



Financial Statements
June 30, 2016 and 2015

ASB Property and Liability Fund

ASB Property and Liability Fund

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June 30, 2016 and 2015

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Independent Auditor's Report

To the Board of Trustees
ASB Property and Liability Fund
Pierre, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of ASB Property and Liability Fund, which comprise the statements of net position as of June 30, 2016 and 2015, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditor's 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 of 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 financial position of ASB Property and Liability Fund as of June 30, 2016 and 2015, and the 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 the Schedule of Claims Development Information on page 13 and the Combining Schedules of the Estimated Liability for Reported and Unreported Claims and Claims Adjustment Expenses on page 14 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 operation, economic, or historical context. We have applied certain limited procedures to the Schedule of Claims Development Information and the Combining Schedules of the Estimated Liability for Reported and Unreported Claims and Claims Adjustment Expenses 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.

Management has omitted a management's discussion and analysis that U.S. generally accepted accounting principles requires to be presented to supplement the basic financial statements. Such missing 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 to place the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

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

Fargo, North Dakota
February 1, 2017

ASB Property and Liability Fund
 Statements of Net Position
 June 30, 2016 and 2015

	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,367,621	\$ 1,643,833
Receivables		
Due from member	9,168	-
Deductibles recoverable on paid losses	-	5,000
Reinsurance recoverable on paid losses	337,081	109,108
Total assets	\$ 1,713,870	\$ 1,757,941
Liabilities and Net Position		
Current Liabilities		
Current portion of estimated liability for reported and unreported claims and claims adjustment expenses	\$ 475,916	\$ 721,874
Advance member contributions	500,461	181,391
Accounts payable	10,246	12,096
Total current liabilities	986,623	915,361
Long-term Liabilities		
Estimated liability for reported and unreported claims and claims adjustment expenses, less current portion	302,256	397,829
Total liabilities	1,288,879	1,313,190
Net Position		
Unrestricted	424,991	444,751
Total liabilities and net position	\$ 1,713,870	\$ 1,757,941

ASB Property and Liability Fund
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2016 and 2015

	2016	2015
Operating revenues		
Member contributions earned	\$ 3,214,097	\$ 2,777,108
Less: Reinsurance premiums	<u>(1,529,002)</u>	<u>(1,258,163)</u>
Net operating revenues	<u>1,685,095</u>	<u>1,518,945</u>
Operating expenses		
Claims and claims adjustment expenses incurred	<u>1,243,426</u>	<u>382,932</u>
Underwriting gain	<u>441,669</u>	<u>1,136,013</u>
General and administrative expenses		
Administrative and services fees	321,799	279,137
Appraisal fees	88,225	79,287
Other	53,227	32,943
Total general and administrative expenses	<u>463,251</u>	<u>391,367</u>
Operating income (loss)	<u>(21,582)</u>	<u>744,646</u>
Nonoperating revenues		
Net investment income	<u>1,822</u>	<u>2,000</u>
Change in net position	(19,760)	746,646
Net position		
Beginning of year	<u>444,751</u>	<u>(301,895)</u>
End of year	<u>\$ 424,991</u>	<u>\$ 444,751</u>

ASB Property and Liability Fund
Statements of Cash Flows
Years Ended June 30, 2016 and 2015

	2016	2015
Operating Activities		
Contributions received	\$ 3,523,999	\$ 2,635,231
Reinsurance premiums paid	(1,529,002)	(1,258,163)
Underwriting and expenses of operations paid	(465,101)	(396,793)
Claims and claims adjustment expenses paid	(1,807,930)	(1,213,669)
	(278,034)	(233,394)
Net Cash used for Operating Activities		
Investing Activity		
Investment income received	1,822	2,000
	1,822	2,000
Net Change in Cash	(276,212)	(231,394)
Cash and Cash Equivalents, Beginning of Year	1,643,833	1,875,227
Cash and Cash Equivalents, End of Year	\$ 1,367,621	\$ 1,643,833
Reconciliation of Operating Income (Loss) to Net Cash Used For by Operating Activities		
Operating income (loss)	\$ (21,582)	\$ 744,646
(Increase) decrease in assets:		
Due from member	(9,168)	-
Deductibles recoverable on paid losses	5,000	10,000
Reinsurance recoverable on paid losses	(227,973)	(7,396)
Increase (decrease) in liabilities		
Estimated liability for reported and unreported claims and claims adjustment expenses	(341,531)	(722,371)
Advance member contributions	319,070	(146,877)
Accounts payable	(1,850)	(5,426)
Reinsurance payable	-	(105,970)
	-	(105,970)
Net cash used for operating activities	\$ (278,034)	\$ (233,394)

