

**NEW HAMPSHIRE SCHOOL HEALTH
CARE COALITION**

**FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION

JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
New Hampshire School Health Care Coalition

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the New Hampshire School Health Care Coalition (the Coalition), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Coalition's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Coalition, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (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 Coalition, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition'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 GAAS 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 GAAS 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 Coalition'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 Coalition'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 in Schedules 1 and 2 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2024 on our consideration of the Coalition'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 Coalition'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 Coalition's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

West Hartford, Connecticut
October 18, 2024

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The New Hampshire School Health Care Coalition (the Coalition), a public entity risk pool, presents the following overview and analysis of its financial operations for the fiscal year ended June 30, 2024, to be reviewed and considered in conjunction with the more detailed statements, schedules, and notes in this report.

Financial Highlights:

- The net position decreased from \$29,918,552 on June 30, 2023 to \$20,414,767 at June 30, 2024. The net position consisted of the Coalition's investment in property and equipment of \$353,420 and the unrestricted amount for the medical contingent reserve of \$20,061,347. The \$9.5 million decrease was due to escalated medical related expenses including actual claims paid, premium deficiency reserve, and medical contingent reserve. The dental contingent reserve of \$827,000 was eliminated as of June 30, 2024 after discussion with actuarial and underwriting consultants in consideration of the lower risk of claims volatility associated with dental plans. The Coalition did not retain any unrestricted or undesignated surplus.
- The Coalition has reported a liability at June 30, 2024 of \$3,183,248 described as a premium holiday payable in accordance with guidance from the New Hampshire Secretary of State, Bureau of Securities Regulation (BSR). This is surplus from FY 23 that was applied to Member invoices as of July 1, 2024. There is no premium holiday for fiscal year 2024 due to higher than projected claims experience.

Overview of the Financial Statements:

The Coalition's fiscal year is July 1 through June 30.

The annual financial report consists of three parts:

- Management's Discussion and Analysis
- Financial Statements and Note Disclosures
- Required Supplementary Information

Management's discussion and analysis provides a narrative overview of the statements and comments on significant developments during the reporting period. The intention is to present a financial summary of operations for the past fiscal year and discuss the outlook for the ensuing year.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The Statements of Net Position contain information regarding the assets and liabilities of the Coalition. The Coalition reports in accordance with GASB Statement No. 65 which requires deferred outflows of resources and deferred inflows of resources to be reported in separate sections of the Statement of Net Position. The Coalition has not reported any deferred outflows but does report deferred revenue as a deferred inflow.

The Statements of Revenues, Expenses and Changes in Net Position show the operating activities for the year, revenues and expenses. As required by the GASB, investment income is considered non-operating revenue. The net result of operations for the fiscal year is the change in net position from year to year.

The Statements of Cash Flows report the cash flow resulting from operating, investing and financing activities of the Coalition showing how the financial resources were used during the course of the year.

Notes to the Financial Statements provide explanations of the accounting principles followed and of key items in the financial statements. They include tables with more detailed analysis of certain accounts.

The Required Supplementary Information includes the ten-year schedule of claims development and a three-year comparative reconciliation of claims liabilities.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Analysis of Financial Information Presented in the Statements:

Statements of Net Position:

The following table summarizes the Statements of Net Position:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	Percentage Change	<u>June 30, 2022</u>	Percentage Change
Cash and cash equivalents	\$ 9,992,106	\$ 12,507,261	-20%	\$ 12,363,690	1%
Investments	31,909,848	34,652,370	-8%	38,256,070	-9%
Other assets	<u>5,903,440</u>	<u>5,402,519</u>	9%	<u>7,412,996</u>	-27%
Total assets	<u>47,805,394</u>	<u>52,562,150</u>	-9%	<u>58,032,756</u>	-9%
Claims payable	3,698,706	2,443,184	51%	2,650,127	-8%
Claims reserves	12,988,034	12,047,115	8%	12,358,573	-3%
Premium holiday payable	3,183,248	5,113,031	-38%	12,585,758	-59%
Premium deficiency reserve	5,573,053	-		-	
Other liabilities	<u>878,442</u>	<u>883,603</u>	-1%	<u>1,369,916</u>	-35%
Total liabilities	<u>26,321,483</u>	<u>20,486,933</u>	28%	<u>28,964,374</u>	-29%
Deferred inflows of resources	<u>1,069,144</u>	<u>2,156,665</u>	-50%	<u>746,020</u>	189%
Net position:					
Invested in capital assets	353,420	357,552	-1%	365,362	-2%
Unrestricted	<u>20,061,347</u>	<u>29,561,000</u>	-32%	<u>27,957,000</u>	6%
Total net position	<u>\$ 20,414,767</u>	<u>\$ 29,918,552</u>	-32%	<u>\$ 28,322,362</u>	6%

Total assets for FY2024, FY2023, and FY2022 are \$47,805,394, \$52,562,150, and \$58,032,756, respectively. The decrease in assets from FY2023 to FY2024 is largely attributable to lower cash balances due to higher than anticipated claims experience as well as lower investment balances due to cash draw down in the spring of 2024. The decrease in assets from FY2022 to FY2023 is primarily due to a decrease in investments due to a drawdown in the summer of 2022.

Total liabilities for FY2024, FY2023, and FY2022, are \$26,321,483, \$20,486,933, and \$28,964,374 respectively. The increase in liabilities from FY2023 to FY2024 is mostly attributable to a premium deficiency reserve. The decrease in liabilities from FY2022 and FY2023 is largely due to a decrease in premium holiday payable.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

In accordance with GASB Statement No. 30, “Risk Financing Omnibus,” premium deficiencies are required to be calculated and reported by public entity risk pools. As GASB is not specific to healthcare entities, in establishing a premium deficiency reserve, SchoolCare also looks to generally accepted accounting principles issued by the Financial Accounting Standards Board (FASB) as well as applicable National Association of Insurance Commissioners (NAIC) relative to prepaid health care services contracts. Such guidance provides premium deficiency reserve guidance specific to health insurance entities and has been used by schoolcare to clarify and supplement GASB GAAP guidance issued within GASB Statement No. 30 which is specific to property liability insurance coverage. A premium deficiency can result when expected costs for coverage obligations as of the financial statement date exceed expected contributions (based on rates set prior to the financial statement date) for such coverage. As further described in Note 1.O, schoolcare recorded a premium deficiency reserve of \$5.5 million as of June 30, 2024, whereas there was no premium deficiency reserve required for FY2023 or FY2022. There was a premium deficiency last recorded as of June 30, 2021.

Unrestricted net position decreased over the prior year by \$8,672,653 in the medical contingent reserve largely due to higher than anticipated claims experience, increased medical trend and a premium deficiency reserve. The dental contingent reserve of \$827,000 was eliminated as of June 30, 2024. Due to high claims experience, the medical contingent reserve is not fully funded to the actuarial recommendation of \$31 million. The medical contingent reserve was calculated using an 8.5% melded trend for projected 2024-25 claims. This trend increased from 7.9% in the prior year and is consistent with trend in recent claims experience.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Statements of Revenues, Expenses and Changes in Net Position:

