional Liability	\$500,000	\$15,500,000

* The property policy which started July 1, 2023, to June 30, 2024, has an annual aggregate of \$1.5 million.

Operations of the Association are funded by members' payments of an annual membership contribution. The Association's operations include payments of losses and loss adjustment expenses. Since its inception, the Association has engaged an independent actuary to assist the Association in determining loss fund levels and the adequacy of reserves.

The revenue base is determined by the Board of Trustees per Association bylaws. The revenue base is computed from the members' payroll, average daily membership (for schools), number of vehicles, and schedule of property values, as shown in the following table:

<u>Line of Coverage</u>	<u>Calculation Basis</u>
General Liability – Municipalities	Per \$100 of Payroll
General Liability – Schools	Per Average Daily Membership
Public Officials' Liability	Per \$100 of Payroll
Auto Liability	Per Vehicle
Auto Comp. & Collision	Per \$100 of Scheduled Values
Property	Per \$100 of Scheduled Values
Workers' Compensation	Per \$100 of Payroll
Police Liability	Per \$100 of Payroll

Capital assets are recorded at cost and depreciated over their estimated useful life using the straight-line method. For accounting purposes, the Association estimates the useful life of its furnishings and equipment to be five years. In 1998, the Association acquired an office building. The building and improvements are depreciated using the straight-line method over a useful life of 40 years.

Pension Plan

The Association offers its employees a defined contribution retirement plan (The Alaska Municipal League Joint Insurance Association, Inc. Money Purchase Retirement Plan). The plan is administered by the MissionSquare Retirement Company. Details regarding the employee and employer contributions, as well as the cost of administering the plan, may be found in the Notes to Financial Statements on page 33.

Risk Management Operational Audits

The Association continually strives to remain at the forefront of governmental risk management pooling. The Association has been judged to be in substantial compliance with either the Public Risk Management Association's or the Association of Governmental Risk Pools' advisory standards since 1994.

The Claims Department's policies and procedures require a claims audit no less than every two years. The most recent audit was performed by Northshore International Insurance Services (NiiS) in September 2022. NiiS reviewed numerous property/casualty and workers' compensation files. Auditors found only minimal exceptions to claims handling procedures. No material deficiencies were noted within the sampling of files reviewed.

In addition to the financial information presented, we have included a statistical section relating not only to financial condition, but also to historical loss data for the Association as a whole. This data is presented by membership year so members may readily review their individual membership years. We believe that the unaudited information, as presented, is accurate in all material respects. The information source is the claims loss run as of June 30, 2024.

Awards and Achievements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Association for its Annual Financial Report for the policy year ended June 2023. The Certificate of Achievement is a prestigious international award recognizing conformance with the highest standards for preparation of state and local government financial reports.

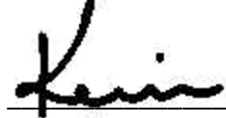
In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to program standards. The annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. The Association has received a Certificate of Achievement for the past 29 consecutive years (policy years ended 1995-2023). We believe the report for fiscal year 2024 will conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Acknowledgements

We would like to express our appreciation to all employees who assisted and contributed to the preparation of this report. Our appreciation is also expressed to our Committee Members, the Board of Trustees, and every Association member for your dedication to the principles of risk and loss control management and governmental pooling.

Respectfully submitted,

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.



Kevin Smith
Executive Director



Li Gong
Finance Manager

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2024

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION
Board of Trustees and Committee Appointments
as of September 30, 2024

Officers

Chair: Bryant Hammond, Special Projects, City of Nome
Vice Chair: Brandi Harbaugh, Finance Director, Kenai Peninsula Borough
Secretary: Kevin Smith, Executive Director (ex-officio)
Treasurer: Dora Cross, Finance Director, Kodiak Island Borough

Trustees

Branzon Anania, Maintenance and Facilities Director, Kuspuk School District
Judy Erikson, Business Manager, Haines Borough School District
Joe Evans, Attorney, Cities of Kotzebue, Nuiqsut, King Cove
Rob Dumouchel, Special Project Planning Manager, City and Borough of Juneau
Dennis Gray, Jr., City Administrator, City of Hoonah
Gary Hennigh, City Administrator, City of King Cove
Nils Andreassen, Executive Director, Alaska Municipal League (ex-officio)
Rhea E. Cragun, Human Resources Director, City of Valdez

Board Committees

Audit

Joe Evans, Chair
Gary Hennigh
Judy Erikson
Dora Cross

Executive/Policy

Bryant Hammond, Chair
Gary Hennigh
Nils Andreassen
Joe Evans

Police Professional Advisory

Dave Ross, Chair
Bart Hinkle
Steve Dutra
Alan Nickell
Mark Robl
Roger Rouse

Claims

Joe Evans, Chair
Bryant Hammond
Rob Dumouchel

Finance

Brandi Harbaugh
Judy Erikson
Dora Cross

Schools Advisory

Branzen Anania
Sandy Daws
Judy Erikson
Amber Cockerham

Underwriting

Joe Evans, Chair
Branzon Anania
Dennis Gray, Jr.
Bryant Hammond

Municipal Advisory

Charles Leeper
Sovala Kisena
Dennis Gray, Jr.

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2024

Office Location and Staff
As of June 30, 2024

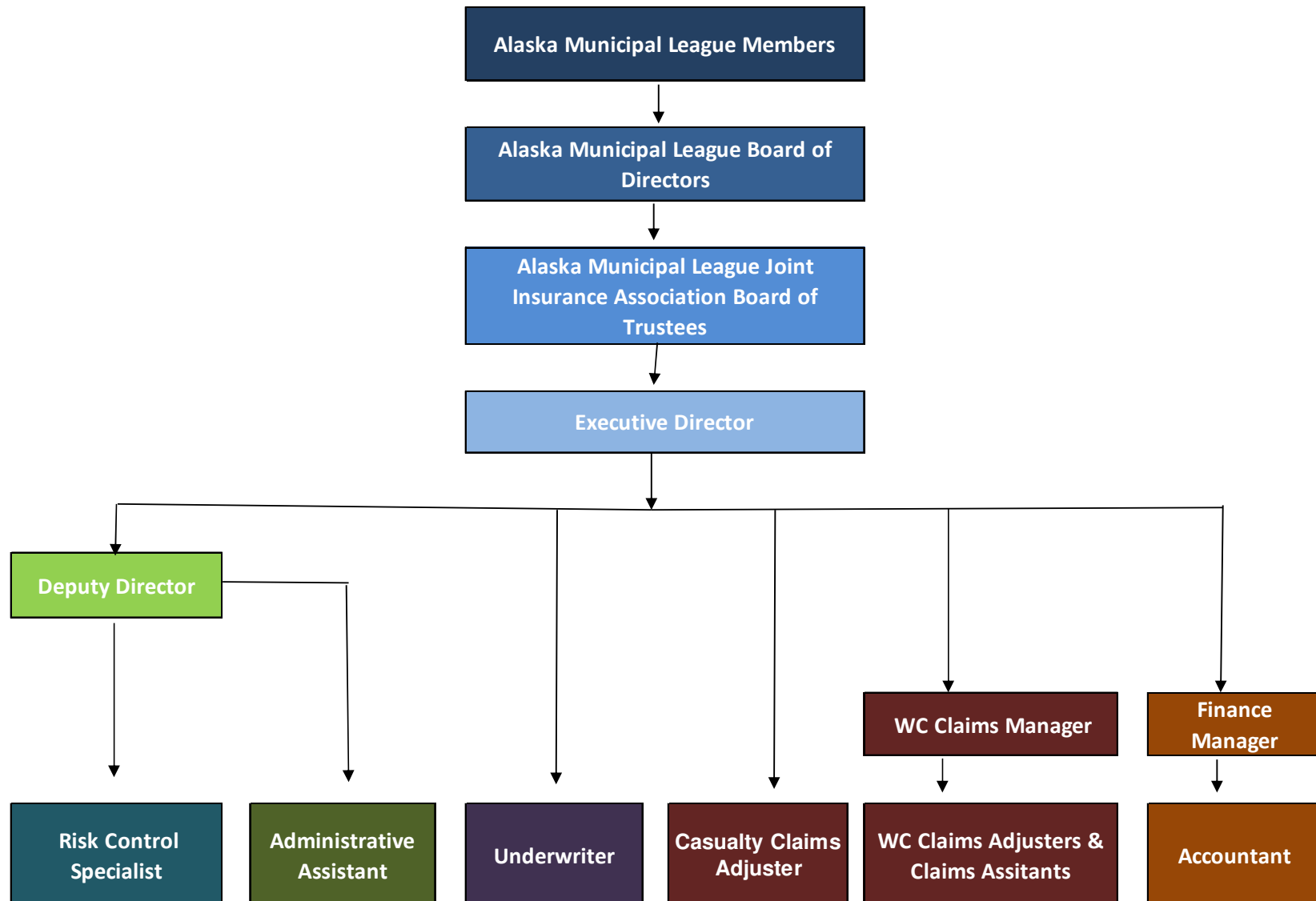
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www.amljia.org

Bond-Knuth, Rebecca	Claims Assistant
Bryner, Paul	Underwriter
Fisher-Lincoln, Rhonda	Claims Assistant
Gong, Li	Finance Manager
Hickok, Brennan	Deputy Director
Kumpula, Shannon	Accountant
Kunigelis, Heather	Workers' Compensation Claims Adjuster
Labrada, Benita	Workers' Compensation Claims Adjuster
Moore, Shaurresia	Casualty and Property Adjuster
Pence, Ann	Workers' Compensation Claims Manager
Smith, Kevin	Executive Director
Vesel, Kirsten	Risk Control Specialist

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2024



**Alaska Municipal League
Joint Insurance Association**



*Is Hereby Acknowledged and Congratulated for Having Demonstrated
Compliance With AGRiP's Advisory Standards for Recognition*

2023 - 2026



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Alaska Municipal League
Joint Insurance Association, Inc.**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Alaska Municipal League Joint Insurance Association, Inc.
Anchorage, Alaska**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Alaska Municipal League Joint Insurance Association, Inc. (the Association), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Association'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 the Association as of June 30, 2024 and 2023, and the 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 the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 the Association'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 the Association'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 the Association'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 the management's discussion and analysis, the reconciliation of claims liability by type of contract, and the claims development information on pages 4-15 and 36-37 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.


Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2024, on our consideration of the Association'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 the Association'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 the Association's internal control over financial reporting and compliance.


GILBERT CPAs
Sacramento, California

November 1, 2024

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 and 2023

As management of the Alaska Municipal League Joint Insurance Association, Inc. (Association), we offer readers of the Association's financial statements this narrative overview and analysis of the financial activities of the Association for the fiscal year ended June 30, 2024.

Financial Highlights

- Operating revenues were \$27,624,849 in FY 2024, a 12.5% increase from \$24,559,452 in FY 2023, mostly due to an increase in our members' contributions. Operating expenses were \$33,443,423, an increase of \$5,055,378 or 17.8% from FY 2023. The increase was largely driven by higher loss and loss adjustment expenses and the increase of the Association excess insurance costs during the 2024 fiscal year. The loss and loss adjustment expense, other claims expense, and excess and other insurance premiums accounted for 91.8% of the total operating expenses. Non-operating net investment income, which had a good performance during FY 2024, ended with a gain of \$3,555,363 at June 30, 2024.
- The Association had increased member contributions and decent investment gain, but it still cannot cover the high claim expenses and the increase of the reinsurance costs in FY 2024. The Net Position of the Association as of June 30, 2024, decreased by \$2,217,725.
- There are no restrictions, commitments, or other limitations that significantly affect availability of funds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Association's basic financial statements. The Governmental Accounting Standards Board requires financial statements to distinguish functions of the government that are principally supported by taxes and intergovernmental revenues, referred to as "governmental activities," from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, referred to as "business-type activities." All of the activities of the Association are classified as "business-type activities." These activities include the development and operation of the public entity risk pool and the purchase of insurance and services for members.

The Association's basic financial statements are comprised of three components: 1) Association-wide financial statements, 2) notes to the financial statements, and 3) required supplementary information. The Association-wide financial statements are designed to provide readers with a broad overview of the Association's finances in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the Association's assets, liabilities, and deferred inflow of resources, with the difference reported as Net Position. The Net Position includes contributed capital used to purchase the Association's building and other assets. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the Association is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing total revenues versus total expenses and how the Association's net position changed during the fiscal year. All of the Association's revenues and expenses are recognized as soon as the underlying event

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 and 2023

occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., claims incurred but not paid, unrealized market gains on investments, and earned but unused paid time off).

The Statement of Cash Flows presents cash receipts and expenditures for operating, financing, investment activities, and the changes in cash during the fiscal year. This statement is useful for analyzing the short-term viability of an organization. The Association-wide financial statements can be found beginning on page 16 of this report.

Notes to the financial statements provide additional information that is essential for a full understanding of the data provided. Notes to the financial statements can be found beginning on page 19 of this report.

Association-wide Financial Analysis

CONDENSED STATEMENT OF NET POSITION

			% Change		% Change
	June 30, 2024	June 30, 2023	2024/2023	June 30, 2022	2023/2022
Current assets	\$ 15,820,395	28,607,795	-44.7%	26,208,480	9.2%
Noncurrent assets	28,243,594	14,784,527	91.0%	14,192,417	4.2%
Total Assets	<u>44,063,989</u>	<u>43,392,322</u>	<u>1.5%</u>	<u>40,400,897</u>	<u>7.4%</u>
Current liabilities	13,535,108	12,370,887	9.4%	11,265,546	9.8%
Long term liabilities	20,402,598	18,520,991	10.2%	14,848,193	24.7%
Total Liabilities	<u>33,937,706</u>	<u>30,891,878</u>	<u>9.9%</u>	<u>26,113,739</u>	<u>18.3%</u>
Deferred Inflow of Resources	<u>505,545</u>	<u>661,981</u>	<u>-23.6%</u>	<u>818,416</u>	<u>-19.1%</u>
Net position					
Invested in capital assets	1,043,594	1,080,066	-3.4%	1,132,984	-4.7%
Unrestricted	8,577,144	10,758,397	-20.3%	12,335,758	-12.8%
Total Net Position	<u>\$ 9,620,738</u>	<u>11,838,463</u>	<u>-18.7%</u>	<u>13,468,742</u>	<u>-12.1%</u>

Assets

As of June 30, 2024, the Association's total assets increased \$671,667, or 1.5% to \$44,063,989, from \$43,392,322 at June 30, 2023. The member contributions increased approximately \$2.9 million in FY 2024 to \$26,289,573 from \$23,342,540 in FY 2023. The Association also increased the claims payments by roughly \$2.7 million during the fiscal year. Investment gained \$3,555,363 at the end of FY 2024, approximately \$1.4 million more than the previous year. It was a major source attributed to the increase in total assets at the end of FY 2024.

As of June 30, 2023, total assets increased \$2,991,425, or 7.4%, to \$43,392,322 from \$40,400,897 on June 30, 2022. The increase in members' contributions and the increased value of the investments are major factors contributing to the increases in total assets at the end of FY 2023. The FY 2023 members' contribution increased by approximately \$4.1 million compared to FY 2022. In addition,

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MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 and 2023

the Association's unrealized gain in investments was roughly \$1 million on June 30, 2023, compared to the unrealized loss of approximately \$6.2 million as of June 30, 2022.

As of June 30, 2022, total assets decreased 12.3% to \$40,400,897 from \$46,083,483 on June 30, 2021. The decrease in the value of investments, and the increase in the payments of reinsurance costs and claims payments were major factors causing the significant reductions in total assets at the end of FY 2022. At the end of FY 2022, the Association's fair market value of investments was roughly \$6.2 million below the purchase costs, compared to the unrealized gain of roughly \$1.6 million on June 30, 2021. Although the FY 2022 members' contribution increased by approximately \$1.7 million in FY 2022, the payments to purchase reinsurance and claims payments to the Association's members increased roughly \$2 million and \$1 million, respectively, compared to the prior year.

The Association's capital assets consist of the office building in downtown Anchorage, with furniture, computer hardware, and software for its operation. The Association follows its capitalization and depreciation policy to record its capital assets. The Association did not have any additions to capital assets in FY 2023 and FY 2022; however, it purchased a new server computer to replace the old one in FY 2024.

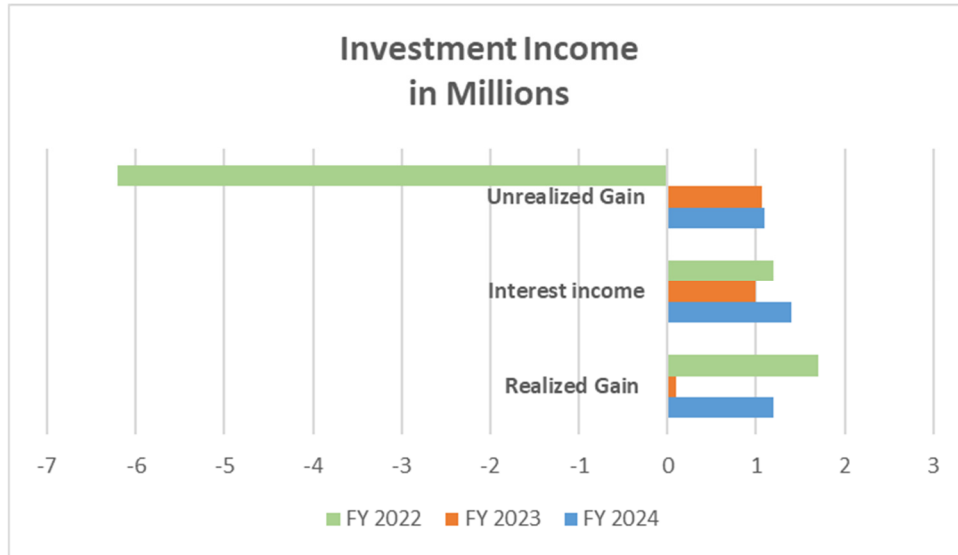
The Association had almost all assets invested in US treasuries, bond funds, equity funds, and other funds with a fair market value of investment of \$36,964,271 at June 30, 2024. The investment portfolio was maintained in accordance with the Association's investment policy. The investment market had a good performance in FY 2024. The investment portfolios increased by roughly \$1.4 million, compared to the previous year. As of June 30, 2024, the Association had realized a gain of \$1,162,982 and received interest of \$1,394,717; the unrealized gain based on the fair market value was up \$1,057,173.

