

December: Trust Structure and Funding



Process Update



Gather Data	<table border="1"> <thead> <tr> <th></th> <th>ASPSIT</th> <th>ASBA</th> <th>Higher-Ed</th> </tr> </thead> <tbody> <tr> <td>Statement of Values</td> <td>10/3</td> <td>10/9</td> <td>10/3</td> </tr> <tr> <td>Policies</td> <td>10/3</td> <td>10/9</td> <td>10/3</td> </tr> <tr> <td>Losses</td> <td>10/3</td> <td>10/9</td> <td>10/3</td> </tr> <tr> <td>Valuation Reports</td> <td>10/24</td> <td>10/31</td> <td>10/24</td> </tr> </tbody> </table>		ASPSIT	ASBA	Higher-Ed	Statement of Values	10/3	10/9	10/3	Policies	10/3	10/9	10/3	Losses	10/3	10/9	10/3	Valuation Reports	10/24	10/31	10/24	<p>AID Sent: 10/3 3:08 AM ASBA Sent: 10/9 11:32 AM</p>
	ASPSIT	ASBA	Higher-Ed																			
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Interview Program Managers		<p>AID: 10/10 9:30 AM ASBA: 10/10 10:30 AM</p>																				
Organize Data		Complete																				
Data Analysis	<table border="1"> <tbody> <tr> <td>Concentration/Mapping</td> <td>80%</td> </tr> <tr> <td>Loss Analysis</td> <td>25%</td> </tr> <tr> <td>Weather Modeling</td> <td>80%</td> </tr> </tbody> </table>	Concentration/Mapping	80%	Loss Analysis	25%	Weather Modeling	80%	Ongoing														
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Evaluate Insurance Trust & Funding		Ongoing																				
Market Evaluation																						
Unforeseen Areas of Study																						
Final Recommendations																						

Current Structure/Funding



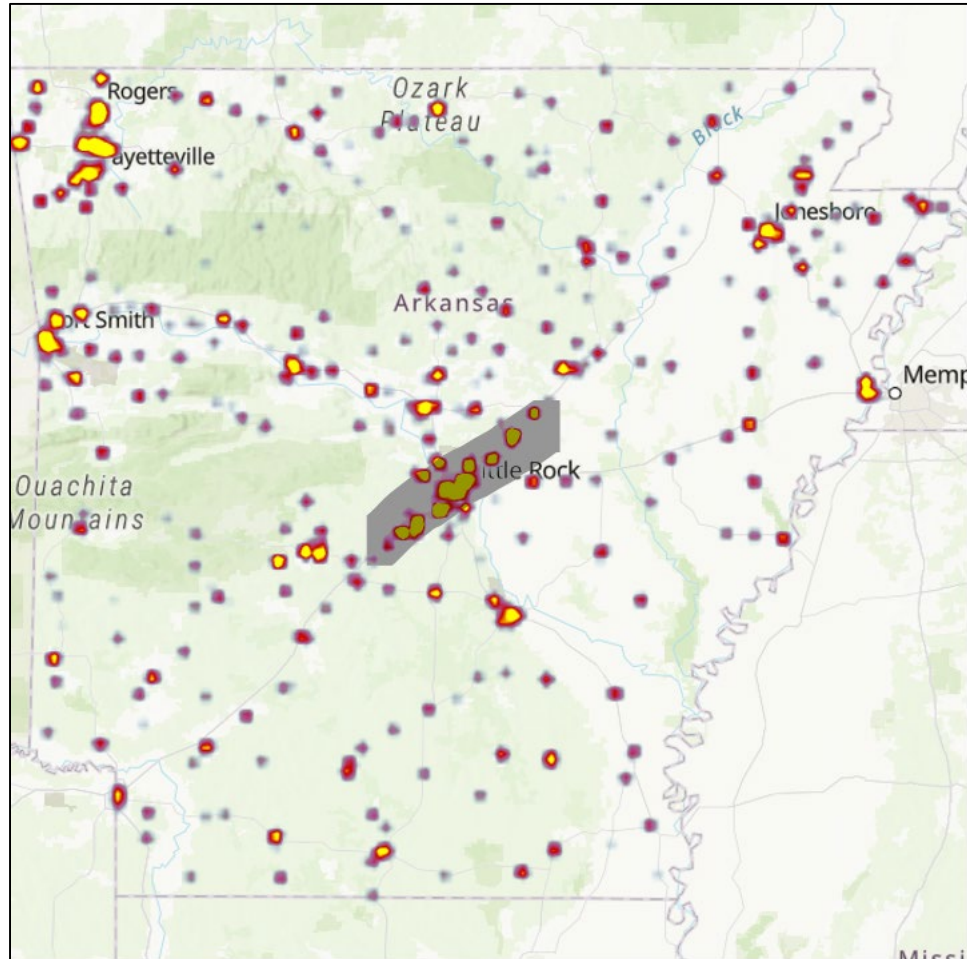
- No state funding for either ASBA or ABSIT
- APSIT Structure
 - Deductible: Varies by District, \$10K to \$25,000
 - Fund Size: \$6M annual
 - \$250,000 for Wind/Hail if agg is exceeded.
 - \$100,000 for all other perils if agg is exceeded.
 - Percent of 2024 premium allocation to the loss fund = 24%.
 - Loss Limit: \$500M
- ASBA Structure
 - Deductible: Varies by District - \$5K to \$250K
 - \$500,000 Each Occurrence, No aggregate.
 - Excess of \$500,000, ASBA has a \$750,000 SIR with a \$3M agg. Only the amount excess of \$500,000 erodes the agg.
 - If the \$3M Agg is exhausted, ASBA is still responsible for the \$500,000 each occurrence.
 - Percent of 2024 premium allocation to the loss fund = 40%.
 - Loss Limit: \$700M

