

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM

**Financial Statements
With Independent Auditors' Report**

For the Years Ended June 30, 2019 and 2018

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Independent Auditors' Report

To the Executive Board and Members of
Iowa Public Schools Insurance Program
Iowa City, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the Iowa Public Schools Insurance Program (the Cooperative) as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Cooperative's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Iowa Public Schools Insurance Program as of June 30, 2019 and 2018, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 6, the Reconciliation of Claims Liabilities on page 16 and the Loss Development Information on pages 17 to 20, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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.

Matheson, Moryski, Austin & Co. LLP

Wheaton, Illinois
October 16, 2019

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
Management's Discussion and Analysis
For the Years Ended June 30, 2019 and 2018

This discussion and analysis of Iowa Public Schools Insurance Program's (the Cooperative) financial performance is presented to review the overall monetary health of the Cooperative and to supply more in-depth analysis for the years ended June 30, 2019 and 2018, along with related comparisons between years. The Cooperative's management encourages interested parties to consider this information along with the basic financial statements to better understand the Cooperative's performance.

Financial Highlights

- 26 members participated in the Cooperative's property and casualty and workers' compensation self-insurance programs during the year ended June 30, 2019, which is an increase of one member from the 25 members during the year ended June 30, 2018.
- The overall financial condition of the Cooperative after its seventh year of existence continues to be favorable, with net position as of June 30, 2019 of \$1,957,227.
- In August 2018 and 2017, returns of surplus from the Property & Casualty programs were paid to members in the amounts of \$94,442 and \$38,609, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Cooperative's basic financial statements. The Cooperative operates as a single proprietary fund, more specifically as an enterprise fund, in accounting for members who participate in the public entity self-insurance pool.

The Cooperative's basic financial statements are comprised of two components, the financial statements and the notes to the financial statements.

Financial statements

The financial statements are designed to provide a broad overview of the Cooperative's finances.

The Statement of Net Position presents information on all of the Cooperative's assets and liabilities, with the difference reported as net position.

The Statement of Revenues, Expenses and Changes in Net Position presents information on all of the Cooperative's revenues, expenses and resulting change in net position (members' balances) during the fiscal year.

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a full

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
Management's Discussion and Analysis
For the Years Ended June 30, 2019 and 2018

understanding of the data provided in the financial statements.

This report also contains required supplementary information regarding claims liabilities and other loss development information.

Financial Analysis

Statements of Net Position

Net Position increased by \$421,442 in 2019 to \$1,957,227 compared to a decrease of \$177,810 to \$1,535,785 in 2018. The Cooperative's assets consist primarily of cash, certificates of deposit and amounts due from excess carriers. Liabilities include the liability for unpaid losses and loss adjustment expenses, amounts received in advance from excess carriers and amounts due to members.

Table 1			
Condensed Statements of Net Position			
Assets:	<u>2019</u>	<u>2018</u>	<u>2017</u>
Cash and investments	\$5,110,935	\$5,199,472	\$5,990,920
Other assets	971,140	439,832	21,507
Total Assets	<u>6,082,075</u>	<u>5,639,304</u>	<u>6,012,427</u>
Liabilities:			
Unpaid losses and loss adjustment expenses	4,121,928	4,103,519	3,271,271
Other liabilities	2,920	-0-	1,027,561
Total Liabilities	<u>4,124,848</u>	<u>4,103,519</u>	<u>4,298,832</u>
Net Position	<u>\$1,957,227</u>	<u>\$1,535,785</u>	<u>\$1,713,595</u>

Statements of Revenues, Expenses and Changes in Net Position

The Cooperative's total revenues from member contributions in 2019 were \$6,156,469. These revenues consist of loss fund contributions (\$3,645,269) and charges to members for insurance coverage, administrative costs and other operating expenses (\$2,511,200).

Total expenses in 2019 of \$5,711,958, consist of insurance premiums (\$1,795,832), losses and loss adjustment expenses (\$3,212,971), charges for pool and claims administration (\$657,911) and other operating expenses (\$45,244).

The increase in revenues in 2019 was primarily the result of increases in insurance premiums and related loss funds required to be collected from members. The decrease in expenses in 2019 was

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
Management's Discussion and Analysis
For the Years Ended June 30, 2019 and 2018

primarily the result of favorable workers' compensation loss development offset by increases in insurance premiums as noted in the paragraph above.