Note 1 - Principal Business Activity and Significant Accounting Policies

Reporting Entity

ASB Property and Liability Fund (Fund) is one of three sub-funds of the Associated School Boards Protective Trust (Trust). The Trust is a separate legal entity pursuant to South Dakota Codified law formed under the joint powers provisions as provided for in the laws. The Trust is governed by a Joint Powers Agreement and Bylaws (Bylaws). Each member also annually signs a Participation Agreement, which also binds the member to adhere to the Trust's Bylaws. The Fund was formed in 1991 to provide property and liability coverage for member organizations belonging to the Associated School Boards of South Dakota (ASBSD). To be eligible for membership, an applicant must be a public agency and be a member of ASBSD. There were 51 and 53 members of the Fund as of June 30, 2016 and 2015, respectively, which were primarily school districts in the state of South Dakota. The objective of the Fund is to formulate, develop, and administer on behalf of the member organizations, a program of property and liability coverage through pooling risks, self-insurance and joint purchases of insurance. The three sub-funds are supervised by a seven member Associated School Boards Protective Trust Board of Trustees (Board of Trustees).

The Fund operates as a single proprietary fund, more specifically as an enterprise fund. The Fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Fund's principal ongoing operations. Nonoperating revenues and expenses result primarily from investment activities.

The Fund is exposed to various risks of loss related to torts and errors and omissions. The Fund has commercial insurance to mitigate its risks.

The Fund's contract with its members provides for assessment provisions from the members. Members agree to continue membership in the Fund for one year and may withdraw from the Fund for any year thereafter upon giving written notice to the Fund in accordance with the applicable agreements. A member is liable for additional assessments as determined by the Board of Trustees. Any member whose membership has been terminated by the Fund will only retain an interest in any accrued or current excess contributions as determined by the Board of Trustees.

In the event of termination or dissolution of the Fund, all assets in excess of liabilities, including a sufficient reserve for unreported liabilities shall be returned to the then active members on a pro-rata basis as determined by the Board of Trustees and at such point in time that the Board of Trustees is assured all liabilities have been satisfied.

Basis of Presentation

The financial statements have been prepared using the economic resources measurement focus on the accrual basis of accounting. The Fund adopted for all periods presented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Material estimates that are particularly susceptible to significant change in the near-term relate to the estimated liability for reported and unreported claims and claims adjustment expenses and amounts recoverable from reinsurers under excess of loss and aggregate coverages.

Cash and Cash Equivalents

For purposes of reporting the statements of cash flows, the Fund includes as cash equivalents all highly liquid investments with an original maturity of three months or less at the date of acquisition and which are not subject to withdrawal restrictions or penalties.

Receivables

Receivables are recorded based on amounts due from members and other third party payers, and amounts estimated to be received or recovered from reinsurers and other third party payers. The Fund evaluates the collectability of such receivables monthly based on the reinsurers, members or other third party payers' financial condition, credit history, and current economic conditions. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

Reinsurance

In the normal course of business, the Fund seeks to reduce the loss that may arise from events that cause unfavorable underwriting results, by reinsuring certain levels of risk in various areas of exposure with other insurance enterprises or reinsurers.

Amounts recoverable from reinsurers under excess of loss and aggregate coverages are estimated in a manner consistent with the development of the estimated liability for reported and unreported claims and claims adjustment expenses.