The investment market started to be more stable in FY 2023 compared to FY 2022 because the Federal Reserve Board slowed down interest rate increases. The investment portfolios increased significantly, by roughly \$7.1 million, compared to the previous year. The Association's net investment income ended with a gain of \$2,151,742 at the end of FY 2023. Compared to the net investment loss of \$3,291,302 at the end of FY 2022, the investment income had an increase of about \$5.3 million. As of June 30, 2023, the Association realized an investment gain of \$131,855, earned interest of \$1,008,306, and an unrealized gain of \$1,060,219.

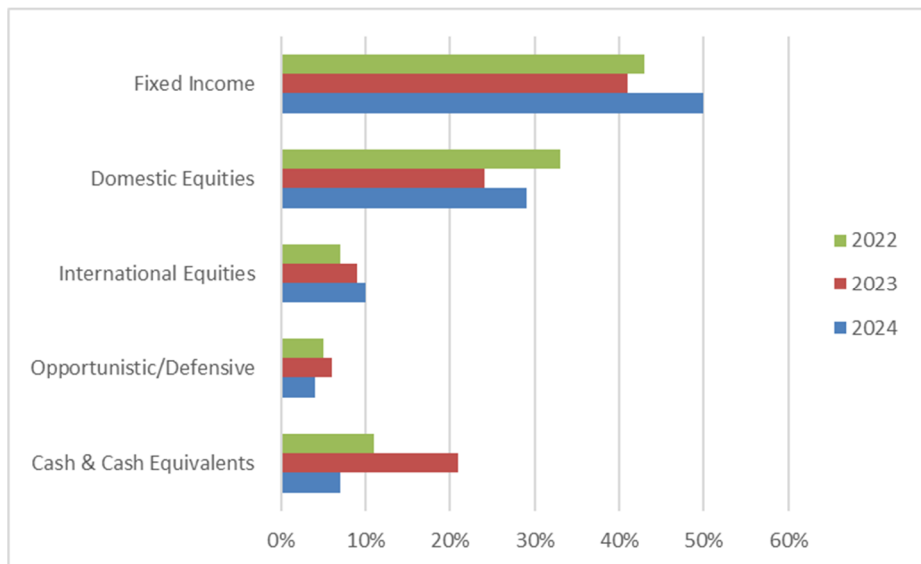
The investment market struggled in the first half of 2022 with high volatility due to high inflation, the pressure of aggressive monetary policy by the Federal Reserve, and the effects of the war between Russia and Ukraine. The fair market value of the investment portfolios totaled \$26,707,769 on June 30, 2022, which was decreased significantly compared to \$39,526,857 at the end of FY 2021. The Association's net investment income ended with a loss of \$3,291,302 at the end of FY 2022. Compared to the investment gain of \$6,775,432 at the end of FY 2021, the investment income had a decrease of roughly \$10 million. As of June 30, 2022, the Association realized an investment gain of \$1,696,928 and earned interest of \$1,238,240, but the fair market value of the investment portfolio was down by \$6,177,806.

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
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The following graph compares major components of investment income at June 30, 2022, 2023, and 2024.



The following graph depicts the change of the Association's investment portfolio at June 30, 2022, 2023, and 2024.



ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
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Liabilities

The total liabilities were \$33,937,706 at the end of FY 2024, an increase of \$3,045,828, or 9.9% compared to the prior year. The claims liabilities increased by \$3,893,188, which is a major reason causing the significant increase in total liabilities at the end of FY 2024.

The total liabilities were comprised of current liabilities of \$13,535,108 and noncurrent liabilities of \$20,402,598. The management estimated payments of \$10 million within the next fiscal year to pay claims net of any anticipated reinsurance recoveries, which was \$2 million higher than the prior year. During FY 2024, the Association had experienced higher total incurred claims losses. The increase in claims loss and loss adjustment was caused by both the estimated ultimate claims losses from new claims in FY 2024, and the unfavorable development of claims incurred in prior years. The unfavorable claim developments were primarily in the general liability and police professional liabilities' programs.

The timing of receiving payments from members for their next year's contributions at the end of the fiscal year is also another factor causing the fluctuation between assets and liabilities. The early contribution payments received from members for FY 2025 as of June 30, 2024, decreased by \$837,173, compared to June 30, 2023. It decreased the assets but also reduced the liabilities.

As of June 30, 2023, the total liabilities were \$30,891,878, an increase of \$4,778,139, or 18.3% compared to \$26,113,739 in the prior year. The claims liabilities increased by \$2,656,534 during FY 2023, which mainly in public official coverage. The management estimated the current claims payable of \$8 million. The early contribution payments received from members for FY 2024 as of June 30, 2023, increased by \$609,684, compared to June 30, 2022. It increased the assets but also increased the liabilities.

At the end of FY 2022, the total liability was \$26,113,739, an increase of \$4,851,876, or 22.8% compared to \$21,261,863 in the prior year. As of June 30, 2022, the Association's claims liabilities increased by \$3,191,496 due to the higher claims' loss and loss adjustment expense, which was predominantly in the workers' compensation, general liability, and public officials' programs. The management estimated the current claims payable at \$7 million, which was an increase of \$4 million compared to the prior year. In addition, the early contribution payments received from members for FY 2023 as of June 30, 2022, increased by \$1,237,223, compared to June 30, 2021.

Deferred Inflow of Resources

The Association implemented GASB 87 to record the building space leased out at the end of FY 2022. The building leases are retroactively restated on the Statement of Net Position as of June 30, 2021 and 2020. There are no changes in the building leases in FY 2024. As of June 30, 2024, 2023, and 2022, the deferred inflow of resources were \$505,545, \$661,981, and \$818,416, respectively.

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MANAGEMENT'S DISCUSSION & ANALYSIS
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Condensed Statement of Revenues, Expenses, And Changes in Net Position

	Years Ended		% Change	Year Ended	% Change
	2024	2023	2024/2023	2022	2023/2022
Operating Revenues:					
Member contributions	\$ 26,289,573	23,342,540	12.6%	19,271,135	21.1%
Other Income	1,335,276	1,216,912	9.7%	1,128,573	7.8%
Total Operating Revenues	27,624,849	24,559,452	12.5%	20,399,708	20.4%
Operating Expenses:					
Loss and loss adjustment expense	14,760,569	12,980,178	13.7%	10,323,644	25.7%
Excess and other insurance	15,054,900	11,707,908	28.6%	14,148,706	-17.3%
Other operating expenses	3,627,954	3,699,959	-1.9%	3,446,718	7.3%
Total Operating Expenses	33,443,423	28,388,045	17.8%	27,919,068	1.7%
Operating Income (Loss)	(5,818,574)	(3,828,593)	52.0%	(7,519,360)	-49.1%
Non-operating Revenues and (Expenses)					
Investment income (loss)	3,555,363	2,151,742	65.2%	(3,291,302)	-165.4%
Other non-operating revenue (loss)	45,486	46,572	-2.3%	34,210	36.1%
Total Non-operating Income (Loss)	3,600,849	2,198,314	63.8%	(3,257,092)	-167.5%
Net Income (Loss)	(2,217,725)	(1,630,279)	36.0%	(10,776,452)	-84.9%
Beginning Net Position	11,838,463	13,468,742	-12.1%	24,245,194	-44.4%
Ending Net Position	\$ 9,620,738	11,838,463	-18.7%	13,468,742	-12.1%

Changes in Net Position:

During FY 2024, the Association increased member contributions by roughly \$2.9 million, mainly driven by continually higher excess insurance premiums in past years. The Association has chosen to subsidize the member contribution to stabilize the insurance rate for many years; however, the Board of Trustees decided to increase members' property insurance rate for FY 2024 renewal. The FY 2024 total reinsurance cost was up \$3,232,691 and the property reinsurance cost increased roughly \$2.7 million.

As of June 30, 2024, total operating expenses were \$33,443,423, which was \$5,055,378, or 17.8% higher than the prior year. Although the Association has increased member contributions and positive outcome of investments, it still could not offset the high claims loss and loss adjustment expenses and the increase of excess insurance premium cost. The net position decreased by \$2,217,725 to \$9,620,738 at the end of FY 2024.

During the 2024 fiscal year, the Association experienced higher claims loss and loss adjustment expenses, which totaled \$14,760,569 compared to \$12,980,178 in the previous year. Losses estimated from the claims that were incurred and reported in FY 2024 increased by \$844,751 compared to FY 2023. In addition, the Association also has roughly \$2.6 million in unfavorable adjustments from the claims incurred in prior years which are majorly in general liability coverage. There were 30 large claims that have estimated losses of over \$100,000 reported in FY 2024, including 16 claims reported

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in FY 2024 but incurred in prior years. The top three large claims are the Nulato's water treatment plant fire claim, Yukon Flats School District's flooding claim caused by broken pipes, and one Kenai Peninsula Brough school district's workers' compensation claim.

As of June 30, 2023, the net position decreased by \$1,630,279 to \$11,838,463 at the end of FY 2023. The Association increased member contributions by roughly \$4.1 million, mainly driven by the significant decrease of net position at the end of FY 2022. The FY 2023 reinsurance cost was down roughly \$2.5 million because of the change in the property reinsurance policy in the middle of the prior year. The property reinsurance was reduced roughly \$3 million with the change.

During the 2023 fiscal year, the Association experienced high claims loss and loss adjustment expenses, which totaled \$12,980,178 compared to \$10,323,644 in the previous year. Losses from the claims that were incurred and reported in FY 2023 increased by approximately \$3 million compared to FY 2022. The property claims losses have increased significantly because of the higher SIR and the corridor of the new property reinsurance policy. The Association also has roughly \$2 million unfavorable adjustments from the claims incurred in prior years in public officials' liability coverage.

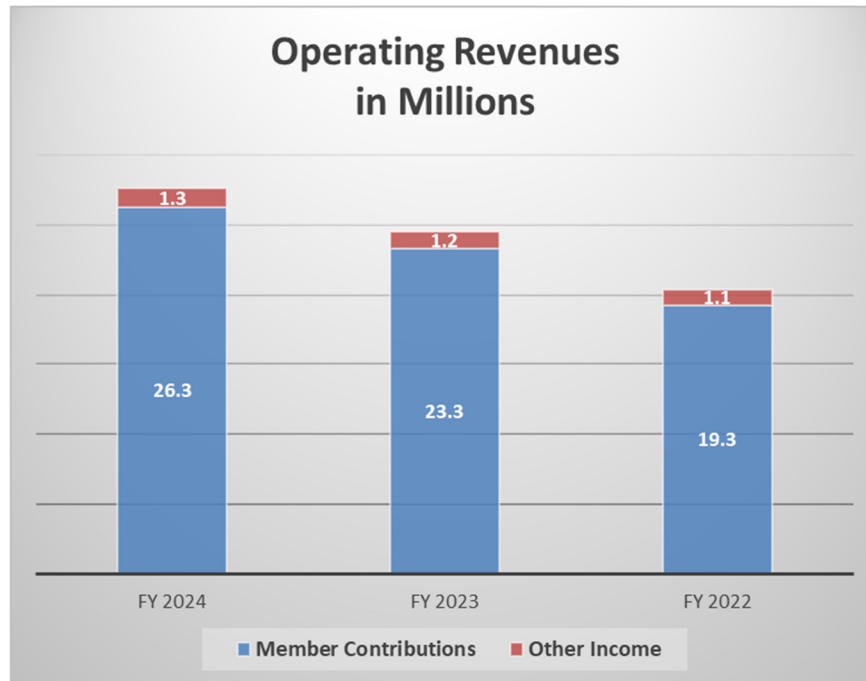
As of June 30, 2022, the total net position decreased by \$10,776,452, from \$24,245,194 of the previous year to \$13,468,742. The significant investment loss, increased reinsurance costs and high claim loss and loss adjustment expenses are attributed to the significant decrease of the net position.

During the FY 2022 renewal, the Association's annual excess insurance expenses increased roughly \$4 million compared to the previous year. The reinsurance rate for FY 2022 property coverage increased significantly driven by increased property reinsurance rates nationwide. On December 31, 2021, the Association changed its property reinsurance program to a new property reinsurance program with higher Self-Insured Retention (SIR) from \$250,000 to \$500,000, including a \$2.25M corridor for the 18-month term. With this change, the pool saved approximately \$2 compared to the old program, but the total annual reinsurance cost for FY 2022 was still roughly \$2 million higher than the prior year.

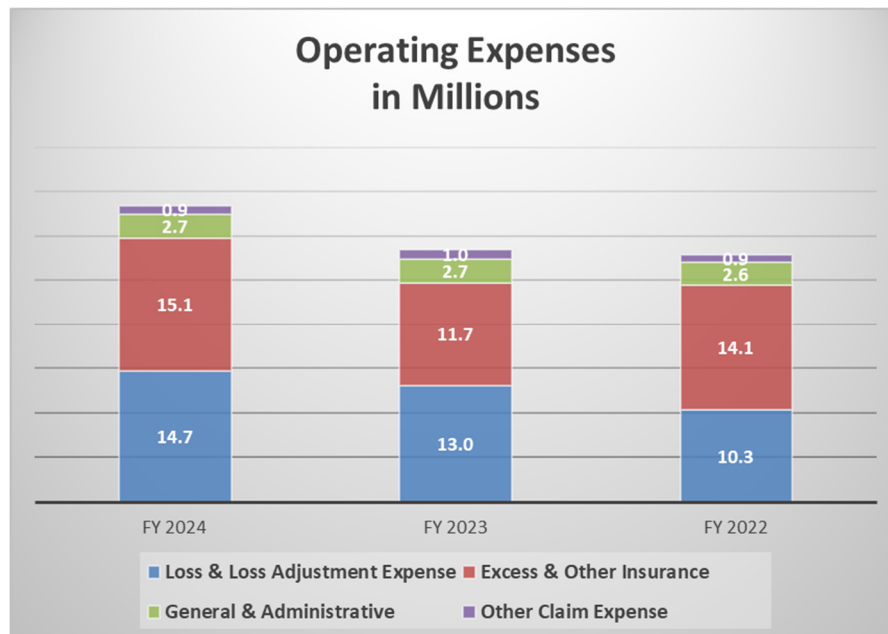
Claims loss and loss adjustment expenses in FY 2022 increased roughly \$1 million compared to the previous year. The claims losses from the claims that were incurred in FY 2022 remained high. The Association realized approximately \$1.9 million in unfavorable adjustments on the claims incurred in prior years based on actuarial estimates as of June 30, 2022. The unfavorable adjustments were nearly \$1.6 million higher than the unfavorable adjustments in the previous year, and were primarily in the workers' compensation, general liability, and public officials' liabilities programs.

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
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The following graph represents the composition of the Association's operating revenues for the years ended June 30, 2024, 2023, and 2022.



The following graph represents the composition of the Association's operating expenses for the years ended June 30, 2024, 2023, and 2022.



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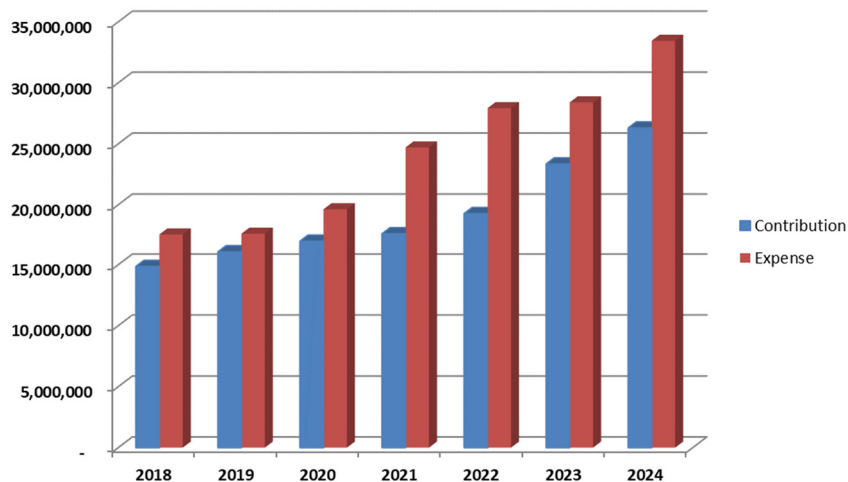
Member Contributions The pool's membership dropped to 149 at the end of the fiscal year, losing five Fairbanks charter schools and Craig City School District during the FY24 renewal and three cancellations during the fiscal year. Overall, the pool remains stable. Member contributions increased by \$2,947,033, or 12.6%, to \$26,289,573 in FY 2024 compared to the prior year.

In FY 2023, the pool had the City of Kodiak and the Fairbanks charter schools joined the pool. Although a few of members were cancelled during the year, most of their policies were reinstated except for six members. With the departure of the Iditarod Area School District, and the return of the City of Tanana, a cancelled member in FY 2021, the membership remained at 158 as of June 30, 2023. Member contributions increased by \$4,071,405, or 21.1% in FY 2023 compared to the prior year.

The Association's membership remained stable during the 2022 fiscal year. The Association had all members renewed their policies during FY 2022 renewal; however the City of Buckland's policy was cancelled during the year due to non-payment. With the City of Shungnak rejoining the Association in June 2022, the membership remains at 158 as of June 30, 2022. Member contributions increased by \$1,654,506, or 9.4%, to \$19,271,135 in FY 2022, compared to the increase of \$605,019 in the prior year.