The Cooperative's total revenues from member contributions in 2018 were \$5,788,771. These revenues consist of loss fund contributions (\$3,435,468) and charges to members for insurance coverage, administrative costs and other operating expenses (\$2,353,303).

Total expenses in 2018 of \$5,976,757, consist of insurance premiums (\$1,652,704), losses and loss adjustment expenses (\$3,610,592), charges for pool and claims administration (\$654,266) and other operating expenses (\$59,195).

The increase in revenues in 2018 was primarily the result of increases in insurance premiums and related loss funds required to be collected from members. The increase in expenses in 2018 was primarily the result of less favorable workers' compensation loss development and increases in insurance premiums as noted in the paragraph above.

Table 2
Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues:			
Member contributions	\$6,156,469	\$5,788,771	\$5,189,077
Investment earnings	71,373	48,785	23,577
Total revenues	<u>6,227,842</u>	<u>5,837,556</u>	<u>5,212,654</u>
Expenses:			
Insurance premiums, claims and admin.	5,711,958	5,976,757	5,427,495
Total expenses	<u>5,711,958</u>	<u>5,976,757</u>	<u>5,427,495</u>
Change in net position	515,884	(139,201)	(214,841)
Return of surplus	(94,442)	(38,609)	(10,133)
Net position-beginning of year	<u>1,535,785</u>	<u>1,713,595</u>	<u>1,938,569</u>
Net Position-end of year	<u>\$1,957,227</u>	<u>\$1,535,785</u>	<u>\$1,713,595</u>

Factors Bearing on the Cooperative's Future

Membership in the Cooperative continues to grow, increasing the ability of the Cooperative to receive competitive pricing for its members. At the time these financial statements were prepared and audited, the Cooperative was not aware of any other circumstances that may significantly affect its financial position in the future.

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
Management's Discussion and Analysis
For the Years Ended June 30, 2019 and 2018

Requests for Information

This financial report is designed to provide a general overview of the Cooperative's finances and to demonstrate the Cooperative's accountability for the money it handles. If you have questions about this report, or need additional financial information, contact Mr. Leslie Finger, Treasurer, c/o Iowa City Community School District, 1725 North Dodge Street, Iowa City, IA 55240.

BASIC FINANCIAL STATEMENTS

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
STATEMENTS OF NET POSITION
JUNE 30, 2019 AND 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ 4,294,811	\$ 2,768,850
Investments	816,124	2,430,622
Due from members	-	8,648
Due from excess carriers, net allowance for uncollectible	971,140	431,184
Total Assets	\$ 6,082,075	\$ 5,639,304
Liabilities and Net Position		
Liabilities:		
Due to members	\$ 2,920	\$ -
Unpaid losses and loss adjustment expenses:		
Property and casualty	69,210	69,383
Workers compensation	4,052,718	4,034,136
Total unpaid losses and loss adjustment expenses	4,121,928	4,103,519
Total liabilities	4,124,848	4,103,519
Net Position:		
Restricted net position	1,957,227	1,535,785
Total Liabilities and Net Position	\$ 6,082,075	\$ 5,639,304

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Premium and administrative contributions	\$ 2,511,200	\$ 2,353,303
Loss fund contributions	<u>3,645,269</u>	<u>3,435,468</u>
Total	<u>6,156,469</u>	<u>5,788,771</u>
Operating Expenses		
Premiums	1,795,832	1,652,704
Provision for losses and loss adjustment expenses	3,212,971	3,610,592
Administrative costs and fees	657,911	654,266
Other operating expenses	<u>45,244</u>	<u>59,195</u>
Total	<u>5,711,958</u>	<u>5,976,757</u>
Operating Income (Loss)	444,511	(187,986)
Nonoperating Revenues		
Investment earnings	<u>71,373</u>	<u>48,785</u>
Changes in net position	515,884	(139,201)
Net position - beginning	1,535,785	1,713,595
Return of surplus to members	<u>(94,442)</u>	<u>(38,609)</u>
Net position - ending	<u><u>\$ 1,957,227</u></u>	<u><u>\$ 1,535,785</u></u>

**IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Cash received from members	\$ 6,168,037	\$ 5,780,123
Cash payments for claims and to vendors, net of recoveries	<u>(6,233,505)</u>	<u>(6,581,747)</u>
Net cash used by operating activities	<u>(65,468)</u>	<u>(801,624)</u>
Cash Flows from Investing Activities		
Return of surplus to members	(94,442)	(38,609)
Net redemption (purchase) of investments - Certificates of Deposit	1,614,498	(1,015,026)
Investment earnings	<u>71,373</u>	<u>48,785</u>
Net cash provided (used) by investing activities	<u>1,591,429</u>	<u>(1,004,850)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,525,961	(1,806,474)
Cash and Cash Equivalents, Beginning of Year	<u>2,768,850</u>	<u>4,575,324</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 4,294,811</u></u>	<u><u>\$ 2,768,850</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ 444,511	\$ (187,986)
Adjustment to reconcile operating income (loss) to net cash used by operating activities:		
Changes in assets and liabilities:		
Due from members	8,648	(8,648)
Due from excess carriers	(539,956)	(409,677)
Due to members	2,920	-
Advances from excess carriers	-	(1,027,561)
Unpaid losses and loss adjustment expenses	<u>18,409</u>	<u>832,248</u>
Net cash used by operating activities	<u><u>\$ (65,468)</u></u>	<u><u>\$ (801,624)</u></u>

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
Notes to the Basic Financial Statements
June 30, 2019 and 2018

NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Iowa Public Schools Insurance Program (the “Cooperative”) was formed as an Iowa nonprofit corporation, established under Iowa Code Chapter 504, to administer a local government risk pool pursuant to Iowa Code sections 296.7 and 670.7. An Intergovernmental Cooperative Agreement, effective July 1, 2012, was entered into by the six (6) initial member districts under the joint powers provisions of Iowa Code Chapter 28E for the establishment, operation and maintenance of a self-insurance program.

The Cooperative reporting entity includes all activities considered to be a part of (controlled by or dependent on) the Cooperative. This includes financial activity relating to all of the membership years of the Cooperative.

The purpose of the Cooperative is to jointly provide property and casualty and workers’ compensation insurance coverage and protection for member districts.

The districts’ creation of the Cooperative is not intended by the districts to constitute the transaction of an insurance business within the State of Iowa. The creation of the Cooperative is intended to allow a district to minimize annual fluctuations in insurance costs by establishing a program whereby reserves may be created to ultimately equalize the risks and stabilize the costs of providing the coverages mentioned previously.

During the years ended June 30, 2019 and 2018, 26 and 25 Iowa school districts, respectively, participated in the workers’ compensation self-insurance program and the property and casualty self-insurance program.

A Board/Executive Committee manages the Cooperative. Districts are contractually obligated to make all required contributions, to report claims on a timely basis, to cooperate with the Program Administrator, its Claims Administrator and attorneys in claims investigations and settlements, and to follow the risk management procedures as outlined by the Cooperative.

Significant Accounting Policies

The accounting policies of the Cooperative conform to accounting principles generally accepted in the United States of America, as applicable to government and insurance enterprises.

The following is a summary of the more significant accounting policies of the Cooperative:

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
Notes to the Basic Financial Statements (Cont.)
June 30, 2019 and 2018

Basis of Presentation

The accounts of the Cooperative are organized on the basis of claim or membership years, each of which is accounted for separately because the composition of membership may change from year to year. The basic financial statements report information on all of the activities of the Cooperative.

The Cooperative operates as a single proprietary fund, more specifically as an enterprise fund.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Measurement Focus and Basis of Accounting

The Proprietary Fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

A proprietary fund is accounted for on a cost of services or “economic resources” measurement focus. This means that all assets and all liabilities associated with the activity of providing insurance services are included within the fund.

The Cooperative distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Cooperative’s principal ongoing operations. The principal operating revenues of the fund are charges to member districts for insurance coverage and loss fund contributions. Operating expenses for proprietary funds include the cost of insurance and services, claim fees and administrative expenses. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities and Net Position

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Cooperative considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash equivalents are carried at cost which approximates fair value due to the short term duration of the instruments.

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
Notes to the Basic Financial Statements (Cont.)
June 30, 2019 and 2018

Investments

The Cooperative's investments consist of certificates of deposits held at banks with maturities of greater than 90 days. Investments are stated at fair value. Changes in fair value of investments are recorded as an increase or decrease of investment earnings.