The following table summarizes the Statements of Revenues, Expenses and Changes in Net Position:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	Percentage Change	<u>June 30, 2022</u>	Percentage Change
Operating revenues:					
Member contributions	\$ 220,199,740	\$ 211,243,950	4%	\$ 209,240,411	1%
Other	<u>10,854,104</u>	<u>10,171,264</u>	7%	<u>10,545,825</u>	-4%
Total operating revenues	<u>231,053,844</u>	<u>221,415,214</u>	4%	<u>219,786,236</u>	1%
Operating expenses:					
Claims expense	208,891,605	187,782,165	11%	185,806,441	1%
Insurance premiums	17,201,009	18,088,116	-5%	19,069,962	-5%
Claims administration	5,096,389	5,094,293	0%	5,235,783	-3%
Self-insured pool assessments	1,835,013	1,646,927	11%	1,641,165	0%
Health and wellness benefits	2,086,832	2,734,764	-24%	2,808,455	-3%
Administration	2,324,916	2,219,125	5%	2,135,730	4%
Premium deficiency expense (gain)	5,573,053	-	100%	(2,391,482)	-100%
Other	<u>50,889</u>	<u>49,734</u>	2%	<u>45,000</u>	11%
Total operating expenses	<u>243,059,706</u>	<u>217,615,124</u>	12%	<u>214,351,054</u>	2%
Operating (loss) gain	(12,005,862)	3,800,090	-416%	5,435,182	-30%
Nonoperating revenues:					
Premium holiday credits	-	(3,183,249)	-100%	(1,973,545)	61%
Earnings on investments	<u>2,502,077</u>	<u>979,349</u>	155%	<u>(3,136,485)</u>	-131%
Change in net position	(9,503,785)	1,596,190	-695%	325,152	391%
Beginning net position, July 1	<u>29,918,552</u>	<u>28,322,362</u>	6%	<u>27,997,210</u>	1%
Ending net position, June 30	<u>\$ 20,414,767</u>	<u>\$ 29,918,552</u>	-32%	<u>\$ 28,322,362</u>	6%

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Revenues - Total operating revenues for FY2024, FY2023, and FY2022, were \$231,053,844, \$221,415,214, and \$219,786,236, respectively. The increase in Member contributions from FY2023 to FY2024 is mostly attributable to a 6.4% rate increase in the medical plan with consistent enrollment year over year. The increase in Member contributions from FY2022 to FY2023 is mostly attributable to a 5.5% rate increase in the medical plan coupled with an approximate 2% decline in enrollment.

Expenses - Total operating expenses for FY2024, FY2023, and FY2022 were \$243,059,706, \$217,615,124, and \$214,351,054, respectively. FY2024 saw elevated claims throughout the year with claims experience exceeding projections in March through June impacting both Claims and Premium Deficiency expenses. For FY2023 and FY2022, operating expenses increased largely due to increased claims utilization towards the latter part of each year respectively. For FY2022 the self-insured pool assessments increased due to a full year’s worth of assessment fees for the NHHP Reinsurance Program

Operating expenses as a percentage of contributions earned from Member Groups are as follows for the years ended June 30:

	2024	2023	2022
Claims Incurred	103.6%	98.8%	99.3%
Premium deficiency expense (gain)	2.5%	0.0%	-1.1%
Return of Surplus	0.0%	-1.5%	-0.9%
Administrative fees paid	2.3%	2.4%	2.5%
Administrative expenses	1.9%	1.9%	1.8%

Other matters:

Investment Portfolio

The Coalition engages Strategic Asset Alliance (SAA) as an investment consultant and advisor to the Board and organization. Asset Allocation and Management Company (AAM) provides investment management and accounting services. US Bank acts as the custodian of Coalition funds.

The Coalition’s investment portfolio on June 30, 2024 was valued at \$32,100,818. The portfolio on June 30, 2023 was valued at \$34,652,370. The decrease was a result of withdrawing a total of \$5 million in May and June 2024 to offset the drawdown on operating cash balances due to the higher than anticipated medical claims payments. The June 30, 2022 value of the investment portfolio was \$38,256,070. The Coalition’s Risk Pool Practices Agreement with the NH Secretary of State expired as of April 25, 2017. Although the agreement is no longer in effect, operations and policies adopted as a result of its execution remain in place. The Coalition’s investments are compliant with the requirements imposed upon municipalities pursuant to NH RSA 35:9, with the exception of an aggregate amount of 4.57% which is compliant with RSA 402:28. This aggregate amount includes the Coalition’s cash, cash equivalents, and other investments. The Coalition held securities that are non-complaint with NH RSA 35:9 in the amount of \$1,915,214 at June 30, 2024, \$2,461,155 at June 30, 2023 and \$2,701,911 at June 30, 2022.

The last remaining Real Estate Investment Trust (REIT) in the Coalition’s portfolio was sold in December of 2023 for \$26,742. The REIT balance was \$53,483 at June 30, 2023 and \$55,393 at June 30, 2022.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Capital Assets and Debt

The Coalition's property and equipment at June 30, 2024 was valued at \$353,420 compared to June 30, 2023 at \$357,552, and \$365,362 at June 30, 2022. The change at June 30, 2024 was due to a depreciation amount of \$24,881 and an increase of \$20,749 in capital assets. The Coalition has no long-term debt.

Outlook / Economic Factors:

Financial statements on June 30, 2024 reflect a loss of approximately \$9.5 million. The primary driver of the loss is increased claims in the 4th quarter of the fiscal year as well as elevated claims throughout the entire year. The higher claims impacted projections into fiscal year 2024-25 requiring an actuarially determined premium deficiency reserve of \$5.5 million on June 30, 2024. These factors have resulted in an \$11 million underfunding of the actuarially recommended contingent reserve.

Fiscal year 2023-24 saw an annual melded trend of 10.9% largely due to inflation, increased utilization, catastrophic claims and specialty pharmacy. Musculoskeletal claims lead plan large claim spends with neoplasms close behind. In comparison, rates were set using a 7.17% melded trend. Financials through August 2024 show claims are trending at a lower level. Fiscal year 2023-24 continues to see elevated claims paid in the run out period for medical, indicative of increased utilization, catastrophic and specialty pharmacy claims.

Management and the Board have taken steps to strengthen the organization's financial position and continue to explore further opportunities. These steps include the following:

- Monitor and recommend programs to mitigate claim costs.
 - Hinge Health is a digital solution for joint and muscle pain to help people get moving and keep them moving to reduce unnecessary surgeries and opioid use. At a recent Annual Business Review, Hinge reported since inception of January 2023 over 14,000 physical therapy sessions completed with 79% of participants reporting a clinically significant reduction in pain. This resulted in an estimated net savings of approximately \$779,000 through avoidance of surgeries and medications.
 - Omada Diabetes Prevention Program was expanded on January 1, 2024 to Omada Complete to include management of chronic conditions including diabetes and hypertension. Enrollment all time in Omada stands at 2,784 individuals with 2,633 in the prevention program and 151 in Omada Complete. More data is expected in the coming months around the Complete program.
 - Cigna Pathwell Specialty is a new network that excludes high-cost providers and guides participations to high performing, in-network providers for specialty infusion/injection medication. This was effective as of July 1, 2024 with an estimated plan savings of approximately \$500,000.
 - Embarc Benefit Protection was implemented January 1, 2024 to protect the pool against the high cost of breakthrough gene therapy drugs while continuing to offer this coverage. In some cases, these technological advances can cure lifetime ailments, improving quality of life of individuals while also providing for cost containment in what would otherwise be a lifetime claim for the pool.
- Biosimilar adoption to drug formulary in lieu of specialty drugs to save both the plan and individuals.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

- In July 2024, Cigna added biosimilars to its formulary to compete with Humira. Voluntary adoption by 25% of utilizers has been seen through September 2024. Beginning July 1, 2025, Humira will be excluded from Cigna's standard formulary.
- Looking to July 2025 Cigna will be adding a biosimilar for Stelara.
- Rebuild the investment portfolio through a strategic, generative, and long-term framework.
 - On July 31, 2024, the Board, on the recommendation of management and its investment advisor/manager, took a long-term strategic approach in strengthening the fixed income portfolio's book yield and annual investment income. This was accomplished by leveraging the current economic conditions and selling holdings with a 1.68% book yield and repurchasing bonds with an average 4.53% book yield. This resulted in a \$570 thousand realized loss (offsetting the \$1.2 million realized gain on equity securities on July 15, 2024), with a 2.8-year repayment.
 - In July 2024, the Board suspended the asset allocation targets and ranges within the Investment Policy Statement (IPS) through October 31, 2024 to generate required cash proceeds. Management regularly monitors cash to determine if excess operating funds are available for reinvestment in risk assets. The Finance-Audit Committee also reviews the IPS on a quarterly basis for compliance.
- Request the State of New Hampshire consider an ARPA State Fiscal Recovery Funds grant program.
 - The Board authorized the Executive Director on August 28, 2024, to send a letter to NH Governor's Office for Emergency Relief and Recovery (GOFERR) requesting consideration of an ARPA SFRF Grant Program for NH RSA 5-B risk management organizations to provide relief for health care costs due to COVID. There is no guarantee of funds to be received but it is yet another option that could assist in a rebuild of financial strength.