The following chart summarizes the member contributions and operating expenses from FY 2018 to FY 2024.

Member Contributions and Operating Expenses by Fiscal Year



Provision for Insured Events The provision for insured events is the management's estimate of the cost of covered claims, better described as reserves set aside to pay for current and future claims. This estimate is based on a variety of actuarial and statistical techniques that consider claims history, claims payment history, claims frequency, changes in doctrines of legal liability, inflation, and other economic and social factors. Claims cost estimates are constantly reevaluated. Changes to prior years' claims costs are adjusted as they occur.

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FOR THE FISCAL YEARS ENDED JUNE 30, 2024 and 2023

A provision for insured events of \$12,071,351 was recognized for FY 2024 claims. In FY 2024, an increase in the provision of insured events of \$2,553,550 was recognized for unfavorable claims development of prior years' claims, primarily in general liability coverage. The total unpaid claims liability (claims payable) on June 30, 2024, was \$30,266,004, an increase of 14.8% from the prior year. Claims payments and patterns are significant factors in the estimation of the provision for insured events. (see Schedule 1, page 36)

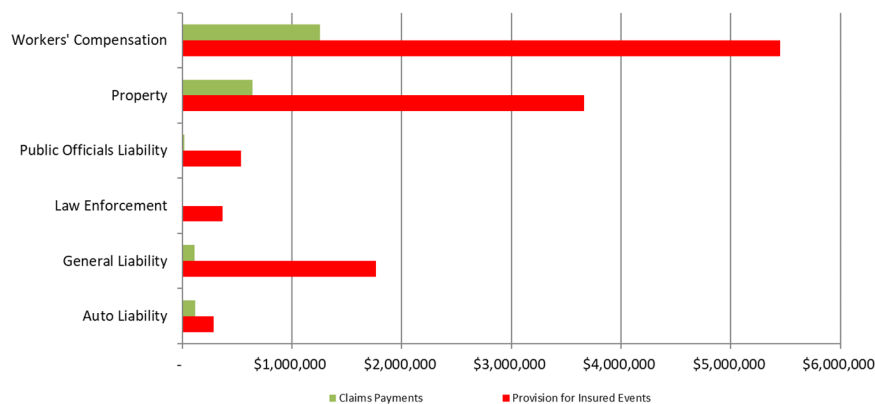
A provision for insured events of \$11,226,600 was recognized for FY 2023 claims. In FY 2023, an increase in the provision of insured events of \$1,427,343 was recognized for unfavorable claims development of prior years' claims, primarily in public officials' liabilities and property coverage. The total unpaid claims liability (claims payable) on June 30, 2023, was \$26,372,816, an increase of 21% from the prior year.

A provision for insured events of \$8,342,617 was recognized for FY 2022 claims. In FY 2022, an increase in the provision of insured events of \$1,868,075 was recognized for unfavorable claims development of prior years' claims, primarily in workers' compensation, general liabilities, and public officials' liabilities coverage. The total unpaid claims liability (claims payable) on June 30, 2022, was \$21,711,893, an increase of 17% from the prior year.

During FY 2024, the Association paid out \$10,731,713 for its insured events, a 34.3% increase compared to the previous year. The major increase in claims payments was in the general liability and property programs. In FY 2023 and FY 2022, the Association paid out \$7,993,020 and \$7,019,196 respectively, for its insured events.

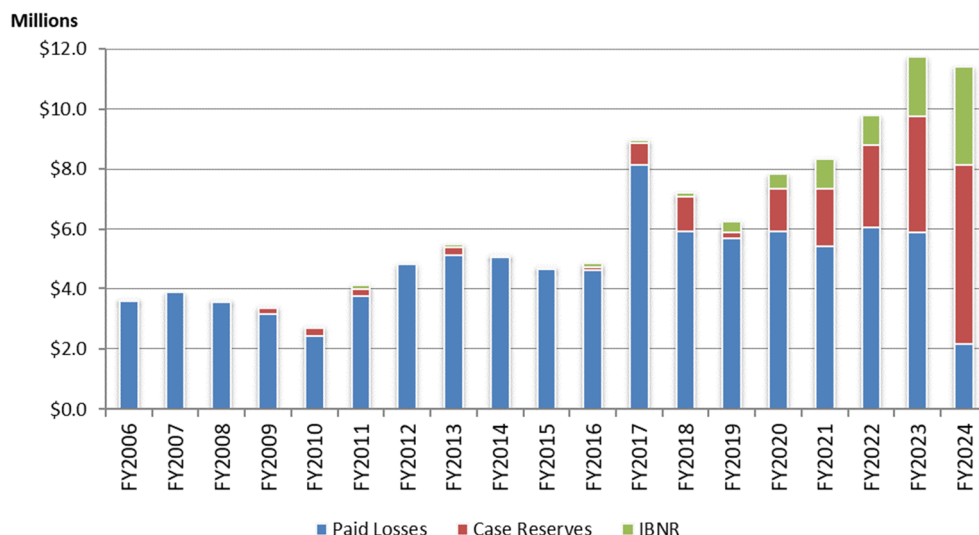
The following bar graph displays FY 2024's provision for insured events and claim payments for the Association's various programs. The next graph illustrates the projected ultimate losses by fiscal year for all combined coverages by paid losses, case reserves, and incurred but not reported (IBNR) losses. While most claims settle at amounts close to the estimated amount, IBNR represents the development of both known case reserves and the losses that have occurred but have not yet been reported.

FY 2024 Provision for Insured Events and Claim Payments



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FOR THE FISCAL YEARS ENDED JUNE 30, 2024 and 2023

Projected Ultimate Losses FY 2006 - FY 2024



Rate Stabilization Fund The Board of Trustees established the Rate Stabilization Fund for use beginning in FY 2013, and appropriated nearly \$2,000,000 to be allocated to members based upon a historically used dividend formula that references Section 11(2)(c) of the Cooperative Participation Agreement. A simple pro-rata allocation by members of their contribution for all years to the total contribution for the entire program for all years, the appropriation of funds is intended to be used by members to offset their contribution amount by using up to one-third of each member's balance of their allocation for each year's contribution. The Rate Stabilization Fund's purposes are to reward longevity, foster recognition of the members' ownership of and loyalty to their pool, and to provide stability to their contribution expense during periods of rising rates. Members have used \$16,023 in credits to offset members' contribution expenses in FY 2024. The balance for future use at the end of FY 2024 was \$455,146.

General Administration The general administrative expenses were 8.1% of the Association's total operating expenses for FY 2024, compared to 9.5% in FY 2023 and 9.1% in FY 2022. General administration includes loss control and administrative staff expenses, loss control programs, professional fees, in-house insurance, and other normal general administrative expenses.

The Association invested \$251,844 in loss prevention training and materials to its members during FY 2024 by providing online safety training, member specific training sessions, employment law hotline, ballistic vest reimbursement program for law enforcement, and other loss control programs. Again, this year, the Association added \$50,000 to the Safety Savings Account program that is distributed amongst the membership to purchase safety equipment. If members do not use the funds in the current year, the balance is rolled over and added to the balance for use in future years. The Association has contributed more than \$1 million to this program throughout the years since 2002.

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The Association has implemented the Loss Control Incentive Program (LCIP) to incentivize and educate members on loss prevention since FY 2006. In FY 2024, twenty-seven members participated and received credit totaling \$217,458 to reduce their FY 2024 member contributions, compared to \$247,700 in FY 2023, and \$239,184 in FY 2022.

Other information In addition to the basic financial statements and accompanying notes to the financial statements, this report also presents certain Required Supplementary Information that reconciles Association claims liabilities and claims development schedules. Required Supplementary Information can be found beginning on page 35 of this report.

The Association is currently working with Alaska Public Entity Insurance (APEI) to plan a potential consolidation. The goal of the consolidation is to combine both pools' resources and expertise to create a larger public entity pool. It would make the new pool increase cost competitiveness in the reinsurance market and operational efficiency. APEI and the Association created the consolidation committee, which is mainly made up of the selected board trustees and management from both pools. The consolidation committee has met regularly to discuss consolidation with experts assisting legal process and financial analysis since last year. If members of both pools vote to approve the consolidation in November 2024, the new consolidated pool, **Alaska Public Risk Alliance**, will start to operate on July 1, 2025. Please refer to the website of Alaska Public Risk Alliance for more information and updates on the process.

Economic and Other Factors One of the most significant economic factors affecting the future of the Association is the effect of oil prices and the State of Alaska's revenue, which has a direct impact on the state budget and the ability of the state government to provide financial assistance to local governments.

Other factors include the trend of insurance markets, and costs of obtaining reinsurance and excess policies, the federal funding for the state and local government, the impact of federal fiscal policies on the investment markets, and competitive pressures in the Alaska insurance market. These factors were considered in preparing the Association's budget for FY 2025.

Conclusion This financial report is designed to provide a general overview of the Association's operations and finances. Please contact us with any questions concerning the information presented in this financial report. You can write to: Alaska Municipal League Joint Insurance Association, Inc., Executive Director or Finance Manager, 807 G Street, Suite 356, Anchorage, Alaska, 99501, or call us at 907-258-2625.

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 2,797,212	\$ 8,163,106
Current Portion of Investments	11,916,636	19,414,929
Current Portion of Receivables	857,167	864,048
Prepaid Expenses	249,380	165,712
Total Current Assets	<u>15,820,395</u>	<u>28,607,795</u>
Noncurrent Assets:		
Investments	25,047,635	11,723,896
Receivables	523,481	658,808
Capital Assets, Net	1,043,594	1,080,066
Other	1,628,884	1,321,757
Total Noncurrent Assets	<u>28,243,594</u>	<u>14,784,527</u>
Total Assets	<u>44,063,989</u>	<u>43,392,322</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	820,610	842,630
Other Current Liabilities	2,714,498	3,528,257
Current Portion of Claims Payable	10,000,000	8,000,000
Total Current Liabilities	<u>13,535,108</u>	<u>12,370,887</u>
Noncurrent Liabilities:		
Claims Payable	20,266,004	18,372,816
Other Noncurrent Liabilities	136,594	148,175
Total Noncurrent Liabilities	<u>20,402,598</u>	<u>18,520,991</u>
Total Liabilities	<u>33,937,706</u>	<u>30,891,878</u>
DEFERRED INFLOW OF RESOURCES		
Related to Building Leases	<u>505,545</u>	<u>661,981</u>
NET POSITION		
Net Invested in Capital Assets	1,043,594	1,080,066
Unrestricted	<u>8,577,144</u>	<u>10,758,397</u>
Total Net Position	<u>\$ 9,620,738</u>	<u>\$ 11,838,463</u>

The accompanying notes are an integral part of these financial statements.

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
OPERATING REVENUES:		
Member Contributions:		
Core Programs	\$ 26,289,573	\$ 23,342,540
Other Income	1,335,276	1,216,912
Total Operating Revenues	<u>27,624,849</u>	<u>24,559,452</u>
OPERATING EXPENSES:		
Loss and Loss Adjustment Expense	14,760,569	12,980,178
Other Claims Expense	891,226	961,925
Excess and Other Insurance	15,054,900	11,707,908
General and Administrative	2,708,713	2,713,308
Depreciation Expense	28,015	24,726
Total Operating Expenses	<u>33,443,423</u>	<u>28,388,045</u>
Operating Income (Loss)	<u>(5,818,574)</u>	<u>(3,828,593)</u>
NON-OPERATING REVENUES/(EXPENSES):		
Investment Income (Loss)	3,555,363	2,151,742
Lease Revenue	195,494	194,422
Rental Expense	(150,008)	(147,850)
Non-operating Revenues/(Expenses)	<u>3,600,849</u>	<u>2,198,314</u>
Change in Net Position	(2,217,725)	(1,630,279)
Beginning Net Position	<u>11,838,463</u>	<u>13,468,742</u>
Ending Net Position	<u><u>\$ 9,620,738</u></u>	<u><u>\$ 11,838,463</u></u>

The accompanying notes are an integral part of these financial statements.

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received For Member Contributions	\$ 25,320,240	\$ 23,873,603
Cash Paid For Claims	(10,867,379)	(8,319,255)
Cash Paid For Claims in Excess Layer	(14,957,608)	(2,618,690)
Cash Received For Claims in Excess Layer	15,062,364	2,506,634
Cash Paid For Insurance	(15,170,767)	(5,723,968)
Cash Paid For Claims Administration	(220,980)	(241,104)
Cash Paid For General Administration	(1,068,709)	(1,487,343)
Cash Received For Other Income	1,005,348	1,218,698
Cash Paid For Salaries And Benefits	(2,231,021)	(2,304,626)
Net Cash Provided (Used) By Operating Activities	<u>(3,128,512)</u>	<u>6,903,949</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Received From Leases	180,497	190,792
Cash Paid For Lease Expenses	(146,597)	(115,407)
Purchase Of Capital Assets	(19,735)	-
Net Cash Provided (Used) by Capital and Related Finance Activities	<u>14,165</u>	<u>75,385</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase Of Investments	(34,542,930)	(12,392,407)
Proceeds From Sales And Maturities Of Investments	30,899,710	9,153,428
Investment Earnings Received	1,391,673	970,774
Net Cash Provided (Used) By Investing Activities	<u>(2,251,547)</u>	<u>(2,268,205)</u>
Net Increase (Decrease) In Cash And Cash Equivalents	(5,365,894)	4,711,129
Cash And Cash Equivalents, Beginning Of Year	8,163,106	3,451,977
Cash And Cash Equivalents, End Of Year	<u>\$ 2,797,212</u>	<u>\$ 8,163,106</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (5,818,574)	\$ (3,828,593)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:		
Depreciation	28,015	24,726
(Increase) Decrease In:		
Receivables	6,881	98,872
Prepaid Expenses	(83,535)	6,046,567
Other Non-current Assets	(307,127)	(59,327)
Increase (Decrease) In:		
Accounts Payable	(22,020)	(94,018)
Other Current Liabilities	(813,759)	199,359
Claims Liability	3,893,188	4,660,923
Other Non-current Liabilities	(11,581)	11,875
Deferred Inflows	-	(156,435)
Net Cash Provided (Used) By Operating Activities	<u>\$ (3,128,512)</u>	<u>\$ 6,903,949</u>
NONCASH ITEMS		
Schedule Of Noncash Investing And Financing Transactions		
Unrealized Gain (Loss) On Investments	\$ 2,182,225	\$ 1,192,077

The accompanying notes are an integral part of these financial statements.

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

The Alaska Municipal League Joint Insurance Association, Inc. (Association) was formed in 1988 to provide pooled property and casualty coverage to members of the Alaska Municipal League. The Association's general objectives are to formulate, develop, and administer, on behalf of its member entities, a program of risk financing, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Municipalities and their public corporations, city and borough school districts, charter schools, and Regional Educational Attendance Areas (REAA's) within the state of Alaska are eligible to be members of the Association.

B. MEMBERSHIP

As of June 30, 2024, membership included 149 municipalities, city and borough school districts, charter schools, and REAA's. The Association's Board of Trustees includes at least five participating members of the Association.

C. ADMISSION AND WITHDRAWAL OF MEMBERS

Admission

Participants must be a local government entity, (i.e., municipalities and their public corporations, city and borough school districts, charter schools, or REAA's within the state of Alaska) and a member of the Alaska Municipal League.

Withdrawal

A participant may be canceled for non-payment of coverage with a 30-day notice of cancellation. Members may re-enter the program if they pay the remaining balance of their contribution. A participant may choose to withdraw by submitting a notice of intent to withdraw at least six months prior to the renewal date.

D. REPORTING ENTITY

The Association's reporting entity includes all activities (operations of its administrative staff, officers, and governing board as they relate to the Association) considered to be part of (controlled by or dependent on) the Association. The Association has developed criteria to determine whether entities for which the Association may be financially accountable should be included within its financial reporting entity. The criteria include, but are not limited to, whether the Association appoints a voting majority of an entity's board and whether the Association either has the ability to impose its will on an entity, or there is a possibility that an entity will provide either a financial benefit to or impose a financial burden on the Association.

Since the Association has only government members, and is organized to provide various services exclusively to those government members as a public entity risk pool, we

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consider the Association a governmental entity for reporting purposes, and these financial statements are presented in a governmental entity format utilizing governmental accounting standards. Using these criteria, the Association has determined that it is not financially accountable for any other entity and no other entity is financially accountable for the Association.

E. BASIS OF ACCOUNTING

These statements are prepared on an economic resources measurement focus and the accrual basis of accounting. Under this method, revenues from contributions and interest are recognized when earned and expenses are recognized when goods or services have been received, except when a contribution deficiency exists where unearned contributions are recognized currently in accordance with GASB pronouncements. Operating revenue includes member contributions and fees, which are an integral part of the operations and financing of the covered risks and activities. Non-operating revenues and expenses include rental activities that are not part of the core risk financing activities of the entity and investment income.

F. DESCRIPTION OF PROGRAMS

Self-insured Retention and Deductibles

The Association retains responsibility for the payment of claims within specified self-insured retention limits or deductibles prior to the application of coverage provided by its excess of loss agreements as follows:

General Liability, Automobile, and Public Officials' Errors and Omissions

The Liability program was established on July 1, 1988, for the payment of liability claims and administrative costs. Funding is based upon rate principles approved by the Association's Board of Trustees. In policy years 2024 and 2023, the Association's retention limit was \$500,000 for these lines of coverage and shared on a 50/50 quota share basis between Genesis and Berkley insurance companies.

Property

The Property program was established on July 1, 1988, to account for the payment of property claims and administrative costs. Funding is based upon rate principles approved by the Association's Board of Trustees. In policy years 2024 and 2023, the Association's retention limit was \$500,000 with an annual aggregate of \$1,500,000. Members are generally responsible for a \$5,000 deductible per occurrence unless they choose a higher deductible.

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Workers' Compensation and Employer's Liability

The Workers' Compensation Program was established on July 1, 1988, for the payment of workers' compensation claims and administrative costs. Funding is based upon rate principles approved by the Association's Board of Trustees. In policy years 2024 and 2023, the Association's retention limit was \$750,000 for each occurrence.