Unpaid Losses and Loss Adjustment Expenses

The liability for unpaid losses and loss adjustment expenses represents an estimate of the ultimate cost of all losses and loss adjustment expenses incurred but not yet paid as of June 30, 2019 and 2018. These estimates are based on historical loss experience, various industry statistics, and information provided by a consulting actuary. Management believes that the liability for unpaid losses and loss adjustment expenses is adequate to cover the ultimate cost of claims incurred but as yet unpaid. However, the ultimate cost may be more or less than the estimated liability, and any adjustments of the estimated liability, based on subsequent developments, are included in operations when the adjustments become known.

Net Position

The Cooperative's net position is reported as restricted as of June 30, 2019 and 2018.

Net position is reported as restricted when constraints placed on net position used are either externally imposed by creditors, grantors, contributors, or imposed by laws through constitutional provisions or enabling legislation.

Operating Revenues

Contributions

Membership contributions are calculated to provide for certain administrative expenses, insurance coverage, and the funding of a portion of anticipated losses and loss adjustment expenses which will be borne directly by the membership. The losses and loss adjustment expenses to be borne by the membership are those which must be incurred prior to the attachment of excess insurance coverage.

Initial contributions are determined in advance of each membership period based on payroll of covered employees, loss history and other factors. Contributions are earned in the membership period to which they apply. Initial contributions for each membership period are billed at or near the beginning of the period. Contributions for workers compensation insurance coverage are subject to revisions based on audits of member school districts' payroll data subsequent to year end.

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
Notes to the Basic Financial Statements (Cont.)
June 30, 2019 and 2018

NOTE 2 – DEPOSITS

The Cooperative's deposits are comprised of cash in banks and certificates of deposit in the total amount of \$5,110,935 and \$5,199,472 as of June 30, 2019 and 2018, respectively.

Interest Rate Risk

The Cooperative's investment policy seeks to ensure preservation of capital in the Cooperative's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the policy requires the Cooperative investment portfolio to be sufficiently liquid to enable the Cooperative to meet all operating requirements as they come due. A portion of the portfolio is required to be invested in readily available funds to ensure appropriate liquidity.

Credit Risk

State statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations. The Cooperative's investment policy does not address credit risk.

Concentration of Credit Risk

The Cooperative's investment policy requires diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a specific maturity, issuer or class of investment.

Custodial Credit Risk – Deposits

With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the Cooperative's deposits may not be returned to it. At June 30, 2019, the bank balances of the Cooperative's deposits with financial institutions totaled \$5,378,010 of which \$645,071 was FDIC insured. At June 30, 2018, the bank balances of the Cooperative's deposits totaled \$5,269,635 of which \$262,482 was FDIC insured.

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
Notes to the Basic Financial Statements (Cont.)
June 30, 2019 and 2018

NOTE 3 – INSURANCE IN FORCE

The Cooperative purchases excess insurance policies to reduce its exposure to large losses on various types of insured events. The Cooperative provides Property, General Liability, Automobile Liability, Automobile Physical Damage, School Board Legal Liability, Crime, Excess Liability, Excess Property, Pollution, Cyber Liability and Workers' Compensation coverage in excess of specified limits for the membership acting as a single insurable unit.

Under the terms of the Package Policy, in the event the annual aggregate loss fund exceeds \$638,500 for the policy year ended June 30, 2019 and \$577,500 for the policy year ended June 30, 2018, the Cooperative has aggregate excess coverage provided by the package carrier.

Under the terms of the Workers' Compensation Policy, in the event the annual aggregate loss fund exceeds \$3,006,769 for the policy year ended June 30, 2019 and \$3,188,856 for the policy year ended June 30, 2018, the Cooperative has aggregate excess coverage provided by the Excess Workers' Compensation Carrier.

NOTE 4 – INCOME TAXES

The Cooperative's income is exempt from federal income taxes under Section 115 of the Internal Revenue Code.