Looking forward, inflation continues to be a driver of trend. Management will continue to monitor any programs or recommendations around mitigating costs. The ongoing promotion of programs such as Omada Complete and Hinge Health will also be critical to reaching participants and promoting the importance of addressing health care concerns, particularly around comorbidities.

The organization also began an infrastructure reorganization effective July 1, 2024, which included the hiring of a Director of Finance and Director of Member Engagement to build depth and a breadth of knowledge within staff. These changes were a part of a five-year strategic plan approved by the Board of Directors in October of 2023. Management is confident these changes are necessary as part of the evolution and future of SCHOOLCARE. The Board and staff are also extremely focused on the importance of quality benefits, excellence in service, stable rates and being a trusted partner.

In the coming months and years, the Coalition will continue to be responsive to Member needs as they arise. The Coalition remains well positioned to support Member groups and Participants now and in the future and continues to look for opportunities to evolve to meet the challenges of the current health care climate whether through the hiring of additional expert staff or through programs and opportunities with its strategic partners.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Membership

The exceptional service to our existing Membership is a cornerstone of the Coalition's mission. The Coalition's Membership in medical and dental plans remained consistent with the prior year. Staff continue to service current Members to the highest standard possible while marketing to prospective clients through educational opportunities and events. These opportunities have now shifted to hybrid formats and Staff has modeled either live or recorded presentations as well as in person opportunities to meet Member's needs.

Membership Services

The Coalition offers many administrative services to its Member groups to provide flexibility, education, convenience and time saving options through expert Coalition Staff:

- Retiree Administration Services - Member groups are provided with this service option which offers Retiree medical and dental billing administration, collecting payments and coordination with the New Hampshire Retirement System. Coalition Staff also assist both Members and individual retirees with any questions or concerns they may have regarding coverage or claims.
- COBRA Administration Services - The Coalition administers various required COBRA notices along with issuance of invoices and collection of COBRA payments on its Members' behalf. In addition, the Coalition Staff has three (3) certified COBRA administrators knowledgeable in the intricacies and regulations of the law.
- Dependent Benefit Protection – In the unfortunate instance of an employee's death, the Coalition provides extended medical and dental benefits at no cost to dependents of the employee for the first twelve (12) months of COBRA continuation coverage, no matter the cause of death. As of June 30, 2024, one individual and two families were covered for medical benefits.
- Onsite Services – Benefit education is offered through the Coalition to Member groups through various onsite events and presentations. In addition, the Coalition provides various value-added services including but not limited to its well-being program, vaccine clinics Employee Assistance Program seminars all in an effort to support holistic health.
- Claims Advocates – One of the key differentiators between the Coalition and traditional insurance products is having key advocates when the need arises. If a Participant is experiencing issues with claims payments or approvals in general, Coalition staff may act as an advocate on behalf of a Participant to resolve related issues. Knowledgeable staff help to navigate Participants through the sometimes-confusing world of health care through both education and solutions.

Patient Protection and Affordable Care Act (PPACA)

The Patient Protection and Affordable Care Act also referred to as health care reform continues to affect both the Coalition's operations and its Membership, although to a lesser extent than in the past. Staff regularly monitors, educates and assists Members with the implementation of changes required by PPACA. All Coalition medical plans are in compliance with health care reform provisions. In addition to this, Coalition staff continues to assist Members with various reporting requirements under PPACA including 6055 and 6056 reporting.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Although PPACA continues to be monitored by Staff, there are few fees and upcoming deadlines remaining. From an administrative perspective, the Coalition pays the Comparative Effectiveness Research PPACA fee on its Members behalf during the fiscal year. The Comparative Effectiveness Research fee was originally expected to sunset with a final payment date of July 31, 2020. The fee has been extended through June 30, 2029 for fiscal year health plans such as SCHOOLCARE with a final payment date of July 31, 2030.

Medical Costs

Medical cost trends specific to the Coalition increased in fiscal year largely due to inflation, increased utilization, and a variety of catastrophic claims. Consumerism is for both Participants and Member Groups. Over 83% of SCHOOLCARE 's population is enrolled in a consumer driven plan as of July 2024. SCHOOLCARE continues to work with employers and employees to educate and identify alternative options/locations for care that may provide cost savings. Staff annually compiles detailed claim reports which provide Members with insights to the primary drivers behind their group's medical costs. Staff also support all employer efforts for quotes on lower cost plans and cost/benefit analysis as needed.

As part of the Coalition's mission statement, the organization believes that education of its Member groups and also feedback from those groups is of the utmost importance to train and inform Members and Participants of cost saving alternatives and options as well as to gather information and thoughts from those same groups. With rising inflation, particularly in trends this past fiscal year, there is a continuous effort to look at both consumerism in health care as well as the possibility of changes in plan design to bend the cost curve where possible.

Staff facilitated two (2) meetings with Membership Council Representatives forming a Focus Group in accordance with the Board's approved strategic plan and in working with its strategic partners as it considers next generation plans, benefits and networks in accordance with thoughts and feedback. The Focus Group along with results of a survey sent to all Membership Council Representatives in June 2024 will be guiding Board actions and recommendations for the coming years.

Regulatory environment

The Coalition is a pooled risk management program under RSA 5-B and as such is regulated by the New Hampshire Secretary of State, Bureau of Securities (BSR). The Coalition staff provides periodic updates to the BSR on Coalition operations as they become available and promptly responds to all inquiries/request for information.

Requests for Information:

For additional information, please contact the New Hampshire School Health Care Coalition, 370 Harvey Road, Manchester, NH 03103; telephone 603-836-5031 x304.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
STATEMENTS OF NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	June 30, 2024	June 30, 2023
ASSETS:		
Cash and cash equivalents	\$ 9,992,106	\$ 12,507,261
Investments	31,909,848	34,652,370
Member receivables	2,252,585	1,914,562
Accounts receivable	2,989,641	2,911,422
Accrued interest receivable	172,324	173,471
Prepaid expenses	135,470	45,512
Total current assets	47,451,974	52,204,598
 Property and equipment, net	 353,420	 357,552
Total assets	 \$ 47,805,394	 \$ 52,562,150
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
LIABILITIES:		
Accounts payable	\$ 716,774	\$ 702,879
Accrued expenses	161,667	180,724
Claims payable	3,698,706	2,443,184
Claims reserves	12,988,034	12,047,115
Premium holiday payable	3,183,248	5,113,031
Premium deficiency reserve	5,573,053	-
Total current liabilities	26,321,482	20,486,933
 DEFERRED INFLOWS OF RESOURCES:		
Deferred revenue	1,069,144	2,156,665
 NET POSITION:		
Invested in capital assets	353,420	357,552
Unrestricted	20,061,347	29,561,000
Total net position	20,414,768	29,918,552
Total liabilities, deferred inflows of resources and net position	 \$ 47,805,394	 \$ 52,562,150