Amounts recoverable from reinsurers that relate to paid claims and claim adjustment expenses are classified as assets, net of an allowance for any estimated uncollectible amounts, and as a reduction to claims expenses incurred. Estimated amounts recoverable from reinsurers that related to unpaid claims and claims adjustment expenses are recorded as a reduction of insurance liabilities and claims expenses incurred. Reinsurance premiums paid and reinsurance recoveries on claims are netted against related earned member contributions and claims and claims adjustment expenses incurred, respectively.

Income Taxes

The Fund's income is excludable from income tax under section 115 of the Internal Revenue Code. A private letter ruling on the Fund's tax exempt status has not been requested.

Member Contributions

Members are billed annually in advance for member contributions. Income from such contributions is recorded as earned during the coverage period. Contributions received in advance for coverage in the following policy year are recorded as advance member contributions. Revenue is reduced by reinsurance premiums ceded to reinsurance companies. The Fund anticipates investment income in determining if a premium deficiency exists.

Estimated Liability for Reported and Unreported Claims and Claims Adjustment Expenses

The coverage offered by the Fund is on an occurrence basis, except for errors and omission coverage, which is on a claims-made basis. Occurrence basis coverage provides for payment of claims that occur during the period of coverage regardless of when the claim is reported. Claims-made coverage provides for the payment of claims that are reported during the policy period. The estimated liability for reported and unreported claims and claims adjustment expenses is based upon data developed by an external actuary. Industry experience and statistics were used to develop the estimated liability. The claims history of the Fund was also considered. The liability includes estimates of the costs to settle individual claims which have been reported, plus a provision for claims and costs incurred but not yet reported. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and on other factors that are considered to be appropriate modifiers of past experience. Claims are reduced for subrogation when payment is received, as subrogation amounts are immaterial.

As adjustments to this estimated liability become necessary, such adjustments are reflected in current operations. Management of the Fund believes the estimated liability for reported and unreported claims and claims adjustment expenses is sufficient to cover the ultimate net cost of incurred claims, but such reserves are necessarily based on estimates and the ultimate liability may be greater or less than the amounts estimated. An independent actuary assisted management with the establishment of estimated claims liabilities.

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the financial statements. The Fund has no deferred inflows or outflows of resources.

Any surplus monies for a fiscal year in excess of the amount necessary to fulfill all obligations of the Fund for that year may be refunded to the members at the discretion of the Board of Trustees. No dividends were declared by the Board of Trustees during the fiscal years ended June 30, 2016 and 2015. Discretionary dividends are reported as an expense of the Fund in the year declared.

Subsequent Events

The Fund has evaluated subsequent events through February 1, 2017, the date which the financial statements were available to be issued.

Note 2 - Deposits

The Fund's cash accounts are comprised of deposit and demand accounts, which have bank balances totaling \$1,503,387 and \$1,672,468 as of June 30, 2016 and 2015, respectively. Custodial credit risk is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. As of June 30, 2016 and 2015, deposits of \$1,253,387 and \$1,422,468, respectively, were exposed to custodial credit risk, as they were uninsured, and the collateral was held by the pledging bank, not in the Fund's name.

Note 3 - Service Agreements

The Fund has an agreement with Claim Associates, Inc. (CAI) to provide property and liability claims administration services for claims incurred. The agreement provides that CAI be paid a \$3,500 claim administration fee per year plus a rate per hour for the services provided to administer the claims. The agreement also provides that CAI be paid a \$2,500 reporting and filing fee per year. The term of the agreement is for three years expiring on June 30, 2017 and the agreement may be terminated by either party upon sixty days written notice. Total fees incurred under this agreement for the fiscal years ended June 30, 2016 and 2015 were \$155,905 and \$154,479, respectively, and are included in claims adjustment expenses in the statement of revenues, expenses and changes in net position.

Effective December 1, 2014, the Fund entered into an agreement with CAI for appraisal and loss control services and will remit monthly payments in the amount of \$7,235 over the 17 month contract period subject to terms of the agreement. On June 1, 2016 this contract was extended through May 31, 2019. In the new agreement, the Fund will remit monthly payments based on the time and expense incurred to perform the appraisal and loss control services. Total fees incurred under this agreement for the fiscal years ended June 30, 2016 and 2015 were \$72,353 and \$77,589, respectively, and are included in general and administrative expenses in the statements of revenues, expenses and changes in net position.