Set Level of Funding



- Mapping of concentrations to test for loss limit adequacy.
- Combined program or separate programs?
- Loss analysis & weather modeling will determine the attachment point for reinsurance.

Concentrations

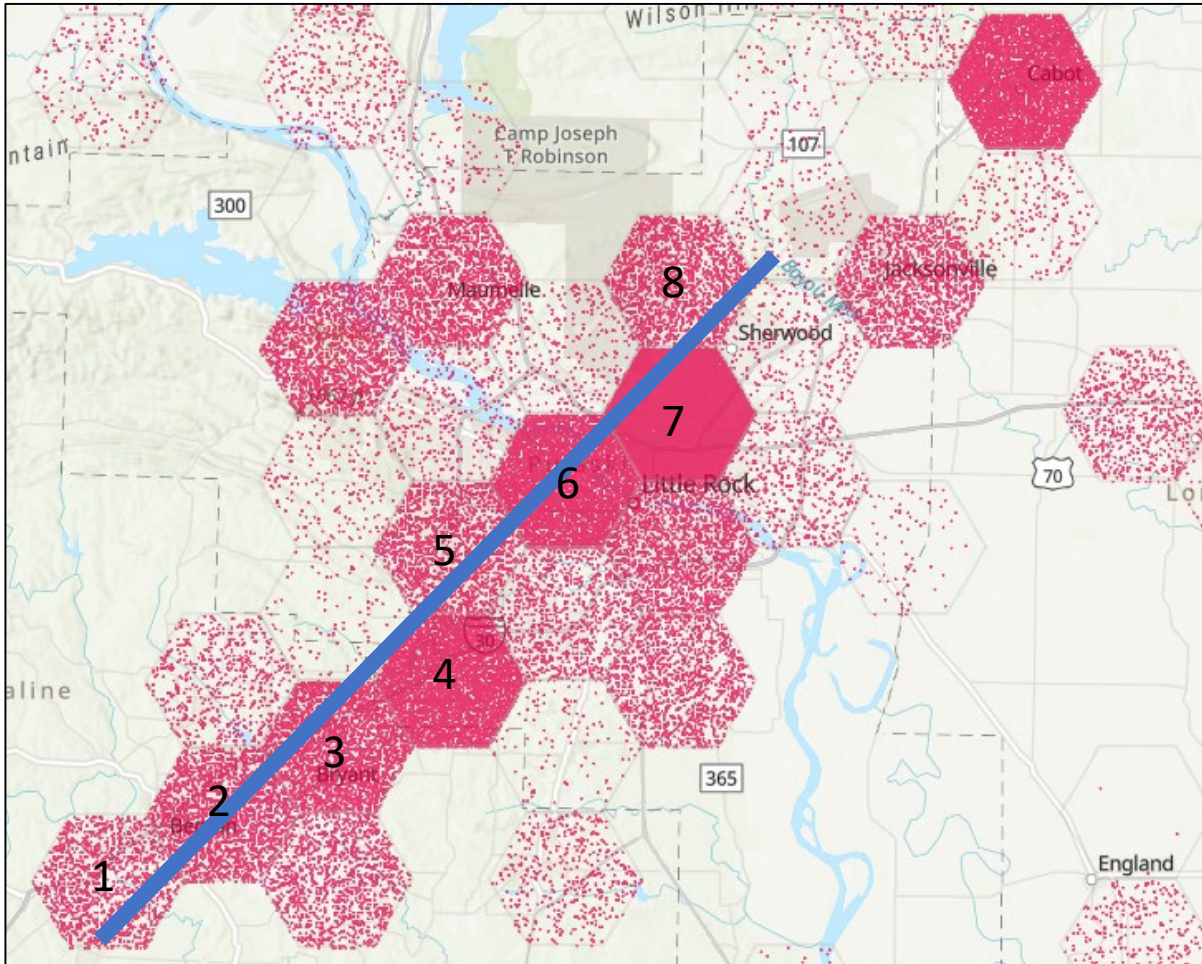