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	June 30, 2024	June 30, 2023
Operating revenues:		
Member contributions	\$ 220,199,740	\$ 211,243,950
Other income	10,854,104	10,171,264
Total operating revenues	231,053,844	221,415,214
Operating expenses:		
Claims expense	208,891,605	187,782,165
Insurance stop-loss	5,202,423	4,791,687
Insurance premiums	11,998,586	13,296,429
Claims administration	5,096,389	5,094,293
Contractual services	543,898	528,815
Affordable Care Act fees	50,051	46,958
Self-insured pool assessments	1,835,013	1,646,927
Administration	1,766,326	1,681,622
Premium deficiency expense (gain)	5,573,053	-
Health and wellness benefits	2,086,832	2,734,764
Conference expenses	15,530	11,464
Total operating expenses	243,059,706	217,615,124
Operating (loss) gain	(12,005,862)	3,800,090
Nonoperating revenues:		
Premium holiday credits	-	(3,183,249)
Earnings on investments	2,502,077	979,349
Change in net position	(9,503,785)	1,596,190
Beginning net position, July 1	29,918,552	28,322,362
Ending net position, June 30	\$ 20,414,767	\$ 29,918,552

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	June 30, 2024	June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members	\$ 216,844,413	\$ 203,776,193
Subsidies and refund received	10,775,885	10,425,775
Payments to suppliers	(27,276,692)	(29,009,994)
Payments of claims	(206,695,164)	(188,300,566)
Payments to employees	(1,388,596)	(1,295,792)
Net cash and cash equivalents used in operating activities	(7,740,154)	(4,404,384)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchase of property and equipment	(20,748)	(16,328)
Net cash and cash equivalents used in capital and financing activities	(20,748)	(16,328)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from maturities and sales, net of purchases	4,054,488	3,330,253
Interest and dividend income	1,382,229	1,234,030
Net cash and cash equivalents provided by investing activities	5,436,717	4,564,283
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,324,185)	143,571
CASH AND CASH EQUIVALENTS, beginning of year	12,507,261	12,363,690
CASH AND CASH EQUIVALENTS, end of year	\$ 10,183,076	\$ 12,507,261
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating (loss) income	\$ (12,005,862)	\$ 3,800,090
Adjustments to reconcile operating income to net cash and cash equivalents used in operating activities -		
Depreciation expense	24,880	24,138
Premium holiday credit	-	(3,183,249)
(Increase) decrease in assets:		
Member receivables	(338,023)	1,777,574
Accounts receivable	(78,219)	254,511
Prepaid expenses	(89,958)	(10,652)
Increase (decrease) in liabilities:		
Accounts payable	13,895	(452,501)
Claims payable	1,255,522	(206,943)
Premium deficiency reserve	5,573,053	-
Accrued expenses	(19,057)	(33,812)
Claims reserves	940,919	(311,458)
Premium holiday payable	(1,929,783)	(7,472,727)
Increase in deferred revenue:	(1,087,521)	1,410,645
Total adjustments	4,265,708	(8,204,474)
Net cash and cash equivalents used in operating activities	\$ (7,740,154)	\$ (4,404,384)
SUPPLEMENTAL NON-CASH DISCLOSURE		
Change in unrealized loss on investments	\$ 611,758	\$ (738,682)

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

1. Organization and significant accounting policies:

A. Organization and reporting entity - The New Hampshire School Health Care Coalition (the Coalition), was created in 1995 as a non-profit, tax-exempt corporation. The Coalition is a cooperative service organization of political subdivisions authorized by the New Hampshire General Court to establish and operate one or more pooled risk management programs under the requirements of New Hampshire RSA Chapter 5-B for the benefit of political subdivisions of the State of New Hampshire. Its mission is to provide education and training for public employees and employers to become informed health consumers with healthier life styles, and enable the purchase of quality health care in a cost effective manner. The Coalition was founded by the New Hampshire School Boards Association, the New Hampshire Association of School Business Officials, the New Hampshire School Administrators Association, the New Hampshire School Boards Insurance Trust, and the National Education Association-New Hampshire.

Prior to July 1, 2003, the Coalition entered into agreements with insurers to fully insure HMO, POS, indemnity, and Medicare supplement health benefit options, collectively known as the SCHOOLCARE Plan (SCHOOLCARE), and accordingly, the insurance risks were not retained by the Coalition under these plans. The Coalition provided prescription drug coverage to retired Members on Medicare under a self-funded arrangement beginning on July 1, 2002.

Beginning July 1, 2003, the Coalition entered into a self-insured arrangement with Connecticut General Life for the HMO and POS health benefit options. Connecticut General provides complete claims administration services and management reports.

Beginning July 1, 2010, the Coalition entered into a fully-insured arrangement with Connecticut General Life for DPO (dental provider organization) dental benefit options. The dental program transitioned to a self-insured arrangement on July 1, 2013.

Beginning July 1, 2011, the Coalition entered into an updated self-funded arrangement with Cigna Health and Life Insurance Company (formally Connecticut General Life) for both health benefit and dental benefit options.

Beginning January 1, 2014, the Coalition transitioned its existing SCHOOLCARE 65+ prescription plan from self-funded to a fully insured Medicare Part D Employer Group Waiver Program (EGWP) with Express Scripts.

Beginning July 1, 2019, the Coalition began offering fully insured life, long term disability and short-term disability plans in partnership with Mutual of Omaha. The Coalition also began offering a hardware only, voluntary vision plan in partnership with VSP Vision.

Beginning January 1, 2023, the Coalition entered into a fully insured arrangement with United Healthcare to provide a Medicare Advantage Prescription Drug Plan (MAPD) to its 65+ retiree population.

B. Membership - Membership is limited to political subdivisions of the State of New Hampshire. Membership was 90 at June 30, 2024 and 89 at June 30, 2023.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

1. Organization and significant accounting policies (continued):

- C. Basis of accounting - The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applied to proprietary funds of governmental units. The Coalition meets the requirements as a public entity risk pool under Governmental Accounting Standards Board (GASB) statements, and accounts for its activities in accordance with the applicable statements.
- D. Cash and cash equivalents - The Coalition considers all deposit accounts with banks and money market accounts held by the Coalition's investment advisor in the Coalition's name to be cash and cash equivalents. The Coalition's accounts are insured or collateralized at June 30, 2024 and June 30, 2023.
- E. Investments - The Coalition accounts for its investments in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools (Statement No. 31). Statement No. 31 establishes fair value standards on accounting for all investments held by governmental external investment pools and governmental entities. All investment income, including changes in the fair value of investments, is recognized in the statements of revenues, expenses, and changes in net position. Realized gains and losses on the sale of investments are recognized on the specific identification basis to determine the costs of the investments sold. Realized gains and losses on investments that had been held for more than one year and sold in the current year were included as a change in the fair value of investments reported in the prior years and the current year. Investment purchases are recognized on the trade date. Investments are stated at fair value based on quoted market prices or through a recognized pricing service.

In accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3, certain disclosures regarding deposit and investment risks have been provided in Note 2, Investments.

The Coalition measures its investments in accordance with GASB Statement No. 72, Fair Value Measurements and Application (Statement No. 72), which defines fair value, provides a framework for measuring fair value and requires certain disclosures about fair value measurements. The definition of fair value under Statement No. 72 focuses on the price that would be received to sell the asset, which is referred to as the exit price. Statement No. 72 provides guidance on how to measure fair value, when required, under existing accounting standards. Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into broad levels as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Inputs other than quoted prices that are observable for the asset or liability, such as:
 - (1) Interest rates and yield curves observable at commonly quoted intervals
 - (2) Implied volatilities
 - (3) Credit spreads
- Market-corroborated inputs.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

1. Organization and significant accounting policies (continued):

Level 3 - Inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security.

The Coalition has recorded its investments at fair value, as more fully described in Note 2.

The fair values of investments are measured using quoted market prices or dealer quotations, when available. When quoted market prices are not available, fair value is measured using quoted market prices for similar securities.