Note 4 - Reinsurance

The Fund utilizes reinsurance agreements to limit maximum loss and minimize exposures on larger risks. The liability reinsurance agreements in effect for the fiscal years ended June 30, 2016 and 2015 provide that individual claims in excess of \$100,000 per occurrence to a reinsurer limit of \$2,000,000 per occurrence are indemnified. The 2016 and 2015 agreements also provide an aggregate stop loss protection amount for aggregate claims in excess of \$619,780 and \$611,544, respectively.

The property reinsurance agreements in effect for the fiscal year ended June 30, 2016 provide that individual claims in excess of \$100,000 to a reinsurer limit of \$250,000,000 per occurrence are indemnified. The agreements also provide an aggregate stop loss protection amount for aggregate windstorm and hail claims in excess of \$750,000. All covered windstorm and hail losses between \$10,000 and \$500,000 apply to erode the aggregate deductible. For the loss occurrence in which the aggregate windstorm and hail deductible is eroded, a minimum and a final in any once occurrence deductible of \$150,000 applies. The agreements also provide an aggregate stop loss protection amount for aggregate all other losses in excess of \$400,000. All covered other losses between \$500 and \$100,000 apply to erode the aggregate deductible. For the loss occurrence in which the aggregate other losses deductible is eroded, a minimum and a final in any one occurrence of \$25,000 applies. Flood, earthquake, equipment breakdown and vehicle losses do not erode any of the aggregate deductibles.

The property reinsurance agreements in effect for the fiscal year ended June 30, 2015 provide that individual claims in excess of a deductible of \$100,000 to a reinsurer limit of \$250,000,000 per occurrence are indemnified. The agreements also provide an aggregate stop loss protection amount for certain aggregate claims in excess of \$325,000. The amount of each covered loss that is between \$500 and \$100,000 applies to erode the aggregate deductible. All losses except flood, earthquake/earth movement, wind and hail losses erode the aggregate deductible. A separate deductible applies to wind and hail damage, flood and earthquake. For the loss occurrence in which the aggregate deductible is eroded, an initial per occurrence deductible also applies. For the remainder of the policy year, each subsequent loss to which this aggregate provision applies will then be subject to the final per occurrence deductible as defined in the policy, which ranges from \$10,000 to \$150,000 per property loss type.

The crime policy reinsurance agreements in effect for the fiscal years ended June 30, 2016 and 2015 provide that individual claims in excess of \$10,000 to a limit defined in the policy, which ranges from \$50,000 to \$200,000 per crime loss type are indemnified.

The boiler and machinery reinsurance agreements in effect for the fiscal years ended June 30, 2016 and 2015 provide that individual claims in excess of \$5,000 to a limit defined in the policy, which ranges from \$15,000 to \$5,000,000 per breakdown type are indemnified.

The Fund would be liable for any obligations that the reinsurance companies are unable to meet under the reinsurance agreements. Reinsurance amounts of \$464,598 and \$753,896 were deducted from the estimated liability for reported and unreported claims and claims adjustment expenses as of June 30, 2016 and 2015, respectively. During the fiscal years ended June 30, 2016 and 2015, claims expense was net of \$1,174,253 and \$2,366,414, respectively, of recoveries from reinsurance companies under contract.

Note 5 - Estimated Liability for Reported and Unreported Claims and Claims Adjustment Expenses

The Fund establishes liabilities for both reported and unreported covered events, which includes estimates of both future payments of claims and related claims adjustment expenses. The following is a summary of the changes in those aggregate liabilities for the fiscal years ended June 30, 2016 and 2015.

