

Utah School Boards Risk Management Mutual Insurance Association Board of Directors Meeting Minutes via Zoom

Thursday September 24, 2026

Meeting: 11:00 am to 12:00 am

Item 4.2 will be a Closed Meeting Pursuant to the Utah
Code 52-4-205(1)(c) Strategy Sessions to discuss pending
or reasonably imminent litigation

Anchor Location: USBA Offices 860 E 9085 S Sandy Utah

Present Online: Marci Sargent, Jennie Johnson, Brent Bills, Neil Stevens, Troy Timothy, Jacob Swanson, Martha Hayes, Isaac Campbell, Jason Watt, Darin Clark, Scott McMillan, Jackie Allred, Rickie Stewart, Seth Taft, Jeri Hamilton, Lark Reynolds, Sarah Brunsen, Brian Ipson, Jared Black, Michael Harrison, Todd Hess, Jimmy Chapman, Dave Summers, Sherie Comish, Richard Stowell, Meghan Mendez

Not Present: Missy Butler, Lane Mecham, Jeremy Snell, Jeremy Walker, Chad Lloyd, Cory Holyoak, Darin Lancaster, Jake Hill, Todd Burke, Randy Upton, Dallas Sylvester

Meeting Agenda

1. Welcome Marci Sargent, President
Marci Sargent welcomed the board.
2. Approve Fraud Risk Assessment Marci
A motion was made by Troy Timothy and seconded by Jennie Johnson to accept and approve the Fraud Risk Assessment.
3. Independent Financial Audit Report Neil Stevens, Committee Chair
Martha Hayes from Larson Company gave an overview of the Financial Audit Report.
 - Clean opinion: financials presented fairly per GAAP, audit conducted per generally accepted government auditing standards.
 - **Net position:** assets decreased \$300K (mainly due to higher claims payments); reserves decreased \$200K; overall net position increased \$57K.
 - **Operating results:** premium/admin income up \$400K; loss adjustment expenses up \$300K; net operating loss of just under \$1M, offset by \$1M+ in investment income.
 - Increase in "other operating expenses" tied to the new claims system and expensing of used-up prepaid items.
 - **Cash flow:** claims paid were \$1M higher than prior year, driving a cash decrease.

- **Reserve development:** current-year incurred losses \$3.5M (down from \$3.9M prior year), but negative prior-year development of \$600K — claims came in higher than originally estimated. Ending reserves \$12.6M.
- **10-year claims development schedule:** most prior policy years trended down, except **2025**, which saw a **\$1.7M increase** in ultimate liability (estimate moved from \$3.8M to \$5.6M).
- **No material weaknesses** or significant deficiencies found in internal controls.
- **No compliance findings** this year. Last year's finding on posting meeting minutes/materials to the state public notice site has been corrected.
- Q&A: increase is driven more by **severity** of claims than frequency — frequency is actually down, severity is up.

4. Approval of Minutes

Marci

June 11, 2026

A motion was made by Devyn Dayley to approve the minutes. The motion was seconded by Jason Watt and passed unanimously.

5. Approval of Financial Report

Marci

- May – June 2026

A motion was made by Troy Timothy and seconded Darin Clark to approve the Financial Report. The motion passed unanimously.

6. Committee Reports & Action

5.1 Executive Committee

Marci

Committee assignments have been sent out. USBA administers workers' comp for Alpine. Alpine's contract expires end of June. Executive committee will discuss renewal options with the three new districts; Lake Mountain, Timpanogos and Aspen Peaks taking Alpines place and bring a full discussion to the December meeting.

5.2 Claims Committee

Chad Lloyd

A motion to go into closed session was made by Neil Stevens and was seconded by Todd Hess the motion passed unanimously. Roll call Vote: All Yay unanimously.

5.3 Loss Control

Lark Reynolds

There are a few new focus areas per risk management direction. The cheerleader safety program has been discontinued:

- **Transportation safety** — bus pickup/drop-off procedures, separating buses from cars, checking for bollards/signage/large rocks in bus turn radii.
- **Water damage/plumbing** — increased inspection focus after recent rainstorms revealed vulnerabilities (stained ceiling tiles, active leaks); districts urged to address vulnerable areas now ahead of a forecasted tough winter.

Expect more emphasis on these two areas in future inspection reports.

7. Other Items

8. Meeting schedule

- Next meeting: December 4, 2026; March 25, 2027

9. Meeting Adjourned

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Richard Stowell (801) 566-1207, at least three days prior to the meeting.

An electronic meeting may be held without an anchor location if all Directors are attending electronically, except when the Board of Directors receives, at least 12 hours before the meeting, a written request to provide an anchor location for members of the public to attend in person. An electronic meeting may also be held without an anchor location if the requirements set out in Utah Code § 52-4-207(5)(a) or (b) have been met.