- F. Property and equipment - Property and equipment are stated at cost and depreciated using the straight-line method over their estimated useful lives. On January 14, 2012 the Board adopted a formal policy, Capitalization for the Acquisition, Management and Disposition of Fixed Assets. The following is the guideline on how each type of fixed asset should be depreciated:

	Minimum Capitalized Cost	Estimated Useful Life
Office furniture and equipment	\$ 3,000	7 years
Computer equipment	\$ 3,000	5 years
Computer software	\$ 5,000	10 years
computer - other equipment	\$ 3,000	5 years
Buildings and improvements	All purchase costs	30 years
Building equipment	All purchase costs	20 years
Vehicles	All purchase costs	5 years

- G. Member contributions - Member contributions are based on the program experience and trends as determined by qualified actuaries and are set by the Board annually. The contributions cover all expenses of the Coalition including claims payments and administration, reserves, stop-loss insurance, health and wellness programs, and the Coalition's administration. The rates are effective through June 30, 2024.
- H. Cigna Rx Considerations - The Coalition receives certain pharmacy rebates from Cigna on behalf of its Members as part of its contractual agreement. These rebates are recorded under "other income" and are the primary source for that line item in the financials.
- I. Net position - The Coalition reports two classifications of net position, invested in capital assets and unrestricted. Unrestricted net position is defined as that portion of net position that is intended to be used by the Coalition for specific purposes as authorized by the Board of Directors. Undesignated net position would be the residual classification of net position and would include all amounts not otherwise restricted or designated. The Coalition does not report an undesignated net position. Residual amounts are reported as premium holiday payable as the Coalition is required to return any undesignated amount to Members. Upon dissolution of the organization, the net position is to be distributed to Members.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

1. Organization and significant accounting policies (continued):

The following table represents the components of the net position:

	2024	2023
Invested in capital assets	\$ 353,420	\$ 357,552
Unrestricted - medical contingent reserve	20,061,347	28,734,000
Unrestricted - dental contingent reserve	-	827,000
Unrestricted net position	20,061,347	29,561,000
Total net position	\$ 20,414,767	\$ 29,918,552

- J. Income taxes - The Coalition has been recognized as having tax exempt status under Code Section 115 by the Internal Revenue Service.
- K. Marketing - The Coalition expenses marketing and advertising costs when incurred.
- L. Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows/inflows of resources as well as disclosure 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.
- M. Unpaid claims liabilities - The Coalition establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, 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 excess insurance recoverable on unpaid claims are deducted from the liability for unpaid claims. The process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using the development actuarial method which assumes that past patterns of lag between the date a service is received and the date the claim is paid for the service will continue in the future and other economic factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.
- N. Excess insurance - The Coalition purchases an individual insurance policy in excess of predetermined levels of retained losses or self-insurance. The excess insurance program may change each coverage year to accommodate increased Membership and changing insurance market conditions. Excess insurance permits recovery of a portion of losses from excess insurers, although it does not discharge the primary liability of the Coalition as direct insurer of the risks. The Coalition does not report risks covered by excess insurance as liabilities unless it is probable that those risks will not be covered by the excess insurers and is refunded by excess insurers. Premiums paid to excess insurers for the years ended June 30, 2024 and 2023 were \$5,202,423 and \$4,791,687 respectively. There was \$926,363 and \$1,620,629 recovered from excess insurers and deducted from claims paid for fiscal years ended June 30, 2024 and 2023, respectively.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

1. Organization and significant accounting policies (continued):

Third party health coverage was purchased from Optum for the 2024 program year subject to individual losses in excess of \$550,000 per covered enrollee for loss year 2024 with an aggregating deductible of \$125,000. The Coalition does not currently purchase aggregate excess insurance. The Medigap portion of the Coalition's SchoolCare 65+ program is fully insured through the United American Insurance Company, and the prescription drug program is fully insured through Express Scripts. The Medicare Advantage Plan offered through UnitedHealthCare is also fully insured. The dental insurance benefit option was self-funded through Cigna beginning July 1, 2013. All ancillary coverages are fully insured through Mutual of Omaha and VSP Vision.

- O. Deferred revenue - Financials are presented in accordance with GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. In addition to assets and liabilities, deferred outflows of resources (previously reported as assets) and deferred inflows of resources (previously reported as liabilities), are reported as separate sections in the statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources in the current period. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources in the current period. The Coalition does not currently report any deferred outflows of resources. The Coalition reports deferred revenue which represents Members' contributions received in advance of the month of coverage as deferred inflows of resources.
- P. Premium deficiency reserve - In accordance with GASB Statement No. 30, "Risk Financing Omnibus," premium deficiencies are required to be calculated and reported by public entity risk pools. A premium deficiency can result when expected costs for coverage obligations as of the financial statement date exceed expected contributions (based on rates set prior to the financial statement date) for such coverage. There is a premium deficiency reserve recorded for June 30, 2024 in the amount of \$5,573,053. Investment income was included as part of the calculation in determining if a premium deficiency existed.
- Q. Subsequent events - The Coalition has evaluated subsequent events through <DATE>, which is the date the financial statements were available to be issued.

2. Investments:

Investments are reported at fair value using quoted market prices. Net realized and unrealized gains and losses are included in the accompanying Statements of Revenues, Expenses and Changes in Net Position in earnings on investments under non-operating revenues and expenses. The Coalition's investments are subject to regulatory compliance requirements and various investment risks. The Coalition's investment policy, as approved by the Board of Directors, contains certain provisions and limitations intended to insure regulatory compliance and to mitigate the Coalition's exposure to investment risks.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

2. Investments (continued):

The Coalition engages Strategic Asset Alliance (SAA) as an investment consultant and advisor to the Board and organization. Asset Allocation and Management Company (AAM) provides investment management and accounting services. US Bank acts as the custodian of Coalition funds.

The Coalition's investment portfolio on June 30, 2024 was valued at \$31,909,848. The portfolio on June 30, 2023 was valued at \$34,652,370. The June 30, 2022 value of the investment portfolio was \$38,256,070. The Coalition's Risk Pool Practices Agreement with the NH Secretary of State expired as of April 25, 2017. Although the agreement is no longer in effect, operations and policies adopted as a result of its execution remain in place. The Coalition's investments are compliant with the requirements imposed upon municipalities pursuant to NH RSA 35:9, with the exception of an aggregate amount of 4.57% which is compliant with RSA 402:28. This aggregate amount includes the Coalition's cash, cash equivalents, and other investments. The Coalition held securities that are non-compliant with NH RSA 35:9 in the amount of \$1,915,214 at June 30, 2024, \$2,461,155 at June 30, 2023 and \$2,701,911 at June 30, 2022.

The last remaining Real Estate Investment Trust (REIT) in the Coalition's portfolio was sold in December of 2023 for \$26,742. The REIT balance was \$53,483 at June 30, 2023 and \$55,393 at June 30, 2022.

Custodial credit risk - Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the Coalition will not be able to recover the value of its investments or collateral securities that are in the possession of another party. Investments other than the real estate investment trusts were held by US Bank at June 30, 2024 and June 30, 2023.