	2016	2015
Reported and unreported claims and claims adjustment expense liabilities at beginning of year	\$ 1,119,703	\$ 1,842,074
Less deductibles recoverable on paid losses at beginning of year	(5,000)	(10,000)
Less reinsurance recoverable at beginning of year	(109,108)	4,258
	(114,108)	(5,742)
Incurred claims and claims adjustment expenses		
Provision for insured events of the current year	1,345,579	964,082
Provision for insured events of prior years	(102,153)	(581,150)
Total incurred claims and claims adjustment expenses	1,243,426	382,932
Payments:		
Claims and claims adjustment expenses attributable to insured events of the current year	958,382	325,884
Claims and claims adjustment expenses attributable to insured events of prior years	849,548	887,785
Total payments	1,807,930	1,213,669
Plus deductibles recoverable on paid losses at end of year	-	5,000
Plus net reinsurance (payable) recoverable at end of year	337,081	109,108
Reported and unreported claims and claims adjustment expense liabilities at end of year	\$ 778,172	\$ 1,119,703

The 2016 and 2015 decrease in the prior year provisions of incurred claims and claims adjustment expenses resulted from changes in loss development experience as more information became known and payments made.

Note 6 - Related Party Transactions

ASBSD is a private nonprofit membership corporation comprised of local school districts organized for the purpose of reducing the burdens of government and promoting the exchange and dissemination of information and ideas designed for the efficient administration and conduct of public school affairs, for the purpose of research, for the improvement of school administration and for the purpose of promoting the general welfare of public school systems in the state of South Dakota. ASBSD is the sponsoring organization of the Fund.

The Trust oversees three sub-funds known as the ASB Property and Liability Fund, ASB Workers' Compensation Fund, and the South Dakota School District Benefit Fund.

The Trust has an agreement with ASBSD in which ASBSD provides to the Trust, administrative oversight in the implementation and management of the Trust's activities including performing investment, promotion and accounting services for the Fund, among other activities. Under the agreement, ASBSD receives an administrative fee of ten percent of the contributions earned, including agent fees, from member school districts on behalf of the Fund. Amounts incurred by the Fund under the agreement during the fiscal years ended June 30, 2016 and 2015, were \$321,799 and \$279,139, respectively. The agreement shall remain in force for a period of two years beginning July 1, 2015.

Note 7 - Contingencies

The Fund is a party to various legal actions and is subject to various claims arising in the ordinary course of business. Management believes that the disposition of these matters will not have a material adverse effect on the Fund's financial position or results of operations.



Required Supplementary Information
June 30, 2016 and 2015

ASB Property and Liability Fund

ASB Property and Liability Fund
Ten- Year Schedule of Claims Development Information – Unaudited
Years Ended June 30, 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net earned member contributions and investment income:										
Earned	*	\$ 3,188,657	\$ 2,141,968	\$ 2,159,292	\$ 2,455,297	\$ 2,298,666	\$ 2,356,098	\$ 2,572,877	\$ 2,779,108	\$ 3,215,919
Ceded	*	(1,444,663)	(1,032,932)	(1,192,834)	(1,134,914)	(1,062,560)	(1,132,358)	(1,127,904)	(1,258,163)	(1,529,002)
Net earned	*	<u>1,743,994</u>	<u>1,109,036</u>	<u>966,458</u>	<u>1,320,383</u>	<u>1,236,106</u>	<u>1,223,740</u>	<u>1,444,973</u>	<u>1,520,945</u>	<u>1,686,917</u>
Unallocated expenses	*	415,654	500,736	322,618	326,017	366,400	406,991	446,780	391,367	463,251
Estimated claims and expenses, end of policy year										
Incurred	*	1,067,440	2,361,479	1,700,804	1,918,252	1,466,533	974,178	4,074,242	3,330,496	2,519,832
Ceded	*	68,958	758,551	590,208	812,592	363,590	14,766	2,275,371	2,366,414	1,174,253
Net incurred	*	<u>998,482</u>	<u>1,602,928</u>	<u>1,110,596</u>	<u>1,105,660</u>	<u>1,102,943</u>	<u>959,412</u>	<u>1,798,871</u>	<u>964,082</u>	<u>1,345,579</u>
Net paid (cumulative) as of:										
End of policy year	*	624,930	996,199	731,910	689,229	400,913	465,318	633,089	171,405	802,477
One year later	283,978	878,844	1,007,788	1,110,049	906,875	734,473	624,365	1,000,617	799,752	
Two years later	559,785	846,342	1,000,007	999,555	1,107,150	611,221	623,410	1,001,423		
Three years later	547,461	898,689	1,002,813	886,550	922,293	686,581	618,626			
Four years later	564,201	1,066,392	1,043,522	862,583	897,503	686,581				
Five years later	525,011	1,238,437	922,093	926,938	917,041					
Six years later	445,594	1,105,297	960,003	841,669						
Seven years later	469,713	1,090,297	971,747							
Eight years later	471,566	1,090,350								
Nine years later	472,003									
Reestimated ceded claims and expenses	*	1,052,554	874,775	1,863,169	198,454	2,968,863	1,015,223	6,590,826	200,200	-
Reestimated net incurred claims and expenses:										
End of policy year	*	998,482	1,502,928	1,110,596	1,105,660	1,102,943	959,412	1,772,222	762,890	1,283,486
One year later	623,904	1,108,590	1,095,000	10,392,263	1,106,348	876,707	806,436	1,278,302	951,913	
Two years later	753,688	995,370	1,028,240	989,697	1,231,609	755,407	685,271	1,045,582		
Three years later	606,427	1,040,149	1,062,899	989,697	1,038,236	686,611	619,083			
Four years later	533,469	1,172,358	1,104,208	933,374	977,412	686,581				
Five years later	535,876	1,245,005	975,585	938,002	917,041					
Six years later	451,196	1,105,297	1,025,739	841,669						
Seven years later	477,565	1,090,297	971,747							
Eight years later	476,571	1,090,350								
Nine years later	472,003									
Increase (decrease) in estimated net incurred claims and expenses from end of policy year	*	91,868	(531,181)	(268,927)	(188,619)	(416,362)	(340,329)	(726,640)	189,023	-