- ~\$7.5 Billion in highlighted area of K-12 concentration of Central Arkansas
- Density and tornadic frequency of this path make it the worst-case scenario

Concentrations

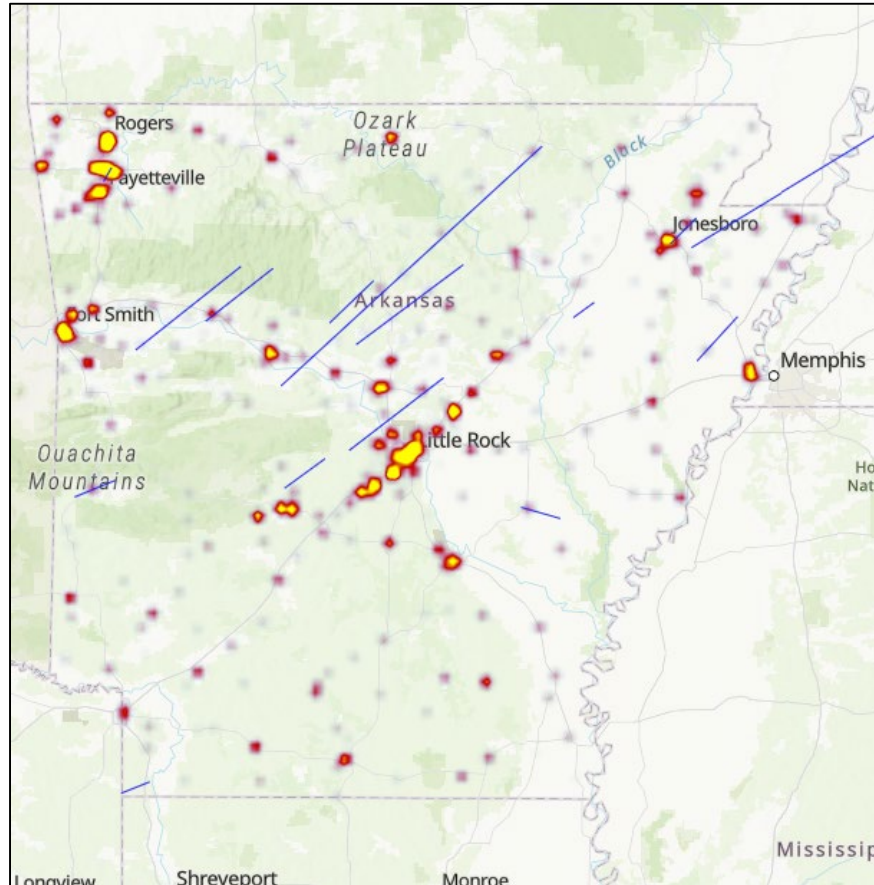


Blue Line represents a mile wide Tornado.
Hypothetical worst case.