The Coalition's investments, including compliance consisted of the following as of June 30, 2024:

Category	Amount of Investment Portfolio	Percentage of Investment Portfolio	Non-Compliant Municipal Law RSA 35:9 Investments	Percentage of Municipal Law RSA 35:9 Non-compliant Investments	Non-Insurance Law 402:28:I Investments	Percentage of Insurance Law 402:28:I Non-compliant Investments
Corporate Bonds	\$ 9,396,822	19.93%	\$ 1,915,214	4.57%	\$ -	0.00%
Municipal Bonds	4,031,472	8.55%	-	0.00%	-	0.00%
Asset Backed Corporate	2,605,012	5.52%	-	0.00%	-	0.00%
Mortgage Backed Corporate	1,878,013	3.98%	-	0.00%	-	0.00%
Mortgage Backed Residential	6,186,831	13.12%	-	0.00%	-	0.00%
Exchange Traded Funds	5,470,192	11.60%	-	0.00%	-	0.00%
REITs	-	0.00%	-	0.00%	-	0.00%
US Treasuries	2,341,506	4.97%	-	0.00%	-	0.00%
Total Investments	31,909,848	67.66%	-	0.00%	-	0.00%
Cash and Money Markets	9,992,106	21.19%	-	0.00%	-	0.00%
Total Investment Portfolio	\$41,901,954	100%	-	0.00%	-	0.00%
Total Out of Compliance			\$ 1,915,214	4.57%	\$ -	0.00%

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

2. Investments (continued):

The Coalition's investments, including compliance consisted of the following as of June 30, 2023:

Category	Amount of Investment Portfolio	Percentage of Investment Portfolio	Non-Compliant Municipal Law RSA 35:9 Investments	Percentage of Municipal Law RSA 35:9 Non-compliant Investments	Non-Compliant Law 402:28:1 Investments	Percentage of Insurance Law 402:28:1 Non-compliant Investments
Corporate Bonds	\$ 11,618,822	24.64%	\$ 2,461,155	5.22%	\$ -	0.00%
Municipal Bonds	4,568,050	9.69%	-	0.00%	-	0.00%
Asset Backed Corporate	3,338,467	7.08%	-	0.00%	-	0.00%
Mortgage Backed Corporate	1,941,501	4.12%	-	0.00%	-	0.00%
Mortgage Backed Residential	5,048,799	10.71%	-	0.00%	-	0.00%
Exchange Traded Funds	6,021,511	12.77%	-	0.00%	-	0.00%
REITs	53,483	0.11%	53,483	0.11%	53,483	0.11%
US Treasuries	2,061,737	4.37%	-	0.00%	-	0.00%
Total Investments	34,652,370	73.48%	-	0.00%	-	0.00%
Cash and Money Markets	12,507,261	26.52%	-	0.00%	-	0.00%
Total Investment Portfolio	\$47,159,631	100%	-	0.00%	-	0.00%
Total Out of Compliance			\$ 2,514,638	5.33%	\$ 53,483	0.11%

Interest rate risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment the greater the sensitivity of its fair value to changes in the market interest rates. The Coalition mitigates the risk that the market value of securities will fall due to changes in general interest rates by structuring the portfolio with allocations across asset class sectors to position the portfolio to take advantage of changes in the interest rate environment.

Maturities of interest earning investments at June 30, 2024 are as follows:

	Fair Value	Less than One Year	1 to 5 Years	6 to 10 Years	After 10 Years
US Treasuries	\$ 2,341,506	\$ 1,019,813	\$ 710,068	\$ 611,625	\$ -
Corporate bonds	9,396,822	818,187	3,913,260	4,665,375	-
Municipal bonds	4,031,472	489,238	2,996,947	483,413	61,874
Asset backed	2,605,012	619,977	1,274,625	580,506	129,904
Mortgage backed	8,064,844	508,954	1,207,229	850,852	5,497,809
	\$ 26,439,656	\$ 3,456,169	\$ 10,102,129	\$ 7,191,771	\$ 5,689,587

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

2. Investments (continued):

Maturities of interest earning investments at June 30, 2023 are as follows:

	Fair Value	Less than One Year	1 to 5 Years	6 to 10 Years	After 10 Years
US Treasuries	\$ 2,061,737	\$ -	\$ 1,684,018	\$ 231,680	\$ 146,039
Corporate bonds	11,618,822	-	4,205,484	6,066,744	1,346,594
Municipal bonds	4,568,050	-	2,592,999	1,884,582	90,469
Asset backed	3,338,467	-	2,417,909	638,560	281,998
Mortgage backed	6,990,300	-	1,839,183	358,088	4,793,029
	<u>\$ 28,577,376</u>	<u>\$ -</u>	<u>\$ 12,739,593</u>	<u>\$ 9,179,654</u>	<u>\$ 6,658,129</u>

Credit risk - Credit risk is the risk that an issuer of or counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of an investor's investment in a single issuer. Except for the concentration of investments in Mutual Funds, the Coalition investments are diversified.

The table below outlines third party credit ratings of the Coalition's fixed maturity securities at June 30, 2024:

	U.S. Treasuries	Corporate Bonds	Municipal Bonds	Asset Backed	Mortgage Backed	Totals
AAA		\$ 332,019	\$ 1,401,108	\$ 2,136,049	\$ 711,786	\$ 4,580,962
AA+	2,341,506	103,366	794,084		5,131,976	8,370,932
AA		373,307	444,066			817,373
AA-		373,192	451,786			824,978
A+		1,640,274	221,033			1,861,307
A		2,785,026				2,785,026
A-		2,855,924				2,855,924
BBB+		605,116				605,116
BBB		328,598				328,598
BBB-						-
BB						-
NA			430,454	468,963	2,221,082	3,120,499
NR			288,941			288,941
	<u>\$ 2,341,506</u>	<u>\$ 9,396,822</u>	<u>\$ 4,031,472</u>	<u>\$ 2,605,012</u>	<u>\$ 8,064,844</u>	<u>\$ 26,439,656</u>

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

2. Investments (continued):

The table below outlines the third party credit ratings of the Coalition's fixed maturity securities at June 30, 2023:

	U.S. Treasuries	Corporate Bonds	Municipal Bonds	Asset Backed	Mortgage Backed	Totals
AAA	\$ -	\$ 600,578	\$ 1,894,696	\$ 2,904,935	\$ 4,152,231	\$ 9,552,440
AA+	2,061,737	103,575	1,137,399	-	571,507	3,874,218
AA	-	364,988	458,224	-	-	823,212
AA-	-	508,816	441,483	-	-	950,299
A+	-	2,396,865	217,013	-	-	2,613,878
A	-	2,921,237	-	-	-	2,921,237
A-	-	4,055,168	-	-	-	4,055,168
BBB+	-	-	-	-	-	-
BBB	-	321,628	-	-	-	321,628
BBB-	-	-	-	-	-	-
BB	-	-	-	-	-	-
NA	-	345,967	419,235	433,532	2,266,562	3,465,296
NR	-	-	-	-	-	-
	<u>\$ 2,061,737</u>	<u>\$ 11,618,822</u>	<u>\$ 4,568,050</u>	<u>\$ 3,338,467</u>	<u>\$ 6,990,300</u>	<u>\$ 28,577,376</u>

Marketable equity securities were recorded using Level 1 fair values based on observable quoted market prices from national securities exchanges. Corporate bonds and government bonds were recorded using Level 2 fair values are priced using standard inputs, when available, which include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, bids, offers, and reference data. Inputs used also take into consideration market indicators, industry, and economic events. REITS classified as Level 3 are valued using discounted cash flow techniques.

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

2. Investments (continued):

The following table sets forth by level, within the fair value hierarchy, the Coalition's investments at fair value as of June 30, 2024 and 2023:

	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2024			
Corporate Bonds	\$ -	\$ 9,396,822	\$ -
Municipal Bonds	-	4,031,472	-
Asset Backed Corporate	-	2,605,012	-
Mortgage Backed Corporate	-	1,878,013	-
Mortgage Backed Residential	-	6,186,831	-
Exchange Traded Funds	5,470,192	-	-
REITs	-	-	-
US Treasuries	-	2,341,506	-
	<hr/>	<hr/>	<hr/>
Total Investments	<u>\$ 5,470,192</u>	<u>\$ 26,439,656</u>	<u>\$ -</u>
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2023			
Corporate Bonds	\$ -	\$ 11,618,822	\$ -
Municipal Bonds	-	4,568,050	-
Asset Backed Corporate	-	3,338,467	-
Mortgage Backed Corporate	-	1,941,501	-
Mortgage Backed Residential	-	5,048,799	-
Exchange Traded Funds	6,021,511	-	-
REITs	-	-	53,483
US Treasuries	-	2,061,737	-
	<hr/>	<hr/>	<hr/>
Total Investments	<u>\$ 6,021,511</u>	<u>\$ 28,577,376</u>	<u>\$ 53,483</u>