NOTE 5 – UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

A summary of the changes in the liability for unpaid losses and loss adjustment expenses as of June 30, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Unpaid losses and loss adjustment expenses at beginning of year	\$4,103,519	\$3,271,271
Incurred losses and loss adjustment expenses:		
Provision for insured events of the current fiscal year	3,469,274	3,636,268
Changes in provision for insured events of prior fiscal years	(256,303)	(25,676)
Total incurred losses and loss adjustment expenses	<u>3,212,971</u>	<u>3,610,592</u>
Payments of losses and loss adjustment expenses attributable to:		
Insured events of the current fiscal year	1,330,330	1,489,216
Insured events of prior fiscal years	1,864,232	1,289,128
Total payments of losses and loss adjustment expenses	<u>3,194,562</u>	<u>2,778,344</u>
Unpaid losses and loss adjustment expenses at end of year	<u>\$4,121,928</u>	<u>\$4,103,519</u>

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
Notes to the Basic Financial Statements (Cont.)
June 30, 2019 and 2018

NOTE 6 – RETURN OF SURPLUS

In August 2018, the Executive Committee approved a Property & Casualty program return of surplus from the policy year ended June 30, 2015 in the total amount of \$216,047. Of this amount, \$54,262 was returned to members during the year ended June 30, 2019. The balance will be returned to members during the next three fiscal years.

In August 2017, the Executive Committee approved a Property & Casualty program return of surplus from the policy year ended June 30, 2014 in the total amount of \$120,793. Of this amount, \$30,325 and \$28,900 was returned to members during the years ended June 30, 2019 and 2018, respectively. The balance will be returned to members during the next two fiscal years.

In August 2016, the Executive Committee approved a Property & Casualty program return of surplus from the policy year ended June 30, 2013 in the total amount of \$39,554. Of this amount, \$9,855 and \$9,709 was returned to members during the years ended June 30, 2019 and 2018, respectively. The balance will be returned to members during the next fiscal year.

NOTE 7 – SUBSEQUENT EVENTS

The financial statements and related disclosures include evaluation of events through our report date, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
RECONCILIATION OF CLAIMS LIABILITIES
JUNE 30, 2019 and 2018

	2019			2018		
	Property & Casualty	Workers' Compensation	Total	Property & Casualty	Workers' Compensation	Total
Unpaid losses and loss adjustment expenses at beginning of year	\$ 69,383	\$ 4,034,136	\$ 4,103,519	\$ 90,407	\$ 3,180,864	\$ 3,271,271
Incurred losses and loss adjustment expenses:						
Provision for insured events of the current fiscal year	638,500	2,830,774	3,469,274	577,500	3,058,768	3,636,268
Increases (Decreases) in provision for insured events of prior fiscal years	410,372	(666,675)	(256,303)	44,807	(70,483)	(25,676)
Total incurred losses and loss adjustment expenses	1,048,872	2,164,099	3,212,971	622,307	2,988,285	3,610,592
Payments:						
Losses and loss adjustment expenses attributable to insured events of the current fiscal year	638,500	691,830	1,330,330	577,500	911,716	1,489,216
Losses and loss adjustment expenses attributable to insured events of prior fiscal years	410,545	1,453,687	1,864,232	65,831	1,223,297	1,289,128
Total payments	1,049,045	2,145,517	3,194,562	643,331	2,135,013	2,778,344
Unpaid losses and loss adjustment expenses at end of year	<u>\$ 69,210</u>	<u>\$ 4,052,718</u>	<u>\$ 4,121,928</u>	<u>\$ 69,383</u>	<u>\$ 4,034,136</u>	<u>\$ 4,103,519</u>

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
Loss Development Information – Property and Casualty
Last Seven Membership Years
June 30, 2019

The following tables illustrate how the Cooperative's property and casualty loss fund contributions compare to related losses and loss adjustment expenses (net of loss assumed by reinsurers) assumed by the Cooperative as of the end of each of the last seven membership years. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's earned loss fund contribution revenues, including loss fund contributions held by member districts. (2) This line shows the Fund's incurred losses and allocated loss adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called membership year). (3) This section shows the cumulative amounts paid as of the end of successive years of each membership year. (4) This section shows how each membership year's incurred losses increased or decreased as of the end of successive years. This annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (5) This line compares the latest re-estimated incurred losses amount to the amount originally established (line 2) and shows whether the latest estimate of claims cost is greater or less than originally estimated. As data for individual membership 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 membership years. The columns of the table show data for successive membership years.