Total Insured Value	
1-	\$ 158,839,716.35
2-	\$ 231,294,699.23
3-	\$ 278,686,911.15
4-	\$ 382,389,071.96
5-	\$ 188,419,372.24
6-	\$ 397,411,722.47
7-	\$ 481,585,676.37
8-	\$ 205,580,774.84
Total-	\$ 2,324,207,944.61

Weather Modeling



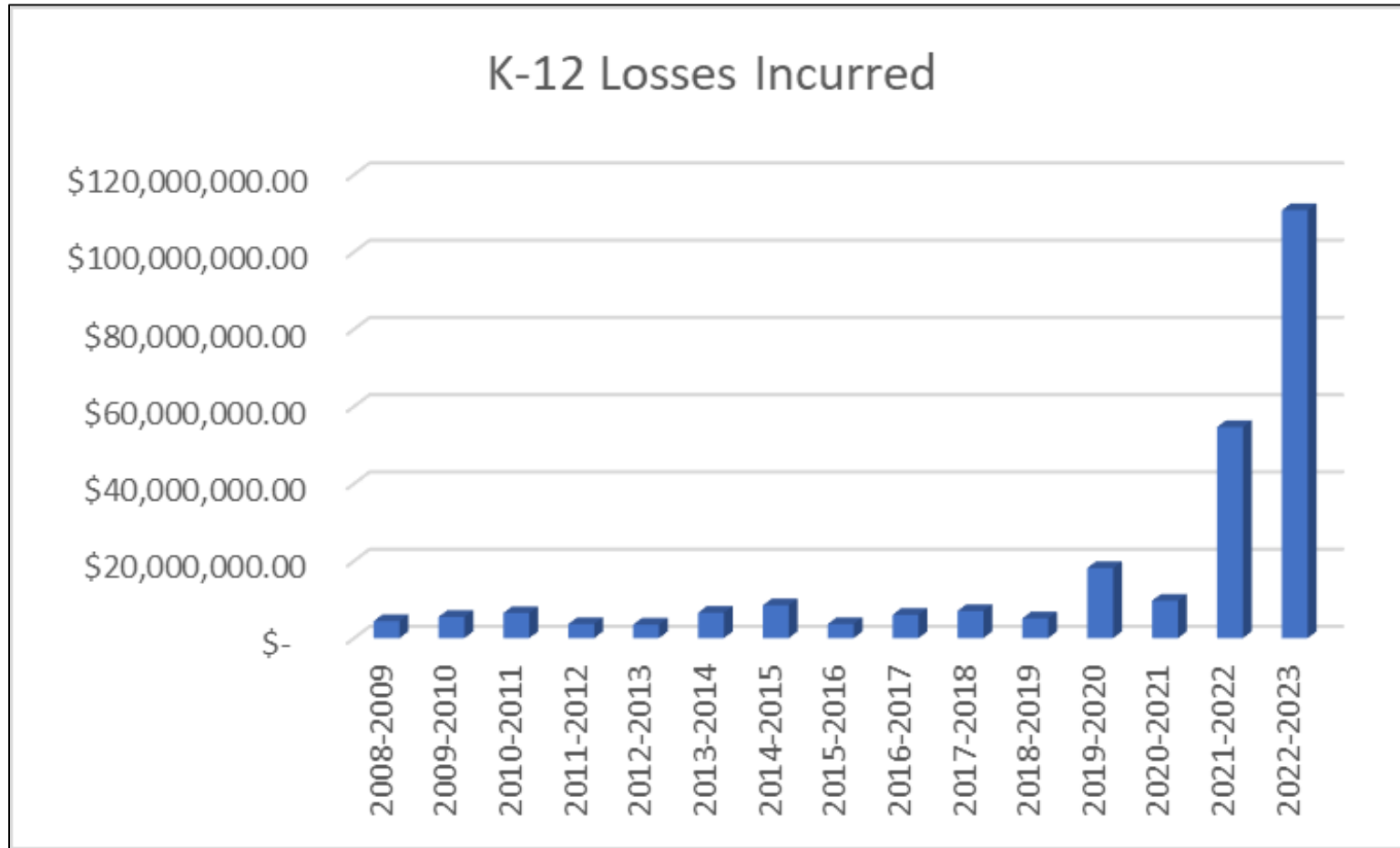
Develop a Catastrophic model will lead us to design the fund.