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

2. Investments (continued):

Earnings on investments for the years ended June 30, 2024 and 2023, is summarized as follows:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Interest income, net	\$ 1,381,082	\$ 1,252,796
Amortization expense	(62,450)	(101,931)
Realized gains	571,687	569,076
Earnings on investments	1,890,319	1,719,941
Unrealized gains (losses)	611,758	(740,592)
Earnings on investments (with unrealized gains)	<u>\$ 2,502,077</u>	<u>\$ 979,349</u>

3. Property and equipment:

Property and equipment consisted of the following at year end:

	<u>Balance June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2024</u>
Capital assets, being depreciated				
Buildings and improvements	\$ 621,822	\$ 20,748	\$ -	\$ 642,570
Furniture and equipment	133,273	-	-	133,273
Total capital assets being depreciated	755,095	20,748	-	775,843
Less: accumulated depreciation for:				
Buildings and improvements	(278,275)	(20,975)	-	(299,250)
Furniture and equipment	(119,268)	(3,905)	-	(123,173)
Total accumulated depreciation	(397,543)	(24,880)	-	(422,423)
Total capital assets being depreciated, net	<u>\$ 357,552</u>	<u>\$ (4,132)</u>	<u>\$ -</u>	<u>\$ 353,420</u>

Depreciation expense was \$24,880 and \$24,138 for the years ended June 30, 2024 and 2023, respectively.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

4. Unpaid claims liabilities:

As discussed in Note 1. A., the Coalition started pooling the risk for prescription drug coverage for retired Members under the Express Scripts Plan on July 1, 2002 through December 31, 2013 and started pooling the risk for the health benefit options on July 1, 2003. The Coalition also started pooling the risk for the dental benefit options as of July 1, 2013. The Coalition establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses, both allocated and unallocated.

The following represents changes in those aggregate liabilities for the Coalition for the years ended June 30, 2024, 2023, and 2022:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Unpaid claims and allocated claims adjustment expenses at beginning of year	\$ 14,490,299	\$ 15,008,700	\$ 13,585,554
Incurred claims and allocated claim adjustment expenses:			
Provision for insured events of current fiscal year	208,760,552	188,028,202	185,954,152
Changes in the provision for insured events of prior fiscal years	131,054	(246,036)	(147,712)
Claims administration expenses, current year	<u>5,096,389</u>	<u>5,094,293</u>	<u>5,235,783</u>
Total incurred claims and claim adjustment expenses	213,987,994	192,876,459	191,042,223
Claim and allocated claim adjustment expense payments:			
Attributable to insured events of current fiscal year	192,073,811	173,537,903	170,945,452
Attributable to insured events of prior fiscal years	14,621,352	14,762,664	13,437,842
Claims administration expenses, current year	<u>5,096,389</u>	<u>5,094,293</u>	<u>5,235,783</u>
Total payments	<u>211,791,553</u>	<u>193,394,860</u>	<u>189,619,077</u>
Total unpaid claims and claim adjustment expenses at end of the year	<u>\$ 16,686,740</u>	<u>\$ 14,490,299</u>	<u>\$ 15,008,700</u>

As a result of changes in estimates of insured events in prior years, incurred losses and loss adjustment expenses increased by \$131,054 in 2024 and decreased by \$246,036 in 2023, respectively.

5. Risk Pool Practices Agreement:

On April 25, 2012, the Coalition entered into a Risk Pool Practices Agreement (the Agreement) with the New Hampshire Secretary of State. The Agreement was effective through April 25, 2017. The provisions of the Agreement significantly changed two areas of the Coalition's operations - return of surplus and investments.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

5. Risk pool practices agreement (continued):

Return of surplus - From inception in 1995 to 2013, the Coalition returned surplus to its Members through rate stabilization to reduce rate increases. The New Hampshire Secretary of State, Bureau of Securities Regulation, during its 2012 on-site examination, noted the Coalition’s documentation of rate stabilization procedures and designation of surplus for this purpose. However, the Secretary of State, as a policy matter, did not agree that the use of rate stabilization as described is compliant with NH RSA 5-B and required the Coalition to return surplus to its Members through a “Premium Holiday”. The below chart has been updated to illustrate total Premium Holiday amounts paid to both former and current Members by year. Premium Holiday is paid to former Members by June 30th of each fiscal year and current Members as a Premium Holiday Credit on July 1st invoices. Current Member groups also have the option of receiving premium holiday credits via invoice credits or checks.

<u>Date of Premium Holiday</u>	<u>Total Amount of Premium Holiday</u>
December 1, 2012	\$ 4,250,000
December 1, 2013	\$ 4,250,000
July 1, 2014	\$ 21,697,052
July 1, 2015	\$ 4,308,814
July 1, 2016	\$ 1,221,078
July 1, 2017	\$ 4,636,390
July 1, 2018	\$ 6,128,691
July 1, 2019	\$ 11,081,915
July 1, 2020	\$ 11,967,897
July 1, 2021	\$ 13,138,415
July 1, 2022	\$ 10,831,066
July 1, 2023	\$ 1,973,545
July 1, 2024	\$ 3,183,249

This practice of return of surplus through a Premium Holiday was considered a change in accounting policy implemented in the year ended June 30, 2012.

Investments - The Board of Directors currently has an investment policy based on the “prudent person” standard whereby investments are made with judgment and care considering the probable safety of the investment as well as the expected income to be derived. This investment policy is reviewed annually by the Board.

The Coalition engages Strategic Asset Alliance (SAA) as an investment consultant and advisor to the Board and organization. Asset Allocation and Management Company (AAM) provides investment management and accounting services. US Bank acts as the custodian of Coalition funds.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

5. Risk pool practices agreement (continued):

The Coalition's investment portfolio on June 30, 2024 was valued at \$31,909,848. The portfolio on June 30, 2023 was valued at \$34,652,370. The June 30, 2022 value of the investment portfolio was \$38,256,070. The Coalition's Risk Pool Practices Agreement with the NH Secretary of State expired as of April 25, 2017. Although the agreement is no longer in effect, operations and policies adopted as a result of its execution remain in place. The Coalition's investments are compliant with the requirements imposed upon municipalities pursuant to NH RSA 35:9, with the exception of an aggregate amount of 4.57% which is compliant with RSA 402:28. This aggregate amount includes the Coalition's cash, cash equivalents, and other investments. The Coalition held securities that are non-compliant with NH RSA 35:9 in the amount of \$1,915,214 at June 30, 2024, \$2,461,155 at June 30, 2023 and \$2,701,911 at June 30, 2022.

The last remaining Real Estate Investment Trust (REIT) in the Coalition's portfolio was sold in December of 2023 for \$26,742. The REIT balance was \$53,483 at June 30, 2023 and \$55,393 at June 30, 2022.

6. Net position:

Unrestricted net position - The medical contingent reserve is determined annually with advice of the Coalition's actuaries using a stochastic modeling methodology at the 95% confidence level and is held as under unrestricted net position as a designated contingent reserve for all business risks not included in loss reserves. The dental contingent reserve is also determined annually with advice of the Coalition's actuaries using two months projected claims payments. This is used instead of stochastic modeling due to both the size of the program as well as the predictability of claims payments. The Coalition does not retain an undesignated net position.

7. Health care reform:

On March 23, 2010, the Patient Protection and Affordable Care Act (PPACA) made significant changes impacting group health plans including the SCHOOLCARE Medical Plans. Since 2010, the Coalition continues to monitor and assist Members with the implementation of changes required by PPACA. In 2023, the Coalition has accrued fees of approximately \$47,000 which represent the Coalition's annual assessment under the Act for the Comparative Effectiveness Research Fee. The Comparative Effectiveness Research fee was originally expected to sunset with a final payment date of July 31, 2020. The fees have been extended through June 30, 2029 for SCHOOLCARE with a final payment date of July 31, 2030.