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
Loss Development Information-Property & Casualty
June 30, 2019

	Policy year ended June 30,						
	2013	2014	2015	2016	2017	2018	2019
(1) Net earned required contribution	\$ 265,000	\$ 349,000	\$ 420,458	\$ 534,600	\$ 526,444	\$ 577,500	\$ 638,500
(2) Estimate incurred losses and loss adjustment expense, end of year	84,058	218,126	186,602	435,619	526,444	577,500	638,500
(3) Paid (cumulative) as of:							
End of year	37,706	65,154	74,121	50,381	510,873	577,500	638,500
One year later	63,138	174,707	82,923	165,434	526,444	577,500	
Two years later	67,160	172,207	142,486	215,694	526,444		
Three years later	70,966	172,207	142,486	281,239			
Four years later	71,946	172,207	142,486				
Five years later	71,946	172,207					
Six years later	71,946						
(4) Reestimated incurred losses and loss adjustment expense:							
End of year	84,058	218,126	186,602	435,619	526,444	577,500	638,500
One year later	64,833	201,289	162,301	235,003	526,444	577,500	
Two years later	78,982	176,547	147,753	285,077	526,444		
Three years later	70,966	172,207	142,486	350,449			
Four years later	71,946	172,207	142,486				
Five years later	71,946	172,207					
Six years later	71,946						
(5) Decrease in estimated incurred losses and loss adjustment expense from end of year	\$ (12,112)	\$ (45,919)	\$ (44,116)	\$ (85,170)	\$ -	\$ -	\$ -

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
Loss Development Information – Workers' Compensation
Last Seven Membership Years
June 30, 2019

The following tables illustrate how the Cooperative's workers' compensation loss fund contributions compare to related losses and loss adjustment expenses (net of loss assumed by reinsurers) assumed by the Cooperative as of the end of each of the last seven membership years. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's earned loss fund contribution revenues, including loss fund contributions held by member districts. (2) This line shows the Fund's incurred losses and allocated loss adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called membership year). (3) This section shows the cumulative amounts paid as of the end of successive years of each membership year. (4) This section shows how each membership year's incurred losses increased or decreased as of the end of successive years. This annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (5) This line compares the latest re-estimated incurred losses amount to the amount originally established (line 2) and shows whether the latest estimate of claims cost is greater or less than originally estimated. As data for individual membership 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 membership years. The columns of the table show data for successive membership years.

IOWA PUBLIC SCHOOLS INSURANCE PROGRAM
 Loss Development Information-Workers' Compensation
 June 30, 2019

	Policy year ended June 30,						
	2013	2014	2015	2016	2017	2018	2019
(1) Net earned required contribution	\$ 843,897	\$ 1,262,737	\$ 1,693,199	\$ 2,215,961	\$ 2,425,490	\$ 2,857,968	\$ 3,006,769
(2) Estimate incurred losses and loss adjustment expense, end of year	295,196	1,190,528	1,063,910	1,301,225	2,606,735	3,058,768	2,830,774
(3) Paid (cumulative) as of:							
End of year	166,883	380,385	289,614	359,852	804,104	911,716	691,830
One year later	357,621	943,853	521,098	951,481	1,520,421	1,689,619	
Two years later	435,078	1,396,710	622,992	1,063,153	1,997,433		
Three years later	502,186	1,608,616	776,119	1,076,989			
Four years later	505,094	1,828,557	788,817				
Five years later	522,992	1,884,682					
Six years later	640,600						
(4) Reestimated incurred losses and loss adjustment expense:							
End of year	295,196	1,190,528	1,063,910	1,301,225	2,606,735	3,058,768	2,830,774
One year later	530,666	1,685,802	882,615	1,657,622	2,590,593	3,037,299	
Two years later	625,416	2,037,534	844,711	1,392,319	2,353,087		
Three years later	609,855	1,987,317	905,179	1,109,411			
Four years later	576,766	2,100,770	873,834				
Five years later	609,465	1,952,639					
Six years later	665,644						
(5) Increase (decrease) in estimated incurred losses and loss adjustment expense from end of year	\$ 370,448	\$ 762,111	\$ (190,076)	\$ (191,814)	\$ (253,648)	\$ (21,469)	\$ -