- F3: 9
- F4: 4
- F5: 0

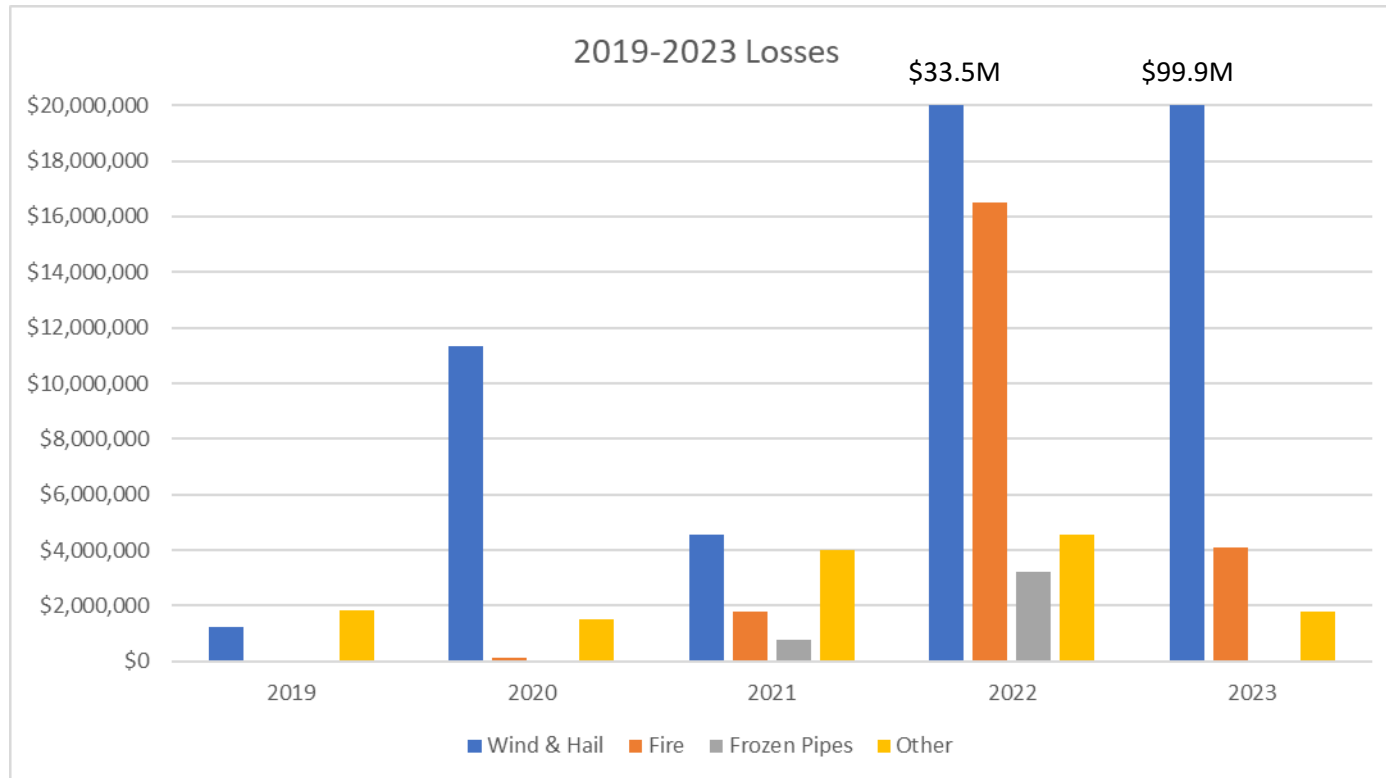
F3+ Tornadoes, 2008-2022

Loss History-

Combined APSIT & ASBA as of 10/9/2023



Claim Types



Year	Type	Max Claim	Claims
2019	Fire	\$ 26,463.26	1
	Other	\$ 303,949.49	123
2020	Wind & Hail	\$ 755,999.96	34
	Fire	\$ 78,000.00	9
2021	Other	\$ 458,356.13	123
	Wind & Hail	\$ 9,866,038.87	104
	Fire	\$ 1,614,391.54	12
2022	Frozen Pipes	\$ 475,146.96	73
	Other	\$ 1,326,479.43	184
	Wind & Hail	\$ 1,836,993.31	63
	Fire	\$ 15,997,977.30	16
2023	Frozen Pipes	\$ 3,194,164.09	5
	Other	\$ 485,000.00	217
	Wind & Hail	\$ 11,000,000.00	92
2023	Fire	\$ 3,887,500.00	5
	Other	\$ 435,000.00	79
	Wind & Hail	\$ 92,751,100.00	83

Next/Immediate Action



Research the structure and funding

Further claims analysis: Probable Maximum Loss Historical Loss Type & Loss Size

Weather Modeling: Add in Hail, flood and Earthquake to our mapping.

Use the Mapping to determine the correct structure and make a funding recommendation.