Police Professional Liability

The Police Professional Liability Program was established on July 1, 1990, for the payment of police claims and administrative costs. It was originally a separate program from the other Association programs with separate financial statements. It is now combined with the rest of the programs and funding is based upon rate principles approved by the Association's Board of Trustees. In policy years 2024 and 2023, the Association's retention limit was \$500,000 per occurrence and shared on a 50/50 quota share basis between Genesis and Berkley insurance companies.

G. CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the Association considers cash in banks, cash in the Alaska Municipal League Investment Pool, money market funds, and all highly liquid investments purchased with an original maturity of three months or less at the date of purchase to be cash and cash equivalents.

H. INVESTMENTS

The Association's investments are reported at fair value (based on quoted market prices) in the Statement of Net Position, and changes in the fair value are included in investment income in the Statement of Revenues, Expenses, and Changes in Net Position.

There are no existing statutory or contractual requirements which limit the types of investments authorized to be held by the Association.

I. RECEIVABLES

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

J. CAPITAL ASSETS

Capital assets are capitalized and recorded at cost. The capitalization threshold for capital assets is \$5,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets:

Building and Improvements	40 years
Furniture and Equipment	5 years

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K. CLAIMS LIABILITIES

The Association establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims adjustment expenses) that have been reported but not closed, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Actual claims costs depend upon complex factors such as inflation, changes in doctrines of legal liability, and damage awards. Therefore, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as workers' compensation and general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. 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 reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

Claims liability includes amounts estimated for future unallocated loss adjustment expense (ULAE). ULAE includes all costs expected to be incurred in connection with the settlement of unpaid claims that cannot be allocated to a specific claim. Management has estimated the accrual based on past experience.

L. OTHER NONCURRENT ASSETS

NLC Mutual Insurance Company (NLC Mutual) provides workers' compensation reinsurance to the Association as the Association has made contributions to NLC Mutual. Upon written request by the Association or termination of AMLJIA reinsurance contract with NLC Mutual, the Association would receive its share of contributed and retained surplus in accordance with NLC Mutual bylaws.

The Association's capital account may be credited each year by its proportionate share of realized investment income earned by NLC Mutual during the prior fiscal year on the total of all members' capital accounts. The Association's allocation of earnings from its equity deposit is reflected in Other Noncurrent Assets, and the change of allocation balance is included in Other Income.

M. COMPENSATED ABSENCES

The Association's paid time off (PTO) policy provides for the accumulation of earned PTO leave. PTO accruals are available for use in the pay period following completion of 30 days of employment. The current accrued PTO hours are available for use in the pay period following the pay period in which they were accrued. In the event that all available PTO hours are not used by the end of the benefit year, employees may carry unused time forward to the next benefit year. The Association has capped the amount of unused PTO

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to be carried forward by an individual to 45 days. The limited liability for accrued PTO has been computed and recorded based on unused PTO days times the current rate of pay.

N. DEFERRED INFLOW OF RESOURCES

In addition to assets and liabilities, the statement of net position reports a separate section of deferred inflow of resources. The deferred inflow of resources represents a consumption of net assets by the government that is applicable to a future reporting period.

The Association has leased a portion of its building space to tenants. To comply with the Governmental Accounting Standards Board (GASB) 87, the Association records its two non-cancellable long-term leases as Deferred Inflow of Resources.

O. REINSURANCE AND EXCESS INSURANCE

The Association has obtained specific reinsurance and excess of loss agreements for the policy period July 1, 2023, through June 30, 2024. The limits and self-insured retention per coverage are summarized below:

	Self-Insured Retention	Limits
General Liability	\$ 500,000	\$ 15,500,000
Public Officials' E&O	500,000	15,500,000
Automobile	500,000	15,500,000
Police Professional Liability	500,000	15,500,000
Workers' Compensation	750,000	Statutory
Property	500,000*	500,000,000

*\$500,000 per occurrence deductible plus an annual aggregate of \$1,500,000 for all losses including Earth Movement and Flood.

The members, through the Association, are contingently liable in the event the insurance companies are unable to meet their obligations under these agreements.

The Association is also authorized by Alaska Statutes to obtain debt financing to fund liabilities not covered by excess insurance agreements. To date, the Association has not incurred any claim settlements exceeding insurance coverage.

P. MEMBER CONTRIBUTIONS

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

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Revenues mainly consist of premium contributions from members. Member contributions are recognized as revenue in the period for which coverage is provided and are principally based on members' payroll, operating expenditures, and property value data. All of the Association's excess or reinsurance contracts provide coverage on a policy year basis beginning July 1 and ending June 30 of a given policy year.

The Association's Cooperative Participation Agreement provides for additional contributions from members in the event that losses and expenses warrant it. Such supplemental contributions shall be determined at the discretion of the Board of Trustees based upon each member's annual deposit contribution in comparison to the aggregate annual deposit contributions of all members. The Association considers anticipated investment income in determining whether a premium deficiency exists. Members are obligated by contract to pay such assessments. To date, no such assessment has ever been levied.

Q. UNEARNED CONTRIBUTIONS

Member annual contributions are normally billed at the end of fiscal year for the next year's policies if members renew their coverage. The Association complies with accrual accounting to classify member contribution payments received before the new policy year and credit balance in members' account due to adjustments during the policy year as unearned contributions, which are included in Other Current Liabilities.

R. ALLOCATION OF INDIRECT EXPENSES

Claims Department staff costs are allocated from General and Administrative expense to Other Claims Expenses.

S. INCOME TAXES

The Association's income is exempt from federal income taxes under Internal Revenue Service Code Section 115, which excludes income derived from the exercise of any essential governmental function and accruing to a political subdivision.

T. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term are described elsewhere in this report.

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U. LEASES

The Association implemented GASB 87 in the financial statements as of June 30, 2022. The Association allocated the interest revenue between the present value and actual value of the lease payments to the Association's lease revenues annually at the year end.

V. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Association has subscriptions of software for its daily operation, including its claims handling system. These subscriptions are in yearly renewal status and none of them currently have contract terms associated with the subscriptions that are longer than 12 months.

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II. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30, 2024 and 2023, are composed of the following:

Cash and Cash Equivalents	2024	2023
Cash in bank	\$ 2,005,764	\$ 6,730,222
Money Market Mutual Funds ⁽¹⁾	478,549	1,135,657
Alaska Municipal League Investment Pool ⁽²⁾	312,899	297,227
	<u>\$ 2,797,212</u>	<u>\$ 8,163,106</u>

(1) Money Market Mutual Funds' average maturity dates are 180 days or less and are AAA rated.

(2) The Alaska Municipal League Investment Pool (AMLIP) is an external not-for-profit investment pool established pursuant to the Alaska Investment Act of 1992. Participation is limited to government or quasi-governmental entities. The pool provides a short-term investment option for Alaska boroughs, cities, school districts, and other state government entities. The Association is a voluntary participant in AMLIP, which is regulated under the Alaska Investment Pool Act of 1992. The fair value of the Association's investment in this pool is reported in the accompanying financial statements. The fair value is based upon the Association's pro-rata share of the fair value provided by AMLIP for the entire portfolio (in relation to the amortized cost of the portfolio). The Association's fair value of the position in the pool is the same as the value of the pool shares. It is currently AAA rated by Standard & Poor's. At June 30, 2024, the average maturity of AMLIP Series I Fund was 19 days and the AMLIP account balance represented 11.2% of the combined cash and cash equivalent.

Custodial Credit Risk-Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Association's deposits may not be returned to it. The Association doesn't have a policy stating this risk.

The Association's cash in banks is covered by federal depository insurance up to \$250,000. As of June 30, 2024, and 2023, the Association had cash totaling \$2,771,457 and \$6,912,098, respectively, not covered by federal depository insurance.

III. RECEIVABLES

On June 30, 2024, and 2023, the total accounts receivable portfolio was considered collectible. Interest in investments is recorded in the year that the interest is earned.

On June 30, balances of receivables consisted of the following:

	2024	2023
Claims-related Receivables	\$ 789,564	\$ 796,359
Member Receivables	63,455	61,696
Interest Receivables	1,324	1,188
Lease Receivable	478,669	638,778
Other	47,636	24,835
Total Receivables	<u>\$ 1,380,648</u>	<u>\$ 1,522,856</u>
Current Portion of Receivables	\$ 857,167	\$ 864,048
Long-term Portion of Receivables	\$ 523,481	\$ 658,808

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IV. INVESTMENTS

There are no existing statutory or contractual requirements which limit the types of investments authorized to be held by the Association.

The Board of Trustees has established an investment policy in order to provide maximum security for the investment of funds and provide the greatest interest revenue consistent with safety. Only the following investment of the Association's funds will be authorized:

- A.** Obligations of, or obligations insured or guaranteed by, the United States or an agency or instrumentality of the United States;
- B.** Asset-backed Securities (ABS);
- C.** Commercial paper issued by corporations or businesses and having a quality rating of A-1, P-1 or higher;
- D.** Bankers' acceptances accepted by a rated bank and eligible for rediscount with, or purchase by, Federal Reserve Systems banks;
- E.** Negotiable certificates of deposit issued by rated banks;
- F.** Repurchase agreements with:
 - 1.** The Association's bank accounts, which are entered into in conjunction with the Association's zero-balance ("sweep") demand deposit account; and secured by obligations insured or guaranteed by the United States or agencies or instrumentalities of the United States,
 - 2.** Rated banks or primary dealers in government securities and secured by obligations insured or guaranteed by the United States, or agencies or instrumentalities of the United States with said collateral to be assigned as provided in Section 9 titled "Collateral Required to Secure Certificates of Deposit & Repurchase Agreements;"
- G.** Other dollar-denominated money market instruments;
- H.** Money market funds;
- I.** Domestic equities;
- J.** International equities;
- K.** Corporate debt securities;
- L.** Foreign government and corporate debt securities;
- M.** Electronically Traded Funds (ETF);
- N.** Open ended mutual funds, and/or;

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- O.** Opportunistic/Defensive (hedge and absolute return and fund of funds are in this category).

The Association's Investment Policy Statement (IPS) outlines the asset allocation, by major asset classes, with the following ranges:

Asset Allocation	Lower Limit	Strategic Allocation	Upper Limit
Domestic Large & Small Equities	25%	30%	35%
International Equities	10%	15%	20%
Fixed Income	40%	45%	50%
Opportunistic/Defensive	3%	6%	9%
Cash & Cash Equivalents	1%	4%	9%

The Association meets regularly with its investment advisor to keep within the approved range of the investments per the policy. The investment advisor's services are strictly to advise the Association's staff and board in accordance with the IPS, objectives, and guidelines.

Investment Valuation: The Association categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At June 30, the Association had the following fair value measurements:

2024

Investment Type	Fair Value	Fair Value Measurements using		
		Level 1	Level 2	Level 3
Bond Funds	\$ 19,844,621	\$ 19,844,621	-	-
Equity Funds	15,643,332	15,643,332	-	-
Opportunistic/Defensive Funds	1,476,318	1,476,318	-	-
Total Investment	\$ 36,964,271	\$ 36,964,271	-	-

2023

Investment Type	Fair Value	Fair Value Measurements using		
		Level 1	Level 2	Level 3
US Treasuries	\$ 4,687,114	\$ 4,687,114	-	-
Bond Funds	11,249,052	11,249,052	-	-
Equity Funds	13,040,584	13,040,584	-	-
Opportunistic/Defensive Funds	2,162,075	2,162,075	-	-
Total Investment	\$ 31,138,825	\$ 31,138,825	-	-

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Interest Rate Risk: On June 30, 2024, the Association invested \$11,169,331 in bond funds which are sensitive to changes in interest rates, which was similar to the \$11,249,052 in FY 2023. Although the Association does not have a formal interest rate risk policy, the IPS states risk must not exceed that of the benchmark index and the peer group and is watched closely by the investment advisor, management, and the board's finance committee.

The following is a schedule of the fair values of these investments grouped into sequential time periods at June 30, 2024.

Investment Type	Fair Value	Investment Maturities		
		< 1 yr	1-3 yrs	> 3 yrs
US Treasuries	\$ 8,675,290	\$ 7,927,985	\$ 747,305	
Bond Funds	\$ 11,169,331		\$ 1,500,886	\$ 9,668,445

FY 2024

Investment Type	TOTAL	BBB	BBB+	A-	A	A+	AA-	AA	AA+	AAA
US Treasuries	\$ 8,675,290									\$ 8,675,290
Bond Funds	\$ 11,169,331						\$ 7,612,772	\$ 3,556,559		

The following is a schedule of the fair values of these investments grouped into sequential time periods at June 30, 2023.

Investment Type	Fair Value	Investment Maturities		
		< 1 yr	1-3 yrs	> 3 yrs
US Treasuries	\$ 4,687,114	\$ 4,212,270	\$ 474,844	
Bond Funds	\$ 11,249,052		\$ -	\$ 11,249,052

FY 2023

Investment Type	TOTAL	BBB	BBB+	A-	A	A+	AA-	AA	AA+	AAA
US Treasuries	\$ 4,687,114									\$ 4,687,114
Bond Funds	\$ 11,249,052					\$ 1,031,173	\$ 4,951,761	\$ 5,266,118		

*Note that bond funds were grouped according to the average maturity of the securities comprising the fund.

Foreign Currency Risk: As of June 30, 2024, the Association has invested in international equity funds, which are exposed to foreign currency risks. No detail as to the currency denomination of these funds is available. The fair value of these investments was \$3,970,689 and \$3,649,155 on June 30, 2024, and 2023, respectively. The investment policy allows for 10% to 20% investments in international equities.

Concentration of Risk: The Association in its Investment Policy Statement has listed investment limitations. These guidelines are to ensure diversification of the portfolio. As of June 30, 2024, and 2023, no single investment exceeded the 5% threshold.

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IV. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	<u>June 30, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2024</u>
Land	\$ 293,750	\$ -	\$ -	\$ 293,750
Buildings & Improvements	1,848,660	-	-	1,848,660
Less: Accumulated Depreciation	(1,070,597)	(46,217)	-	(1,116,814)
Furniture, Fixtures, & Equipment	951,662	19,735	-	971,397
Less: Accumulated Depreciation	(943,409)	(9,990)	-	(953,399)
Total Capital Assets	<u>\$ 1,080,066</u>	<u>\$ (36,472)</u>	<u>\$ -</u>	<u>\$ 1,043,594</u>

Capital asset activity for the year ended June 30, 2023, was as follows:

	<u>June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>
Land	\$ 293,750	\$ -	\$ -	\$ 293,750
Buildings & Improvements	1,848,660	-	-	1,848,660
Less: Accumulated Depreciation	(1,024,381)	(46,216)	-	(1,070,597)
Furniture, Fixtures, & Equipment	951,662	-	-	951,662
Less: Accumulated Depreciation	(936,707)	(6,702)	-	(943,409)
Total Capital Assets	<u>\$ 1,132,984</u>	<u>\$ (52,918)</u>	<u>\$ -</u>	<u>\$ 1,080,066</u>

In 1998, the Association purchased the three-floor office building at 807 G Street in downtown Anchorage. The AMLJIA uses one floor of the building, and the remaining office spaces are rented out. Therefore, a portion of the building depreciation based on the space usage is allocated to rental expense.

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Depreciation from operating activities	\$ 9,990	\$ 6,702
Depreciation from building activities	46,217	46,216
Allocated to Rental Expense	(28,192)	(28,192)
Net Depreciation charged to operation	<u>\$ 28,015</u>	<u>\$ 24,726</u>

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V. CLAIMS PAYABLE

The reserves for losses and loss adjustment expenses represent (a) individual case estimates for reported losses, (b) estimates for unreported losses based on past experience modified for current trends, and (c) estimates of expenses for investigating and settling claims. A summary of changes in reserves for losses and loss adjustment expenses for the years ended June 30, 2024, and 2023, follows:

	<u>2024</u>	<u>2023</u>
Unpaid claims and claims adjustment expenses at beginning of year	\$ 26,372,816	\$ 21,711,893
Incurred claims and claims adjustment expenses:		
Provision for insured events of the current year*	12,071,351	11,226,600
Increase/(decrease) in provision of insured events of prior years	<u>2,553,550</u>	<u>1,427,343</u>
Total incurred claims and claims adjustment expenses	<u>14,624,901</u>	<u>12,653,943</u>
Payments:		
Claims and claims adjustment expenses attributable to insured events of the current year*	2,146,476	1,747,953
Claims and claims adjustment expenses attributable to insured events of prior years	<u>8,585,237</u>	<u>6,245,067</u>
Total Payments	<u>10,731,713</u>	<u>7,993,020</u>
Total unpaid claims and claims adjustment expenses	<u>\$ 30,266,004</u>	<u>\$ 26,372,816</u>
Current portion of claims payable	\$ 10,000,000	\$ 8,000,000
Noncurrent portion of claims payable	<u>20,266,004</u>	<u>18,372,816</u>
	<u>\$ 30,266,004</u>	<u>\$ 26,372,816</u>

*Does not include Student Accident Program or adjustment for uncollectible recoveries.

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VI. OTHER CURRENT LIABILITIES

Other current liabilities at June 30, 2024 and 2023, are composed of the following:

	2024	2023
Unearned Contributions	\$ 2,140,944	\$ 2,978,117
Member Safety Saving Account	443,890	412,728
Accrued Payroll Expenses	66,686	71,390
Other	62,978	39,022
Total Other Current Liabilities	<u>\$ 2,714,498</u>	<u>\$ 3,528,257</u>

VII. PAID TIME OFF (ACCRUED VACATION)

The Association's liability for paid time off (PTO) consisted of the following at:

	June 30, 2024	June 30, 2023
Beginning PTO Accrual	\$ 162,922	\$ 151,047
PTO Earned	175,995	173,142
PTO Used	(187,576)	(161,267)
Ending PTO Accrual	<u>\$ 151,341</u>	<u>\$ 162,922</u>
Current Portion of PTO Accrual	\$ 30,000	\$ 30,000
Long term Portion of PTO Accrual	\$ 121,341	\$ 132,922

VIII. NET POSITION

On June 30, 2024, and 2023, the Association had total net position of \$9,620,738 and \$11,838,463, respectively. Net position is retained to provide for unfavorable loss development, catastrophic losses, long-term viability, and for rate stabilization to reduce the variability in pricing in volatile insurance markets.