* Financial information is not available for the respective period.

ASB Property and Liability Fund

Combining Schedules of the Estimated Liability for Reported and Unreported Claims and Claims Adjustment Expenses – Unaudited
Years Ended June 30, 2016 and 2015

	2016			2015		
	Property	Liability	Total	Property	Liability	Total
Reported and unreported claims and claims adjustment expense liabilities at beginning of year	\$ 495,155	\$ 624,548	\$ 1,119,703	\$ 928,689	\$ 913,385	\$ 1,842,074
Less deductibles recoverable on paid losses at beginning of year	-	(5,000)	(5,000)	-	(10,000)	(10,000)
Less reinsurance recoverable at beginning of year	(25,206)	(83,902)	(109,108)	27,159	(22,901)	4,258
	<u>(25,206)</u>	<u>(88,902)</u>	<u>(114,108)</u>	<u>27,159</u>	<u>(32,901)</u>	<u>(5,742)</u>
Incurred claims and claims adjustment expenses:						
Provision for insured events of the current year	919,451	426,128	1,345,579	560,861	403,221	964,082
Provision for insured events of the prior years	69,550	(171,703)	(102,153)	(397,437)	(183,713)	(581,150)
Total incurred claims and claims adjustment expenses	<u>989,001</u>	<u>254,425</u>	<u>1,243,426</u>	<u>163,424</u>	<u>219,508</u>	<u>382,932</u>
Payments:						
Claims and claims adjustment expenses attributable to insured events of the current year	784,590	173,792	958,382	186,343	139,541	325,884
Claims and claims adjustment expenses attributable to insured events of prior years	417,372	432,176	849,548	462,980	424,805	887,785
	<u>1,201,962</u>	<u>605,968</u>	<u>1,807,930</u>	<u>649,323</u>	<u>564,346</u>	<u>1,213,669</u>
Plus deductibles recoverable on paid losses at end of year	-	-	-	-	5,000	5,000
Plus reinsurance recoverable (less payable) at end of year	25,609	311,472	337,081	25,206	83,902	109,108
Reported and unreported claims and claims adjustment expense liabilities at end of year	<u>\$ 282,597</u>	<u>\$ 495,575</u>	<u>\$ 778,172</u>	<u>\$ 495,155</u>	<u>\$ 624,548</u>	<u>\$ 1,119,703</u>