Annually the SCHOOLCARE Medical Plans are amended to reflect benefit changes required by PPACA such as lifetime limits and preventive services. In addition, the Health Benefits Booklet has been updated with these benefit changes as well as other federal requirements including but not limited to eligibility criteria and the claims appeals procedures.

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT
FOR THE YEARS ENDED JUNE 30, 2024 2023, and 2022
Schedule 1**

	<u>SchoolCare-Medical</u>			<u>SchoolCare - Dental</u>		
	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
Unpaid claims and allocated claims adjustment expenses at beginning of year	\$ 14,206,614	\$ 14,778,653	\$ 13,380,615	\$ 283,685	\$ 230,047	\$ 204,939
Incurred claims and allocated claim adjustment expenses:						
Provision for insured events of current fiscal year	203,705,443	183,129,960	181,591,852	5,055,109	4,898,241	4,362,301
Changes in the provision for insured events of prior fiscal year	195,611	(267,550)	(136,553)	(64,557)	21,514	(11,159)
Claims administration expenses, current year	<u>4,926,010</u>	<u>4,923,497</u>	<u>5,075,834</u>	<u>170,379</u>	<u>170,796</u>	<u>159,949</u>
Total incurred claims and claim adjustment expense	<u>208,827,064</u>	<u>187,785,907</u>	<u>186,531,133</u>	<u>5,160,931</u>	<u>5,090,551</u>	<u>4,511,091</u>
Claim and allocated claim adjustment expense payments:						
Attributable to insured events of current fiscal year	187,210,731	168,923,347	166,813,199	4,863,081	4,614,556	4,132,254
Attributable to insured events of prior fiscal years	14,402,225	14,511,102	13,244,062	219,128	251,561	193,780
Claims administration expenses, current year	<u>4,926,010</u>	<u>4,923,497</u>	<u>5,075,834</u>	<u>170,379</u>	<u>170,796</u>	<u>159,949</u>
Total payments	<u>206,538,966</u>	<u>188,357,946</u>	<u>185,133,095</u>	<u>5,252,588</u>	<u>5,036,913</u>	<u>4,485,983</u>
Total unpaid claims and claim adjustment expenses at the years ended June 30, 2024, 2023 and 2022	<u>\$ 16,494,712</u>	<u>\$ 14,206,614</u>	<u>\$ 14,778,653</u>	<u>\$ 192,028</u>	<u>\$ 283,685</u>	<u>\$ 230,047</u>

**NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
COMPARATIVE SCHEDULE OF CLAIM DEVELOPMENT,
EARNED ASSESSMENTS AND UNALLOCATED EXPENSES
JUNE 30, 2024
Schedule 2
(Page 1 of 2)**

The following table illustrates how the Coalition's earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Coalition as of the end of each of the previous nine years. The rows of the table are defined as follows: (1) This line shows the total of the fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, and net earned contribution revenue and reported investment revenue. (2) This line shows the fiscal year's other operating costs of the Coalition including overhead and claims expense not allocable to individual claims. This operating cost has been updated to reflect administrative costs without inclusion of the SchoolCare 65+ fully-insured Medicare supplement plans or the fully insured ancillary products. (3) This line shows the Coalition's gross incurred claims and allocated claim adjustment expenses, claims assumed by reinsurers and net incurred claims and allocated adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year). (4) This section of ten rows shows the cumulative net amounts paid as of the end of successive years of each policy year. (5) This line shows the latest reestimated amount of claims assumed by reinsurers as of the end of the current year for each policy year. (6) This section of ten rows shows how each policy year's net incurred claims increased or decreased as of the end of successive years. (This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known). (7) This line compares the latest reestimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of net claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts commonly is used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

NEW HAMPSHIRE SCHOOL HEALTH CARE COALITION
COMPARATIVE SCHEDULE OF CLAIM DEVELOPMENT, EARNED ASSESSMENTS AND UNALLOCATED EXPENSES
JUNE 30, 2024
Schedule 2 (Page 2 of 2)

	Fiscal and Policy Year Ended										
	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>
(1) Required contribution and investment revenue:											
Earned	\$ 145,505,569	\$ 159,063,635	\$ 162,438,317	\$ 160,616,072	\$ 169,000,654	\$ 177,144,772	\$ 183,041,953	\$ 189,820,156	\$ 191,135,502	\$ 198,608,444	\$ 210,472,595
Ceded	<u>1,974,516</u>	<u>2,206,484</u>	<u>1,460,836</u>	<u>1,608,270</u>	<u>1,631,254</u>	<u>1,830,356</u>	<u>2,596,101</u>	<u>3,120,755</u>	<u>4,236,624</u>	<u>4,791,687</u>	<u>5,202,423</u>
Net earned	143,531,053	156,857,151	160,977,481	159,007,802	167,369,400	175,314,415	180,445,852	186,699,400	186,898,878	193,816,757	205,270,172
(2) Unallocated expenses	8,834,804	9,907,428	11,208,816	10,275,523	10,134,359	10,588,285	15,276,340	9,788,440	9,140,421	11,383,059	16,657,125
(3) Estimated claims and expenses, end of policy year											
Incurred	133,348,065	146,332,109	152,415,558	149,135,224	150,533,600	159,597,904	160,002,913	179,337,920	187,949,857	189,648,831	209,686,915
Ceded	<u>1,045,871</u>	<u>418,193</u>	<u>175,325</u>	<u>623,032</u>	<u>1,808,003</u>	<u>227,784</u>	<u>1,181,929</u>	<u>938,441</u>	<u>1,995,704</u>	<u>1,620,629</u>	<u>926,363</u>
Net incurred	132,302,194	145,913,916	152,240,233	148,512,192	148,725,597	159,370,120	158,820,984	178,399,479	185,954,153	188,028,202	208,760,552
(4) Net paid (cumulative) as of:											
End of the policy year	118,853,463	131,745,711	137,642,784	134,970,770	133,624,242	144,306,429	145,073,100	164,813,925	170,945,452	173,537,903	192,073,812
One year later	129,827,079	142,862,668	150,426,323	146,901,477	146,635,188	156,841,769	156,243,344	178,251,767			
Two years later	129,827,079	142,862,668	150,426,323	146,901,477	146,635,188	156,841,769	156,243,344				
Three years later	129,827,079	142,862,668	150,426,323	146,901,477	146,635,188	156,841,769					
Four years later	129,827,079	142,862,668	150,426,323	146,901,477	146,635,188						
Five years later	129,827,079	142,862,668	150,426,323	146,901,477							
Six years later	129,827,079	142,862,668	150,426,323								
Seven years later	129,827,079	142,862,668									
Eight years later	129,827,079										
Nine years later											
(5) Re-estimated ceded claims and expens	1,195,297	649,305	257,907	790,968	3,333,399	863,082	2,258,451	967,621	1,995,704	1,620,629	926,363
(6) Re-estimated net incurred claims and expenses:											
End of the policy year	132,302,194	145,913,916	152,240,233	148,512,192	148,725,597	159,370,120	158,820,984	178,399,479	185,954,153	188,028,202	208,760,552
One year later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187	156,841,769	156,243,344	178,251,767	185,708,116	188,159,256	
Two years later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187	156,841,769	156,243,344	178,251,767	185,708,116		
Three years later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187	156,841,769	156,243,344	178,251,767			
Four years later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187	156,841,769	156,243,344				
Five years later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187	156,841,769					
Six years later	129,827,079	142,862,667	150,426,323	146,901,477	146,635,187						
Seven years later	129,827,079	142,862,667	150,426,323	146,901,477							
Eight years later	129,827,079	142,862,667	150,426,323								
Nine years later											
(7) Increase (decrease) in estimated net incurred claims and expenses from end of the policy year	(2,475,115)	(3,051,249)	(1,813,910)	(1,610,715)	(2,090,410)	(2,528,351)	(2,577,640)	(147,712)	(246,037)	131,054	-