IX. EXCESS AND OTHER INSURANCE

On June 30, 2024, and 2023, Excess and Other Insurance Expense included:

	June 30, 2024	June 30, 2023
Excess & Reinsurance Premiums	\$ 13,901,039	\$ 10,668,348
Other Operating Expenses	1,153,861	1,039,560
Total Excess & Other Insurance	<u>\$ 15,054,900</u>	<u>\$ 11,707,908</u>

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

X. BUILDING LEASES

The Association's land and building, reported as Capital Assets, consists of one commercial office property which is partially occupied by the Association's offices.

Including improvements, the Association's property was purchased in 1998 for \$2,060,381. The Association occupies approximately 39% of the building and the remainder is leased to tenants. Currently there are two firms who have signed non-cancellable leases with the Association to use the space. The lease terms are 5 years and 10 years, which will expire in December 2027 and April 2028, respectively. The Association uses an annual interest of 3.25% for the lease signed prior to FY 2022 and 4.75% for the lease renewed after. There are no changes on the building leases in FY24.

The Association implemented GASB 87 in the financial statements starting from June 30, 2022. The building leases are retroactively restated to the Statement of Net Position as of June 30, 2021, and 2020. The Association is reporting the lease receivable and deferred inflow of resources at the present value of the future lease payments and allocating the interest revenue to the Association's lease revenues annually at the year end.

The Association reported lease Revenue of \$195,494 and \$194,422, respectively, in FY 2024 and FY 2023 related to lease payments received, and interest revenue of \$18,671, and \$12,086, respectively, in FY 2024 and FY 2023.

The schedule of building leases as of June 30, 2024, is as follows:

	Annual Principal Payment	Interest Revenue	Lease receivable	Deferred Inflow of Resources
6/30/2023	\$ 176,976	\$ 12,086	\$ 638,778	\$ 661,981
6/30/2024	\$ 178,779	\$ 18,671	\$ 478,669	\$ 505,545
6/30/2025	\$ 180,112	\$ 25,013	\$ 323,570	\$ 349,110
6/30/2026	\$ 182,797	\$ 31,445	\$ 172,218	\$ 192,674
6/30/2027	\$ 138,958	\$ 28,169	\$ 61,429	\$ 76,304
6/30/2028	\$ 79,341	\$ 17,911	\$ -	\$ -

XI. PENSION PLAN

The Association offers its employees a defined contribution retirement plan (Alaska Municipal League Joint Insurance Association, Inc., Money Purchase Retirement Plan). The plan is administered by the MissionSquare Retirement Corporation. Plan provisions and contribution requirements are established and may be amended under the authority of the Association's Board of Trustees. The contributions actually made are equal to the required contributions. Since the contributions are fully vested and the investments are held by a trust, the pension assets and liabilities are not carried on the books. The plan requires that employees contribute 6.75% of their compensation and the employer contribute 12.75%.

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

Total pension expenses under this plan were as follows:

	2024	2023
Employee	\$105,690	\$108,566
Employer	\$199,637	\$205,070

XII. SUBSEQUENT EVENTS

Subsequent events have been reviewed through November 1, 2024, the issuance date of the report. As of this report, there are no material events that would affect these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
REQUIRED SUPPLEMENTARY INFORMATION

Reconciliation of Claims Liabilities by Type of Contract

Summary of Unpaid Claims Liabilities

Year Ended June 30, 2024 and 2023

Schedule 1

	Workers Compensation		General Liability		Public Official E & O		Law Enforcement		Auto Liability		Property		Totals	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Unpaid claims and claim adjustment expenses at beginning of year	\$11,798,460	\$12,007,645	\$3,697,208	\$3,472,137	\$3,983,573	\$2,129,699	\$1,895,397	\$1,493,153	\$255,583	\$213,885	\$4,742,595	\$2,395,374	\$26,372,816	\$21,711,893
Incurred claims and claim adjustment expenses:														
Provision for insured events of the current year	5,452,486	4,766,538	1,768,631	1,279,758	534,728	938,185	365,510	693,239	286,036	246,730	3,663,960	3,302,150	12,071,351	11,226,600
Increase/(decrease) in provision of insured events of prior years	(103,867)	(1,087,286)	2,809,323	(366,597)	(1,208,750)	2,048,164	538,088	9,261	303,164	103,291	215,592	720,510	2,553,550	1,427,343
Total incurred claims and claim adjustment expenses from insured events	5,348,619	3,679,252	4,577,954	913,161	(674,022)	2,986,349	903,598	702,500	589,200	350,021	3,879,552	4,022,660	14,624,901	12,653,943
Payments:														
Claims and claim adjustment expenses attributable to insured events of the current year	1,256,776	1,059,171	113,919	244,035	19,175	2,924	1,254	17,016	117,346	97,999	638,006	326,808	2,146,476	1,747,953
Claims and claim adjustment expenses attributable to insured events of the prior years	2,338,535	2,829,266	1,986,660	444,055	265,576	1,129,551	854,761	283,240	375,083	210,324	2,764,622	1,348,631	8,585,237	6,245,067
Total Net Payments:	3,595,311	3,888,437	2,100,579	688,090	284,751	1,132,475	856,015	300,256	492,429	308,323	3,402,628	1,675,439	10,731,713	7,993,020
Total unpaid claims and claim adjustment expenses	\$13,551,768	\$11,798,460	\$6,174,583	\$3,697,208	\$3,024,800	\$3,983,573	\$1,942,980	\$1,895,397	\$352,354	\$255,583	\$5,219,519	\$4,742,595	\$30,266,004	\$26,372,816

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
REQUIRED SUPPLEMENTARY INFORMATION

Claim Development Information
Year Ended June 30, 2024

Schedule 2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1. Contribution, investment and other revenues:										
Earned	\$ 16,571,157	\$ 17,186,510	\$ 17,942,015	\$ 16,739,064	\$ 18,902,237	\$ 19,629,925	\$ 25,682,707	\$ 17,142,616	\$ 26,905,617	\$ 31,225,698
Ceded	8,082,468	8,392,634	8,367,885	8,075,839	8,742,494	10,386,563	12,038,695	14,148,706	11,707,908	15,054,900
Net earned	8,488,689	8,793,876	9,574,130	8,663,225	10,159,743	9,243,362	13,644,012	2,993,910	15,197,709	16,170,798
2. Unallocated expenses	3,855,101	3,746,386	3,805,185	3,803,456	3,381,235	3,469,084	3,281,766	3,446,718	3,699,959	3,627,954
3. Estimated incurred claims and expense, end of policy year (undiscounted):										
Incurred	15,559,292	16,842,899	17,908,257	16,399,486	17,499,445	18,081,736	21,149,077	22,491,323	22,934,508	27,126,251
Ceded	8,082,468	8,392,634	8,367,885	8,075,839	8,742,494	10,386,563	12,196,438	14,148,706	11,707,908	15,054,900
Net incurred	7,476,824	8,450,265	9,540,372	8,323,647	8,756,951	7,695,173	8,952,639	8,342,617	11,226,600	12,071,351
4. Net paid (cumulative) as of:										
End of policy year	1,802,963	1,888,657	2,365,697	1,832,614	2,098,351	2,117,002	1,828,473	1,476,007	1,747,953	2,146,476
One year later	3,687,485	3,744,673	4,317,999	3,429,154	4,101,992	4,198,315	4,109,736	4,046,796	5,888,298	
Two years later	4,821,763	3,866,749	5,362,469	4,049,245	4,158,700	5,176,683	4,928,533	6,061,324		
Three years later	3,977,830	3,936,825	5,692,021	4,625,548	4,315,741	5,744,981	5,441,618			
Four years later	4,251,206	4,022,548	6,749,251	4,884,314	5,696,326	5,914,672				
Five years later	4,647,569	4,034,120	7,929,383	5,248,630	5,683,539					
Six years later	4,644,600	4,465,673	8,061,518	5,932,298						
Seven years later	4,649,825	4,521,739	8,143,491							
Eight years later	4,649,959	4,617,518								
Nine years later	4,650,029									
5. Reestimated ceded claims and expense	8,082,468	8,392,634	8,367,885	8,075,839	8,742,494	10,386,563	12,196,438	14,148,706	11,707,908	15,054,900
6. Reestimated net incurred claims and expense as of:										
End of policy year	7,476,824	8,450,265	9,540,372	8,323,647	8,756,951	7,695,173	8,952,639	8,342,617	11,226,600	12,071,351
One year later	6,965,605	6,598,016	8,926,086	6,396,099	6,259,454	7,640,492	7,799,397	9,763,930	12,151,431	
Two years later	6,531,901	5,144,403	8,603,474	6,376,477	5,422,342	8,069,473	8,120,371	10,059,844		
Three years later	5,122,602	4,665,657	8,606,523	6,562,769	6,112,547	8,340,486	8,553,331			
Four years later	4,898,921	4,555,913	9,061,080	7,380,070	6,132,876	7,969,978				
Five years later	4,785,757	4,946,613	9,292,128	7,443,274	6,305,575					
Six years later	4,726,088	5,257,087	9,298,856	7,297,479						
Seven years later	4,677,555	4,749,186	9,019,966							
Eight years later	4,663,267	4,867,790								
Nine years later	4,662,408									
7. Increase (decrease) in estimated net incurred claims and expense from end of policy year	\$ (2,814,416)	\$ (3,582,475)	\$ (520,406)	\$ (1,026,168)	\$ (2,451,376)	\$ 274,805	\$ (399,308)	\$ 1,717,227	\$ 924,831	\$ -

REQUIRED SUPPLEMENTARY INFORMATION

Reconciliation of Claims Liabilities by Type of Contract

Schedule 1 illustrates the details of unpaid claims by line of business and fiscal year.

Claims Development Information

Schedule 2 illustrates the Fund's earned revenues (net of reinsurance) and investment income compared to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as the end of the year. The rows of the table are defined as follows:

1. This line shows the total of each fiscal year's earned contribution revenues and investment revenues.
2. This line shows each fiscal year's other operating costs of the Association including overhead and claims expenses not allocable to individual claims. All un-allocable administration expenses are charged to the current year.
3. This line shows the Association's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the year.
4. This section shows the cumulative amounts paid as of the end of the year.
5. This line shows the latest re-estimated amount of claims assumed by reinsurers as of the end of the current year for each insured year.
6. These annual re-estimations result from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.
7. This line compares the latest re-estimation of incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater than or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.



STATISTICAL SECTION

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
ANNUAL COMPREHENSIVE FINANCIAL REPORT
STATISTICAL SECTION

INTRODUCTION

This Statistical Section provides a variety of data and information to better understand the Alaska Municipal League Joint Insurance Association, Inc. (Association). A majority of the analysis is related to claims information, but there are several other parts that are useful in better understanding the Association. The following summary highlights the key components of this section:

Insurance Coverage and Providers [pages 41-42]

Our Summary of Coverage and Limits begins with a visual depiction of the types of coverage that are provided, the financial responsibilities of the members, the Association's self-insured retention (SIR), and the reinsurance/excess insurance providers' commitments. Following that is a list of the companies providing coverage and their financial rating by A.M. Best, where applicable. Currently, the Association has partnered with some of the highest-rated reinsurers in the business, providing the financial security required for our members.

List of Members [pages 43-44]

As of June 30, 2024, 149 municipalities, school districts, charter schools, and REAAs were enrolled in the Association's program. This represents a large percentage of eligible members in Alaska. The Association is capable of administering and enrolling more members. Our staffing and systems are capable of growing the Association without any major changes and without requiring changes in debt capacity. As can be observed from this list, the Association's members are geographically spread throughout the entire state of Alaska.

ECONOMIC CONDITION & OUTLOOK [pages 45-47]

Alaska's economic growth has been stable, but it is fragile with heavy reliance on oil revenue, Alaska Permanent Fund, and federal funding. The state faces significant challenges, including fiscal deficits, climate changes, and the consistent decline of the working-age population. However, the state is working to diversify its economy, and modest growth is expected for the future by most measures.

The global property and casualty market has hardened with higher premiums and stricter underwriting terms in past years due to rising catastrophe losses, inflation, and climate change. However, reinsurance renewals in 2024 to date have seen a steady improvement with increased capacity and rate reductions for property catastrophe risk, according to AON's report; however, the recent two hurricanes, Helene and Milton, hitting the Gulf of Mexico coastal regions may have impact on the property reinsurance market in the future. On the other side, the workers' compensation reinsurance has been a bright spot with a long period of favorable environment, but it is facing significant pressures due to rising medical and wage inflation, increased claims severity and evolving workplace risk such as remote work.

The Association's net position decreased by \$2,217,725 to \$9,620,738 at the end of FY 2024, but still remains strong for the protection of its members. The Association increased the member's property rate for the FY 2024 renewal, and received decent investment income, however it still cannot offset the high claim and claim adjustment expenses and the increase of the reinsurance cost in FY 2024.

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
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Local government accounts for an estimated 38,676 jobs in Alaska in 2023 and plays a leading role in Alaska's communities. Our Association is aware of the pressures that our members face in managing finite resources in this economic climate, and we continue to do everything we can to provide cost-effective and stable risk financing.

Claims Data [page 48-55]

Various claims data are presented throughout this portion of the statistical section. The primary source of this information is generated from the Association's claims management system which records information on each claim that has been reported, opened, and closed since the Association's inception.

The Association's overall loss ratio is 39%. Since its inception, 16,235 claims have been filed with reported losses of \$163,324,920, against cumulative member contributions of \$419,142,912. Claims costs are displayed by policy year and line of coverage, and a pie chart displays cumulative claims paid by coverage type and the respective percentage of the total. As illustrated, the Association's workers' compensation line of coverage accounted for 53.8% of the total claims.

Additionally, two tables on page 52 display the top ten workers' compensation accidents by number of claims (frequency) and by cost (severity). The top ten types of accidents by frequency account for 84.1% of the total cost of workers' compensation claims, and the top ten types of accidents by severity account for 89%. As the illustrations on page 53 indicate, back-related Injuries are the most severe type of injury and account for 18.2% of all workers' compensation claims costs. Hand injuries are the most frequent type of injury and account for 17.6% of all injuries.

Changes in Net Position [pages 56-57]

A ten-year revenue/expense report is presented which provides for a useful trend analysis and illustrates financial category values from June 30, 2015, to June 30, 2024. Various observations may be made about the Association's solvency, liquidity, and ability to meet the members' needs.

Risk Control Services [pages 58-62]

This part of the report discusses the Association's Loss Control Incentive Program, services provided to members, and a list of loss control awards determined by a member's loss ratio for FY 2023. The mission of the risk management department is to provide efficient, valued resources and assistance to enable members to effectively identify, analyze and control risks. The risk control department's activities in reducing the frequency and severity of future claims is critical to the Association's mission of providing stable rates to its membership.

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
SUMMARY OF COVERAGES AND LIMITS
JULY 1, 2023 – JUNE 30, 2024

FY 2024
SUMMARY OF COVERAGE & LIMITS

Additional Limits Available \$100,000 Per Member ⁽¹⁾ \$1,000 Member Ded.	EXCESS LIABILITY Determined by Each Member	WORKERS' COMPENSATION Statutory Empl. Liability \$2,500,000	PROPERTY COVERAGE AMLJIA PROPERTY INSURANCE PROGRAM \$500,000,000 Per Occurrence Program Aggregate	EARTHQUAKE COVERAGE AMLJIA PROPERTY INSURANCE PROGRAM \$100,000,000 Per Occurrence/ Program Aggregate	FLOOD COVERAGE AMLJIA PROPERTY INSURANCE PROGRAM \$125,000,000 ⁽⁶⁾ Per Occurrence/ Program Aggregate	POLICE PROFESSIONAL LIABILITY GENESIS / BERKELY INSURANCE CO. \$15,500,000 Per Occurrence/ \$30,000,000 Program Aggregate
	GENESIS UNDERWRITING MGT. CO. / BERKELY INSURANCE CO. \$2,500,000 to \$15,500,000 Per Occurrence	MIDWEST/ NLC-MIC ⁽⁴⁾	\$500,000 AMLJIA SIR	2%/\$100,000 Member Deductible	\$100,000 Member Deductible ⁽⁶⁾	\$500,000 AMLJIA SIR Per Occurrence
	Alaska Municipal League Joint Insurance Association, Inc. \$500,000 Self-Insured Retention (SIR) Per Occurrence	\$750,000 AMLJIA SIR Per Occurrence	\$5,000 Member Deductible ⁽⁵⁾			
Employee Dishonesty & Crime	General Liability (2) / Automobile Liability (2) / Public Officials' Liability (2&3)	Workers' Comp., Employers' Liability	Property, EDP, Mobile Equip., Extra Expense	Earthquake Coverage	Flood Coverage	Police Prof. Liability

The Self-Insured Retention (SIR) is on a per occurrence retention. Only one retention (and limit) apply in the event of a multiple loss.

⁽¹⁾ All members receive \$100,000 limits. Additional limits are available.

⁽²⁾ Liability is offered in \$3M, \$5M, \$10.25M, and \$15M increments. Most members have \$10.25M, though some have lower limits.

⁽³⁾ Employment Related Practices Coverage has a sublimit of \$10 million with a \$10,000 member deductible.

⁽⁴⁾ National League of Cities Mutual Insurance Co. (NLC-MIC) has a \$1.25 million layer between AMLJIA and Midwest Employers' Casualty Company.

⁽⁵⁾ Some members have chosen higher deductibles. EDP has a \$500 member deductible.

⁽⁶⁾ Zones A & V: \$250,000 deductible; \$125,000,000 limit

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
ANNUAL COMPREHENSIVE FINANCIAL REPORT
STATISTICAL SECTION

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.

*Reinsurance and Excess Insurance Coverage
July 1, 2023 to July 1, 2024*

COMPANY	INVOLVEMENT	BEST'S RATING
LIABILITY		
GENESIS UNDERWRITING MANAGEMENT COMPANY	General Liability, Auto Liability, Public Officials' Liability & Police Professional Liability 50% Quota Share of Limits: \$15,000,000 excess of \$500,000 AMLJIA SIR. \$150,000,000 Aggregate, \$30,000,000 Police Professional Liability Aggregate Member deductible: Various	A++ XV
BERKLEY INSURANCE COMPANY	General Liability, Auto Liability, Public Officials' Liability & Police Professional Liability 50% Quota Share of Limits: \$15,000,000 excess of \$500,000 AMLJIA SIR. \$150,000,000 Aggregate, \$30,000,000 Police Professional Liability Aggregate, Member deductible: Various	A+ XV
NATIONAL LEAGUE OF CITIES MUTUAL INSURANCE CO.	Workers' Compensation Limits: \$1,250,000 excess of \$750,000 AMLJIA SIR Employers' Liability Limits: \$1,250,000 excess of \$750,000 AMLJIA SIR Member deductible: \$0*	
MIDWEST EMPLOYERS CASUALTY COMPANY	Workers' Compensation Limits: Statutory excess of \$2,000,000. Employers' Liability Limits: \$1,000,000 excess of \$2,000,000 Member deductible: \$0*	A XIV
PROPERTY		
AMLJIA PROPERTY INSURANCE PROGRAM	Property, Fire, and All Risk Coverage Limits: \$500,000,000 per occurrence, \$500,000 per Occurrence Deductible with \$1,500,000 Annual Aggregate Member deductible: Various Earthquake Limits: \$100,000,000 per occurrence Member deductible: 2% with \$500,000 minimum Flood Limits: \$125,000,000 per occurrence Deductible: \$500,000 Boiler and Machinery Comprehensive Coverage Form Limits: \$100,000,000 Combined Limit Member deductible: Various (\$25,000 minimum)	(Various) A

*Kenai Peninsula Borough has \$250,000 SIR

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
ANNUAL COMPREHENSIVE FINANCIAL REPORT
STATISTICAL SECTION

MEMBERS AS OF JUNE 30, 2024

Municipalities - 127 Total

City of Adak	City of Hoonah	City of Nunapitchuk
City of Akhiok	City of Hooper Bay	City of Old Harbor
City of Akiak	City of Houston	Old Harbor Tank Farm
City of Akutan	City of Hughes	City of Ouzinkie
City of Alakanuk	City of Huslia	City of Pelican
City of Aleknagik	Ignatchiaq Electric Company	City of Pilot Point
Aleutians East Borough	City of Kachemak	Pilot Point Electrical
City of Allakaket	City of Kake	City of Pilot Station
City of Ambler	City of Kaktovik	City of Platinum
City of Anaktuvuk Pass	City of Kaltag	City of Point Hope
Anchorage Community Development Authority	City of Kasaan	City of Port Alexander
City of Anderson	City of Kenai	City of Port Heiden
City of Angoon	Kenai Peninsula Borough	City of Quinhagak
City of Anvik	City of Kiana	City of Ruby/Ruby Electric
City of Atka	City of King Cove	City of Russian Mission
City of Atkasuk	City of Kobuk	Russian Mission Gaming
City of Bettles	City of Kodiak	City of Saint George
City of Chefnak	Kodiak Island Borough	City of Saint Mary's
City of Chevak	City of Kotlik	City of Sand Point
City of Chignik	City of Kotzebue	City of Savoonga
City of Chuathbaluk	City of Koyuk	City of Saxman
City of Clark's Point	City of Koyukuk	City of Scammon Bay
City of Coffman Cove	City of Kwethluk	City of Seldovia
City of Cold Bay	Lake & Peninsula Borough	City of Seward
Denali Borough	City of Larsen Bay	City of Shaktoolik
City of Diomedea	City of Manokotak	City of Shishmaref
Diomedea Joint Utility	City of Mekoryuk	City of Shungnak
City of Eagle	City of McGrath	City of Soldotna
City of Eek	City of Mountain Village	City of Tanana
City of Egegik	City of Napakiak	City of Teller
City of Ekwok	City of Napaskiak	City of Tenakee Springs
City of Emmonak	City of Nenana	City of Thorne Bay
City of Fairbanks	City of New Stuyahok	City of Togiak
City of False Pass	City of Newhalen	City of Toksook Bay
City of Fort Yukon	City of Nightmute	City of Unalakleet
City of Galena	City of Nikolai	City of Upper Kalskag
City of Gambell	City of Nome	City of Utqiagvik (Barrow)
City of Golovin	City of Noorvik	City of Valdez
City of Goodnews Bay	City of North Pole	City of Wainwright
City of Grayling	Northwest Arctic Borough	City of Wales
City of Holy Cross	City of Nuiqsut	City of White Mountain
City of Homer	City of Nulato	City & Borough of Yakutat
	City of Nunam Iqua	

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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MEMBERS AS OF JUNE 30, 2024

School Districts and Charter Schools – 22 Total

Alaska Gateway School District	Nenana City School District
Aleutians East Borough School District	Nome Public Schools
Bristol Bay Borough School District	North Slope Borough School District
Dillingham City School District	Pelican City School District
Frontier Charter School	Pribilof School District
Galena School District	Southeast Island School District
Haines Borough School District	Tanana City School District
Hoonah School District	Valdez City School District
Ilisagvik College	Yakutat School District
Kake City School District	Yukon Flats School District
Kodiak Island Borough School District	Yukon-Koyukuk School District

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
ANNUAL COMPREHENSIVE FINANCIAL REPORT
STATISTICAL SECTION

ECONOMIC CONDITION & OUTLOOK

Thirty-six years after its formation, the Association's financial position has remained stable, and the membership remains steady. Our projected contributions in the fiscal year 2025 are \$30.6 million.

The Association operates in downtown Anchorage, Alaska, and currently employs 13 full-time staff. Anchorage, Alaska's largest city, had an estimated population of 289,653 in 2023 and accounts for 39.3% of the state's population. The population was slightly down from the prior year; however, Anchorage has lost more than 17,000 working-age residents over the past decade. The Anchorage Economic Development Corporation's (AEDC) says that modest economic growth is expected over the coming years by most measures with the expectation of large new oil development and federal infrastructure funding, but the loss of the working-age population has likely contributed to staffing shortage across multiple industries.

The State of Alaska Department of Labor, Division of Research and Analysis, estimates Alaska's statewide population in 2023, at 736,812, which increased 256 based on the previous year's population. The average annual growth rate of Alaska's population was estimated at 0.14% between 2020 and 2023. While the total change has stayed positive, Alaska's 11-year streak of net migration losses is the state's longest historically and has hindered total population growth in the state.

Total wages for the state of Alaska in 2023 were \$22,365,125,317 for all industry sectors. The average monthly employment was 328,532. According to the Bureau of Economic Analysis, per capita personal income for 2023 was \$71,616, which is ranked as #15 in the nation, compared to the national figure of \$68,531.

Based upon preliminary January to December 2023 wage and salary employment data, there was an estimated monthly average of 328,532 non-farm jobs in Alaska. Of those, 44.6% are located in the Municipality of Anchorage, 11.3% in the Fairbanks North Star Borough and 11.2% in the Southeast region. The remaining 32.9% are scattered across the rest of the state with the heaviest concentrations in the Matanuska-Susitna Borough and the Kenai Peninsula Borough. The state's ten largest industries are listed below based on the annual employment and wages from January to December 2023:

ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION, INC.
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Industry	Employment	Rank	Percentage of Total State Employment
Health Care and Social Assistance	48,238	1	14.7%
Local Government ¹	38,676	2	11.8%
Leisure and Hospitality	35,717	3	10.9%
Retail Trade	35,221	4	10.7%
Professional and Business Services	28,178	5	8.6%
State Government ²	23,071	6	7.0%
Transportation and Warehousing	21,572	7	6.6%
Construction	17,128	8	5.2%
Federal Government ³	15,203	9	4.6%
Manufacturing	12,777	10	3.9%
Total of Above Categories	275,781		84.0%
Total Average Monthly Employment	328,532		

¹Includes public school systems and tribal government

²Includes the University of Alaska

³Excludes uniformed military

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Over the past several years Alaska has transitioned from depending primarily on oil revenues to fund government, to depending primarily on investment revenues. According to the Department of Revenue Sources Book Fall 2023, the Permanent Fund Earnings Reserve, as authorized by the enactment of Senate Bill 26 in 2018, transferred roughly \$3.3 billion to the State of Alaska Unrestricted General Fund (UGF) for FY 2023. It is estimated to transfer \$3.5 billion to the general fund in FY 2024 and \$3.7 billion for FY 2025 based on the Department of Revenue Spring 2023 Revenue Forecast. These amounts include funds that are available for general government spending, such as the Community Assistance Fund provided for local governments and school districts. The Permanent Fund transfer remains a large source of UGF revenue, forecasted to contribute 54% of UGF for FY 2024, and it is projected to contribute a range of 54% to 62% for each of the next ten years.

Although oil and gas is no longer the only large revenue source to UGF, it still plays a significant role in Alaska's economy. According to the Department of Revenue, Tax Division's Revenue Sources Book Fall 2023, petroleum revenue of roughly \$3.1 billion contributed to FY 2023's UGF, accounting for 83.8% of all other revenue sources excluding transfers from Permanent Fund in UGF.

During FY 2023, Alaska North Slope (ANS) oil price averaged \$86.63 per barrel and ANS oil production averaged 479,400 barrels per day. The Department of Revenue updated its estimates of the oil price at \$84.08 per barrel for FY 2024, and \$78.00 per barrel for FY 2025 according to the Department of Revenue Spring 2024 Revenue Forecast. Based on these estimates, the Alaska Department of Revenue forecasted unrestricted revenue of \$3.0 billion for FY 2024, and \$2.8 billion for FY 2024 before accounting for the transfer from the Permanent Fund Earnings Reserve. ANS oil production is expected to average 467,600 barrels per day for FY2024 and 476,800 barrels per day for FY 2025, respectively, before climbing to 641,100 barrels per day by FY 2034.

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Many people might not think of local government as an industry. Its role and economic impact on Alaska's communities, however, is substantial. Local government has been one of largest segments of Alaska's economy for a long time. It creates thousands of jobs in a wide variety of occupations, and its employees provide essential services to virtually everyone in the state. In many areas of Alaska, local government is often one of the main employers. Sometimes, it is the only major employer. The local governments have been working at the front line to protect public health and support State and Federal efforts.

Alaska's heavy reliance on investment and petroleum revenues challenge our economy. With Alaska's unique geographic location and the volatility of oil prices, the state's economic growth remains behind other states in the country. There are indicators suggesting optimistic outlook about the economy due to Alaska's increasing importance as a national strategic location for military operations and transportation. Alaska economists believe that the ripple effect from the federal infrastructure bill and large new oil development will help the economy statewide. The projects will create jobs, and improvements will lay the foundation for further economic growth. However, Alaska labor force shortages and the volatility of investment markets and oil price add more uncertainties to Alaska's economic growth in the future.

According to the U.S. Bureau of Labor Statistics current population survey (CPS), the not seasonally adjusted unemployment rate for Alaska in August 2024 was 4.6%. The state unemployment rate has been higher than the national rate of 4.2% for many years. A special caution should be noted regarding Alaska's unemployment. Rural Alaska's unemployment rate is likely understated. Jobs are scarce in rural Alaska, and communities are off the road system. Commuting to other villages to look for work usually involves aircraft and boats. Both expensive and discouraging, it is impractical, and many residents do not actively seek work. Instead, they rely on a subsistence way of life that has been a mainstay of Alaska's culture for millennia.

The global property and casualty (P&C) market has hardened with higher premiums and stricter underwriting terms in past years due to rising catastrophe losses, social inflation, and climate change. However, according to AON's Ultimate Guide to Reinsurance, reinsurance renewals in January 2024 to date have seen a steady improvement with increased capacity and rate reductions for property catastrophe risk. The casualty renewals in the middle of 2024 were broadly stable as well. Casualty rates were generally flat to a single-digit increase on a risk-adjustment basis and capacity remains sufficient. With the exceptional results over the past 18 months and improving capital, the outlook for the P&C reinsurance market is heading in a positive direction. The workers' compensation reinsurance has been a bright spot with a long period of favorable environment compared to P&C reinsurance market, but it is facing significant pressures due to rising medical and wage inflation, increased claims severity and evolving workplace risk such as remote work.

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CLAIMS DATA

In FY 2024, the Association celebrated another year of operation with a strong history of support and service to Alaska's cities, boroughs, and school districts. As of June 30, 2024, the Association's claims department included a staff of five experienced employees and one workers' compensation claims assistant. One gauge people use to measure the Association is the quality of service. Nowhere is this more important than in the efficient handling of claims. When a member calls to report a loss, they deserve courteous treatment, knowledgeable support, and timely processing of claims.

When comparing losses by year, it is important to remember that the number of members varies each year; therefore, the number of losses and their associated undiscounted total cost will also vary. To help normalize this, the following tables break this down further to show the loss ratio for each line of coverage by policy year. It is also important to recognize that the estimated reserve totals for the more recent years tend to drop as the claims close.

Projected Ultimate Limited Losses by Line of Coverage by Policy Year as of June 30, 2024

Policy Year	Number of Claims	Ultimate Ltd. Losses	Member Contributions	Loss Ratio
Prior Years	11,359	\$ 77,221,201	\$ 225,472,004	34%
2014	467	5,123,359	13,697,372	37%
2015	436	4,720,929	14,881,252	32%
2016	442	4,876,701	15,603,605	31%
2017	501	8,975,254	15,379,359	58%
2018	439	7,239,496	14,835,158	49%
2019	429	6,264,881	16,070,843	39%
2020	437	7,881,327	16,648,236	47%
2021	430	8,349,761	17,946,739	47%
2022	441	9,768,259	18,838,287	52%
2023	438	11,481,693	23,810,920	48%
2024	416	11,422,059	25,959,137	44%
Total	16,235	\$ 163,324,920	\$ 419,142,912	39%

Note: All claims figures are derived from the Association's actuarial report as of June 30, 2024. Projected ultimate limited losses are net paid at limits and net reserves; they are undiscounted, and include incurred but not reported losses, are net of recoverable, and are at their self-insured retention limits.

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Loss Ratio by Line of Coverage for all Policy Years as of June 30, 2024

AUTO LIABILITY

Policy Year	Number of Claims	Ultimate Ltd. Losses	Member Contributions	Loss Ratio
Prior Years	641	\$ 2,393,823	\$ 11,214,009	21%
2014	13	46,141	445,205	10%
2015	7	19,023	463,682	4%
2016	8	366,266	468,872	78%
2017	6	390,183	481,385	81%
2018	7	11,030	459,932	2%
2019	7	46,196	475,442	10%
2020	15	388,949	519,311	75%
2021	17	53,934	552,521	10%
2022	15	409,000	547,240	75%
2023	17	237,000	587,874	40%
2024	27	275,000	583,799	47%
Total	780	\$ 4,636,545	\$ 16,799,272	28%

GENERAL & PUBLIC OFFICIALS' LIABILITY

Policy Year	Number of Claims	Ultimate Ltd. Losses	Member Contributions	Loss Ratio
Prior Years	1,483	\$ 20,831,043	\$ 61,500,246	34%
2014	42	910,202	2,915,680	31%
2015	52	303,483	3,144,980	10%
2016	54	1,082,913	3,112,942	35%
2017	31	1,619,636	2,803,309	58%
2018	38	2,031,157	2,866,301	71%
2019	50	893,147	3,174,932	28%
2020	41	1,714,473	2,985,721	57%
2021	37	1,970,356	3,101,219	64%
2022	27	1,690,352	3,231,154	52%
2023	38	2,511,393	3,987,722	63%
2024	22	2,002,059	4,408,375	45%
Total	1,915	\$ 37,560,214	\$ 97,232,581	39%

POLICE LIABILITY

Policy Year	Number of Claims	Ultimate Ltd. Losses	Member Contributions	Loss Ratio
Prior Years	181	\$ 4,165,725	\$ 10,335,027	40%
2014	8	405,943	832,829	49%
2015	4	543,798	890,614	61%
2016	5	178,178	1,059,891	17%
2017	10	485,066	923,844	53%
2018	8	601,254	757,718	79%
2019	5	738,337	820,501	90%
2020	3	372,669	812,303	46%
2021	4	351,328	1,201,093	29%
2022	1	872,892	1,185,741	74%
2023	3	725,800	1,344,477	54%
2024	2	501,000	1,250,586	40%
Total	234	\$ 9,941,990	\$ 21,414,624	46%

WORKERS' COMPENSATION

Policy Year	Number of Claims	Ultimate Ltd. Losses	Member Contributions	Loss Ratio
Prior Years	8,427	\$ 45,253,509	\$ 84,569,567	54%
2014	345	3,024,000	5,713,883	53%
2015	332	2,985,000	6,409,488	47%
2016	331	2,496,000	6,688,530	37%
2017	384	5,548,000	6,943,030	80%
2018	342	3,794,000	6,729,423	56%
2019	317	2,423,000	7,274,573	33%
2020	330	3,758,000	6,673,491	56%
2021	316	4,766,000	6,575,274	72%
2022	340	4,367,000	5,770,749	76%
2023	324	4,303,000	6,936,969	62%
2024	326	5,178,000	6,966,270	74%
Total	12,114	\$ 87,895,509	\$ 157,251,247	56%

PROPERTY

Policy Year	Number of Claims	Ultimate Ltd. Losses	Member Contributions	Loss Ratio
Prior Years	627	\$ 4,577,101	\$ 57,853,155	8%
2014	59	737,073	3,789,775	19%
2015	41	869,625	3,972,488	22%
2016	44	753,344	4,273,370	18%
2017	70	932,369	4,227,791	22%
2018	44	802,055	4,021,784	20%
2019	50	2,164,201	4,325,395	50%
2020	48	1,647,236	5,657,410	29%
2021	56	1,208,143	6,516,632	19%
2022	58	2,429,015	8,103,403	30%
2023	56	3,704,500	10,953,878	34%
2024	39	3,466,000	12,750,107	27%
Total	1,192	\$ 23,290,662	\$ 126,445,188	18%

Note: All claims figures are derived from the Association's actuarial report as of June 30, 2024. Projected ultimate limited losses are net paid at limits and net reserves; they are undiscounted, and include incurred but not reported losses, are net of recoverable, and are at their self-insured retention limits.

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To break down the loss data further, we examine the losses by line of coverage and the average cost per claim by policy year.

Claims & Losses by Line of Coverage for all Policy Years as of June 30, 2024

AUTO LIABILITY

Policy Year	Number of Claims	Ultimate Ltd. Losses	Avg Cost Per Claim
Prior Years	641	\$ 2,393,823	\$ 3,735
2014	13	46,141	3,549
2015	7	19,023	2,718
2016	8	366,266	45,783
2017	6	390,183	65,031
2018	7	11,030	1,576
2019	7	46,196	6,599
2020	15	388,949	25,930
2021	17	53,934	3,173
2022	15	409,000	27,267
2023	17	237,000	13,941
2024	27	275,000	10,185
Total	780	\$ 4,636,545	\$ 5,944

GENERAL & PUBLIC OFFICIALS' LIABILITY

Policy Year	Number of Claims	Ultimate LTD. Losses	Avg Cost Per Claim
Prior Years	1,483	\$ 20,831,043	\$ 14,047
2014	42	910,202	21,671
2015	52	303,483	5,836
2016	54	1,082,913	20,054
2017	31	1,619,636	52,246
2018	38	2,031,157	53,452
2019	50	893,147	17,863
2020	41	1,714,473	41,816
2021	37	1,970,356	53,253
2022	27	1,690,352	62,606
2023	38	2,511,393	66,089
2024	22	2,002,059	91,003
Total	1,915	\$ 37,560,214	\$ 19,614

POLICE LIABILITY

Policy Year	Number of Claims	Ultimate Ltd. Losses	Avg Cost Per Claim
Prior Years	181	\$ 4,165,725	\$ 23,015
2014	8	405,943	50,743
2015	4	543,798	135,950
2016	5	178,178	35,636
2017	10	485,066	48,507
2018	8	601,254	75,157
2019	5	738,337	147,667
2020	3	372,669	124,223
2021	4	351,328	87,832
2022	1	872,892	872,892
2023	3	725,800	241,933
2024	2	501,000	250,500
Total	234	\$ 9,941,990	\$ 42,487

WORKERS' COMPENSATION

Policy Year	Number of Claims	Ultimate Ltd. Losses	Avg Cost Per Claim
Prior Years	8,427	\$ 45,253,509	\$ 5,370
2014	345	3,024,000	8,765
2015	332	2,985,000	8,991
2016	331	2,496,000	7,541
2017	384	5,548,000	14,448
2018	342	3,794,000	11,094
2019	317	2,423,000	7,644
2020	330	3,758,000	11,388
2021	316	4,766,000	15,082
2022	340	4,367,000	12,844
2023	324	4,303,000	13,281
2024	326	5,178,000	15,883
Total	12,114	\$ 87,895,509	\$ 7,256

PROPERTY

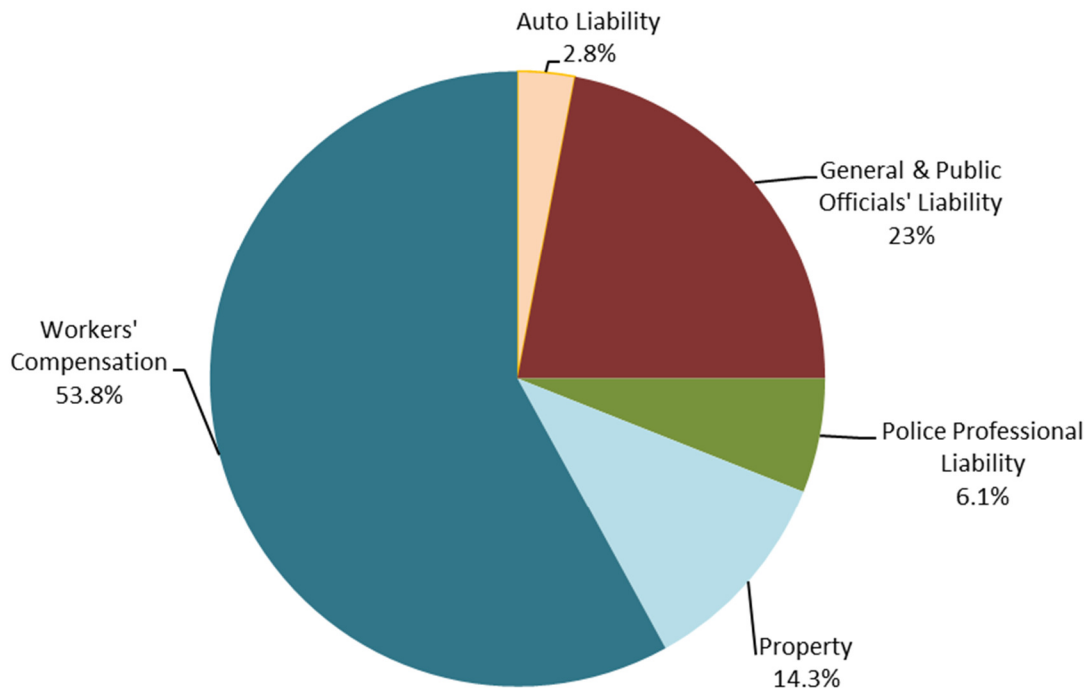
Policy Year	Number of Claims	Ultimate Ltd. Losses	Avg Cost Per Claim
Prior Years	627	\$ 4,577,101	\$ 7,300
2014	59	737,073	12,493
2015	41	869,625	21,210
2016	44	753,344	17,121
2017	70	932,369	13,320
2018	44	802,055	18,229
2019	50	2,164,201	43,284
2020	48	1,647,236	34,317
2021	56	1,208,143	21,574
2022	58	2,429,015	41,880
2023	56	3,704,500	66,152
2024	39	3,466,000	88,872
Total	1,192	\$ 23,290,662	\$ 19,539

Note: All claims figures are derived from the Association's actuarial report as of June 30, 2024. Projected ultimate limited losses are net paid at limits and net reserves; they are undiscounted, and include incurred but not reported losses, are net of recoverable, and are at their self-insured retention limits.

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The pie chart below shows the percentage of costs for each line of coverage for the entire history of the program. As in the previous charts, this pie chart shows workers' compensation claims to be greater in costs than all other claims combined, accounting for 53.8% of total costs of all losses for all policy years combined.

**Losses by Line of Coverage for All Policy Years
As of June 30, 2024**



Therefore, it makes sense that the Association is focusing even more on reducing workers' compensation claims costs and related expenses. The Loss Control Incentive Program was developed for this reason. Additionally, pool members are encouraged to utilize their Safety Savings Accounts to purchase safety equipment such as personal protective equipment to target specific areas of high loss frequency in the workers' compensation line of coverage. The Association's staff continues to foster transitional return to work practices as a tool to help get workers back to productive employment as soon as medically possible while providing a reduction in workers' compensation costs paid by employers and the Association alike.

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The following tables show the top ten most common workers' compensation accidents by number of claims and total costs for all policy years.

TOP TEN WORKERS' COMPENSATION ACCIDENTS BY NUMBER OF CLAIMS (FREQUENCY)

For Period Ending June 30, 2024

Type of Accident	Total Claims	Total Cost	% of Total Claims
Strain or Injury by	2,832	\$ 25,676,655	23.4%
Fall, Slip, or Trip	2,678	27,366,352	22.1%
Struck Or Injured By	1,096	6,949,420	9.1%
Cut, Puncture, Scrape Injured By	902	1,786,621	7.5%
Burn or Scald - Heat or Cold Exposures - Contact W	726	1,001,696	6.0%
Striking Against or Stepping On	504	1,966,637	4.2%
Motor Vehicle	467	4,913,490	3.9%
Absorption, Ingestion or Inhalation, NOC	454	1,905,246	3.8%
Foreign Matter (Body) in Eye(s)	362	147,930	3.0%
Foot Pursuit	136	366,084	1.1%
Total Cost of Top Ten WC Claims by Frequency	10,157	\$ 72,080,131	84.1%

TOP TEN WORKERS' COMPENSATION ACCIDENTS BY COST OF CLAIMS (SEVERITY)

For Period Ending June 30, 2024

Type of Accident	Total Claims	Total Cost	% of Total Cost
Fall, Slip, or Trip	2,678	\$ 27,366,352	32.4%
Strain or Injury by	2,832	25,676,655	30.4%
Struck Or Injured By	1,096	6,949,420	8.2%
Motor Vehicle	467	4,913,490	5.9%
Gunshot	46	2,008,272	2.4%
Striking Against or Stepping On	504	1,966,637	2.3%
Absorption, Ingestion or Inhalation, NOC	454	1,905,246	2.2%
Cut, Puncture, Scrape Injured By	902	1,786,621	2.1%
Caught in, under, or between	106	1,582,597	1.9%
Burn or Scald - Heat or Cold Exposures - Contact W	726	1,001,696	1.2%
Total Cost of Top Ten WC Claims by Severity	9,811	\$ 75,156,986	89.0%

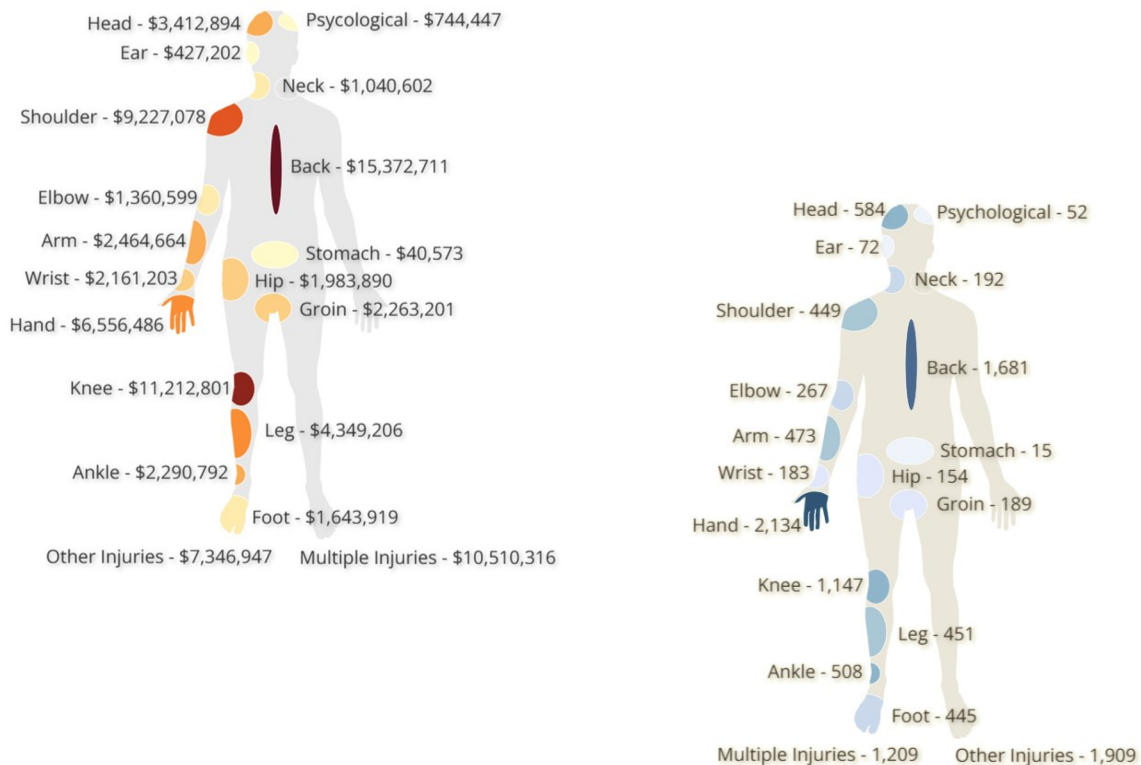
Note: All figures are from the Association's loss run as of June 30, 2024. The number of claims listed includes those that did not result in financial loss. Total costs are undiscounted, do not include incurred but not reported losses, are net of recoverable, and are at their self-insured retention limits.

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As the tables on the previous page show, Strains and Fall/Slip/Trip type accidents account for the majority of workers' compensation injuries in both cost and number of claims. More specifically, 28% of strain claims cost are caused by jumping and leaping and 18.9% by lifting. Almost twenty-eight percent (27.7%) of Fall/Slip/Trip claims cost occurred on ice or snow and 13.4% on stairs. The hand, back, and knee are the most vulnerable body parts during these types of accidents and are reflected in the illustrations below.* Back-related injuries are most severe type of injury and account for 18.2% of all claims costs, and hand injuries are most frequent type of injury and account for 17.6% of all injuries.

SEVERITY & FREQUENCY OF CLAIMS BY BODY PART FOR ALL POLICY YEARS

As of June 30, 2024



Note: All figures are from the Association's loss run as of June 30, 2024. The number of claims listed includes those that did not result in financial loss. Total costs are undiscounted, do not include incurred but not reported losses, are net of recoverable, and are at their self-insured retention limits.

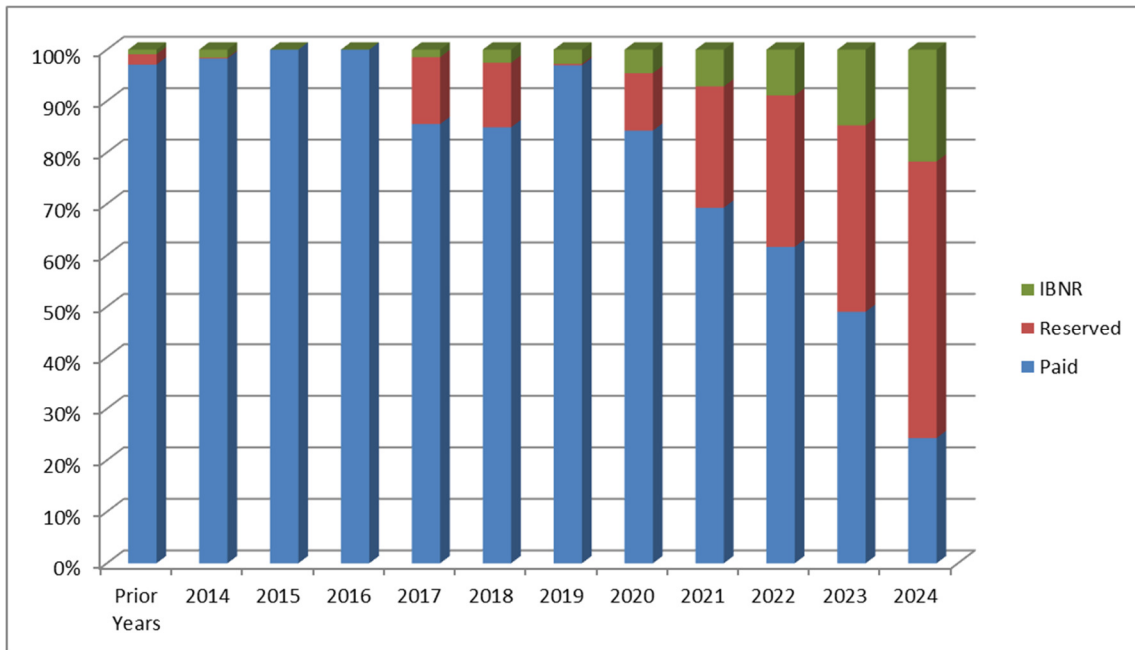
*There are changes on the grouping of claims based on the body parts this year. Some claims have been regrouped based on the description of injuries.

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Workers' compensation claims typically fall into two categories. The majority of claims are small, medical-only claims with no time loss benefits. Fewer in number but far more costly are the claims with time loss or death benefits. These more complicated claims often take years to be resolved, as can be seen in the following chart where there are still some open reserves from years prior to FY 2014.

WORKERS' COMPENSATION CLAIMS DEVELOPMENT

As of June 30, 2024

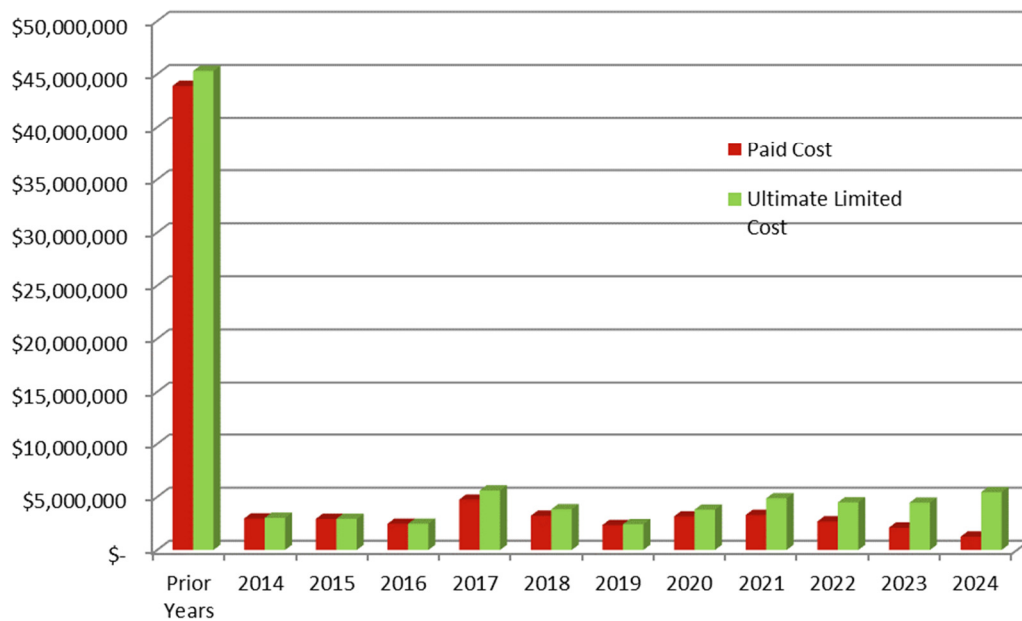


Note: Paid and reserved amounts are from the Association's loss run as of June 30, 2024. These amounts are undiscounted loss amounts at their self-insured retention limits. Incurred but not reported losses (IBNR) are from Selective Actuarial Services' actuarial study of AMLJIA programs as of June 30, 2024.

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In the chart below, you can see that the cost of workers' compensation claims in the Association had been fairly steady for the past decade at the range of about \$3 million per year. However, the amounts in more recent years fluctuated more significantly, and more years have approached to or above \$5 million in the policy year.

WORKERS' COMPENSATION CLAIMS COSTS
As of June 30, 2024



Note: Paid costs are from the Association's loss run as of June 30, 2024. The ultimate limited costs are undiscounted loss at their self-insured retention limit, including incurred but not reported losses (IBNR) and unallocated loss adjustment expenses (ULAE). Incurred but not reported (IBNR) and unallocated loss adjustment expenses (ULAE) are from Selective Actuarial Services' actuarial study of AMLJIA programs as of June 30, 2024.

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CHANGE IN NET POSITION & MEMBER CONTRIBUTIONS FOR THE FISCAL YEARS ENDED

The following table shows the change in net position over the past ten fiscal years.

	06/30/24	06/30/23	06/30/22	06/30/21
Operating Revenues:				
Member contributions	\$26,289,573	\$23,342,540	\$19,271,135	\$17,616,629
Other income	1,335,276	1,216,912	1,128,573	1,255,417
Total Operating Revenues	27,624,849	24,559,452	20,399,708	18,872,046
Operating Expenses:				
Loss and loss adjustment expense	14,760,569	12,980,178	10,323,644	9,377,986
Other claims expense	891,226	961,925	871,128	841,319
Excess and other insurance	15,054,900	11,707,908	14,148,706	12,038,695
General and administrative	2,708,713	2,713,308	2,550,864	2,412,144
Depreciation and amortization	28,015	24,726	24,726	28,303
Total Operating Expenses	33,443,423	28,388,045	27,919,068	24,698,447
Net Operating Income (Loss)	(5,818,574)	(3,828,593)	(7,519,360)	(5,826,401)
Non-Operating Revenues and (Expenses)				
Investment income (loss)	3,555,363	2,151,742	(3,291,302)	6,775,432
Rental income	195,494	194,422	191,140	192,972
Rental expense	(150,008)	(147,850)	(156,930)	(157,743)
Net Non-Operating Income (Loss)	3,600,849	2,198,314	(3,257,092)	6,810,661
Change in Net Position	(2,217,725)	(1,630,279)	(10,776,452)	984,260
Beginning Net Position	11,838,463	13,468,742	24,245,194	23,260,934
Ending Net Position	\$9,620,738	\$11,838,463	\$13,468,742	\$24,245,194
Investment in Capital Assets	1,043,594	1,080,066	1,132,984	1,185,901
Unrestricted Net Position	8,577,144	10,758,397	12,335,758	23,059,293
Total Net Position	\$9,620,738	\$11,838,463	\$13,468,742	\$24,245,194

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06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15
\$17,011,610	\$16,050,414	\$14,856,041	\$15,026,676	\$15,390,441	\$15,027,585
785,050	607,258	506,752	406,977	665,569	611,918
17,796,660	16,657,672	15,362,793	15,433,653	16,056,010	15,639,503
5,927,891	5,561,007	5,748,126	6,690,849	5,583,521	5,316,209
838,375	822,558	950,439	867,538	1,068,265	978,259
10,386,563	8,742,494	8,075,839	8,367,885	8,392,634	8,082,468
2,409,598	2,496,003	2,785,659	2,867,307	2,747,599	2,944,667
62,887	62,674	67,358	70,340	70,828	39,036
19,625,314	17,684,736	17,627,421	18,863,919	17,862,847	17,360,639
(1,828,654)	(1,027,064)	(2,264,628)	(3,430,266)	(1,806,837)	(1,721,136)
1,667,259	2,080,363	1,377,979	2,333,557	934,169	728,223
166,006	164,202	160,184	174,805	196,331	203,431
(158,224)	(191,089)	(161,892)	(170,800)	(126,724)	(119,783)
1,675,041	2,053,476	1,376,271	2,337,562	1,003,776	811,871
(153,613)	1,026,412	(888,357)	(1,092,704)	(803,061)	(909,265)
23,414,547	22,388,135	23,276,492	24,369,196	25,172,257	26,081,522
\$23,260,934	\$23,414,547	\$22,388,135	\$23,276,492	\$24,369,196	\$25,172,257
1,242,397	1,225,024	1,307,139	1,401,438	1,498,719	1,545,149
22,018,537	22,189,523	21,080,996	21,875,054	22,870,477	23,627,108
\$23,260,934	\$23,414,547	\$22,388,135	\$23,276,492	\$24,369,196	\$25,172,257

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RISK CONTROL & MEMBER SERVICES

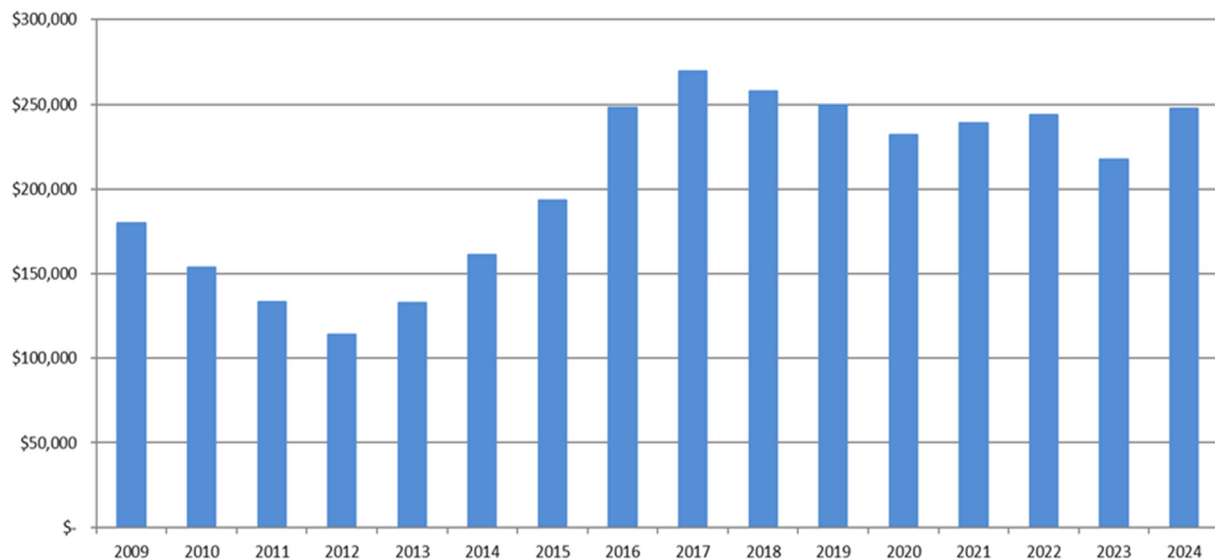
The Association has assembled a variety of programs to help members control claims and claims costs.

Loss Control Incentive Program. The Association introduced this activity-based safety incentive program on October 1, 2005, to help members reduce losses and control costs. Members implementing this program may earn up to a 5% reduction on their contributions for performing specific loss control activities and meeting reporting requirements. Earned discounts are applied towards the following year's contributions.

Eligibility requires members to participate in the core program of coverage. Credits are applied by individual line of coverage and apply only to property, general liability, and workers' compensation. The Association provides all pool members with the materials and support necessary to successfully implement the program.

In FY 2024, 22 members elected to participate in the program, earning \$247,704 in credits that were applied to their FY 2025 contributions. Members that maintain longevity in the program often see, on average, an increase in credit returned. We see some reduction in loss frequency for some participating members, and we are confident it has raised the level of safety awareness in the membership as well as put us in more frequent communication with our members on health and safety issues.

Loss Control Incentive Program Credits Earned at the end of the Fiscal Year



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Public Entity Risk Management Seminar. This annual seminar provides public entities with the necessary tools needed to understand, design, and implement practical and effective risk management practices. Topics range from occupational health and safety and risk management to personnel management. In 2024, the AMLJIA once again held a successful conference with 15 member entities in attendance. More than half of the conference attendees also participated in the OSHA 10-Hour General Industry training offered prior to the conference. Seminar evaluations were very positive and affirmed the value of training opportunities.

Website. Member resources, support, and training are available at www.amljia.org. Members can access online training, request coverage changes, and file claims electronically. The website is updated on a regular basis and continues to be improved to meet member needs.

Online Training. The AMLJIA Online University is an interactive web-based safety training program accessible 24 hours/day. In FY 2024, member employees completed 5,504 health and safety and human resource management courses. This valuable training resource is provided to the membership at no additional cost, complements other training and services the Association provides to the membership, and is used consistently, enhancing member safety programs and training needs.

Safety Savings Account. The Safety Savings Account is a useful member resource for safety equipment purchases. 16 members utilized their savings accounts in FY24 to purchase more than \$19,000 in safety equipment and supplies. Each year, members receive notification of their current balance along with a list of the top ten losses by frequency and by severity (cost) to help direct their purchases.

Ballistic Vest Reimbursement Program. The average ballistic vest for law enforcement costs nearly \$1,500, must be fitted to the individual officer, and must be replaced at least every five years. This program, implemented by the Association in 2017, reimburses member law enforcement agencies up to 50% of the cost of approved ballistic vests. Agencies must submit an application and verify the agency meets program requirements. In FY 2024, eight member agencies applied and received funds for the purchase of 23 ballistic vests. Since inception, this program has helped member agencies purchase more than 100 ballistic vests to protect law enforcement officers.

Police Professional Liability. The Association contracts with Russell Consulting, LLC, for police professional liability consulting services. This valuable service also helps members with internal issues such as sexual harassment investigations, hostile work environment allegations, police misconduct, use-of-force issues, public safety technology identification and acquisition, community relations, policy development, on-site visits, and ALICE® training. Mr. Russell also provides training to member entities on a variety of topics such as effective communication skills.

Personal History Background Checks. The Association offers professionally prepared personal history background checks for our member organizations. Four levels of screening services are available. The Association provides this service in partnership with Russell Consulting, LLC. This service continues to gain favor among the membership with 59 requests from members for pre-employment background checks or vetting in FY 2024. Studies show that good hiring practices are the best defense against theft, fraud, embezzlement, and lawsuits. Employers with a reasonable and consistently followed pre-employment background check process can greatly reduce their exposure to negligent hiring claims. This service is provided at nominal cost to AMLJIA members.

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Resources. The Association allocates significant resources to helping members with their efforts to control the human and financial consequences of loss. With an exceptional loss control team, the Association delivers quality loss control services to members. The loss control staff receive training and education on an on-going basis to sharpen their skills and stay on top of emerging issues. Loss control services are evaluated annually to determine their value to the membership, effectiveness in preventing or reducing losses, and efficiency of their delivery. Services that do not score well in any or all of these categories are either restructured or discontinued.

Services are customized to meet member's needs and may be expanded depending on the loss control and risk management requirements of the membership. The services listed below are provided to members at no additional cost:

- **On-Site Safety & Liability Consulting**
On-site evaluation and review of all entity operations and properties by the Association's risk control specialists. Following review, an illustrated report is provided, identifying areas of potential risk or hazard to employees or operations.
- **Policy & Procedure Research/Review**
Assistance in development and review of policies and procedures, safety committees, job descriptions, and other documents as requested.
- **Contract Review**
Review of contracts to ensure proper risk transfer requirements are in place and are worded appropriately.
- **Loss Data Analysis**
Full review and evaluation of loss history.
- **Property Appraisals**
Replacement cost appraisals of member property.
- **On-Site & Regional Training**
Specialized classes taught on-site or at a regional location for larger groups. Topics are typically safety or risk management related and material is specific to exposures encountered by Alaska's public entities.
- **Safety Savings Account Program**
An annual grant to each member for the purchase of safety-related equipment, this program targets workers' compensation losses to reduce frequency and severity of those losses.
- **Personal History Background Checks**
Professionally prepared personal history background checks offer four screening level options.

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- **Online Training**

AMLJIA Online University is an interactive web-based safety training program available 24/7 with health, safety, and human resource management courses to choose from.

- **Safety Brief**

Members receive a monthly safety brief highlighting a safety or personnel issue. Safety briefs can be used as handouts or topics for monthly safety meetings, and members are invited to call in toll free to the monthly safety teleconference when the safety brief will be presented.

- **Employment Law Hotline**

Member administrators and supervisors receive a free 30-minute consultation with an experienced employment law attorney for advice and answers to employment law questions.

- **Active Shooter Response Training**

ALICE® (Alert, Lockdown, Inform, Counter, Evacuate) training prepares individuals to handle the threat of an active shooter. ALICE® uses an options-based approach to survival that empowers people to make decisions necessary to protect themselves in a dynamic life-or-death situation.

Loss Control Awards

The Association recognizes and rewards members that strive to control losses through the Association's Loss Control Awards Program. The program applies a formula which compares each participant's claims payments and reserves to their policy year contribution, net of discounts. The resulting loss ratio (dollar value of claims divided by contribution) is used to award different levels of loss control awards. Awards are announced at the Alaska Municipal League's Annual Local Government Conference held each year. Awards are determined based on the following:

Platinum Award	Loss ratios from zero to 1%
Gold Award	Loss ratios from 1% to 10%
Silver Award	Loss ratios from 10% to 20%
Bronze Award	Loss ratios from 20% to 25%

The following are the loss control award recipients for policy year 2023. Using June 30, 2023, losses as of June 30, 2024, provides a more accurate picture of incurred losses for the period by allowing a twelve month window for losses to develop.

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FY 2023 LOSS CONTROL AWARDS
as of June 30, 2024

Platinum Medallion Winners (Losses at 1.00% or below)		
Aleutians East Borough	City of Grayling	City of Port Heiden
Aleutians East Borough School District	City of Holy Cross	City of Port Lions
Boreal Sun Charter School	City of Hooper Bay	City of Quinhagak
Bristol Bay Borough School District	City of Hughes	City of Ruby & Ruby Electric
Chinook Montessori Charter School	City of Huslia	City of Russian Mission
City of Adak	City of Kachemak	City of Saint George
City of Akhiok	City of Kaktovik	City of Saint Mary's
City of Akiak	City of Kasaan	City of Savoonga
City of Akutan	City of King Cove	City of Scammon Bay
City of Alakanuk	City of Kobuk	City of Seldovia
City of Aleknagik	City of Kotlik	City of Shageluk
City of Allakaket	City of Koyuk	City of Shaktoolik
City of Anaktuvuk Pass	City of Koyukuk	City of Shungnak
City of Angoon	City of Larsen Bay	City of Stebbins
City of Anvik	City of Lower Kalskag	City of Tanana
City of Atka	City of Manokotak	City of Teller
City of Atkasuk	City of Marshall	City of Tenakee Springs
City of Bettles	City of Mekoryuk	City of Unalakleet
City of Brevig Mission	City of Mountain Village	City of Upper Kalskag
City of Cheforak	City of Napakiak	City of Wainwright
City of Chevak	City of Napaskiak	City of Wales
City of Chignik	City of Nenana	City of White Mountain
City of Chuathbaluk	City of New Stuyahok	Craig City School District
City of Clark's Point	City of Newhalen	Denali Borough
City of Coffman Cove	City of Nightmute	Discovery Peak Charter School
City of Cold Bay	City of Nikolai	Effie Kokrine Charter School
City of Deering	City of Noorvik	Frontier Charter School
City of Diomede	City of Nuiqsut	Iditarod Area School District
City of Eagle	City of Nulato	Kake City School District
City of Eek	City of Nunam Iqua	Kodiak Island Borough
City of Egegik	City of Nunapitchuk	Lake & Peninsula Borough
City of Ekwok	City of Old Harbor	Pelican City School District
City of Elim	City of Ouzinkie	Pribilof School District
City of Emmonak	City of Pilot Point	Tanana City School District
City of False Pass	City of Platinum	Watershed School
City of Gambell	City of Point Hope	Yakutat School District
City of Goodnews Bay	City of Port Alexander	
Gold Medallion Winners (Losses between 1.01%–10.00%)		
Alaska Gateway School District	City of Kake	City of Toksook Bay
Anchorage Community Development Authority	City of North Pole	City of Utqiagvik
City & Borough of Yakutat	City of Pilot Station	City of Valdez
City of Fairbanks	City of Saxman	Hoonah City School District
City of Fort Yukon	City of Thorne Bay	Kenai Peninsula Borough & SD
City of Houston	City of Togiak	Southeast Island School District
Silver Medallion Winners (Losses between 10.01%–20.00%)		
City of Kiana	City of Sand Point	Kodiak Island Borough SD
City of Pelican	City of Soldotna	Valdez City School District
Bronze Medallion Winners (Losses between 20.01%–25.00%)		
City of Kodiak	City of Seward	Nome Public Schools