MIRMA

Missouri's Municipal Trust

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Coverage Changes

The most significant changes to coverage this year:

- We added Coverage Part 5 which provides $250,000 of Cyber coverage to all members with a shared aggregate of $5,000,000, and an additional $1,000,000 of non-shared limit to those 34 members who have applied.
- We doubled the amount of property coverage available to the membership, going from $100M to $200M.
- We doubled of our Employment Practices liability coverage from $1M to $2M.
- We added liability coverage for Unmanned Aerial Systems (Drones) weighing 55lbs and less, which previously required a separate purchase.
- We included liability coverage for air ambulance helipads for members who do not have an airport.

Changes continued

- As in the past, your liability limits for sovereign immunity claims was increased and will automatically adjust on January 1st to keep pace with the inflation factor used by the Missouri Department of Insurance.

- The annual updating of members participating in the sewer deductible program. We went from 3 participating members to 5, with Carl Junction coming off the list and 3 new members being added on. They are all only at the 25% level.

- Our property coverage was expanded to include terrorism coverage, and our liability coverage was modified to exclude acts of terrorism.

- We added a provision to allow limited coverage for property, vehicles, heavy equipment and drones a member forgot to schedule and realized after a loss. We also clarified that a member has 30 days to notify us of the acquisition of an additional vehicle or drone.

A Few Other Changes

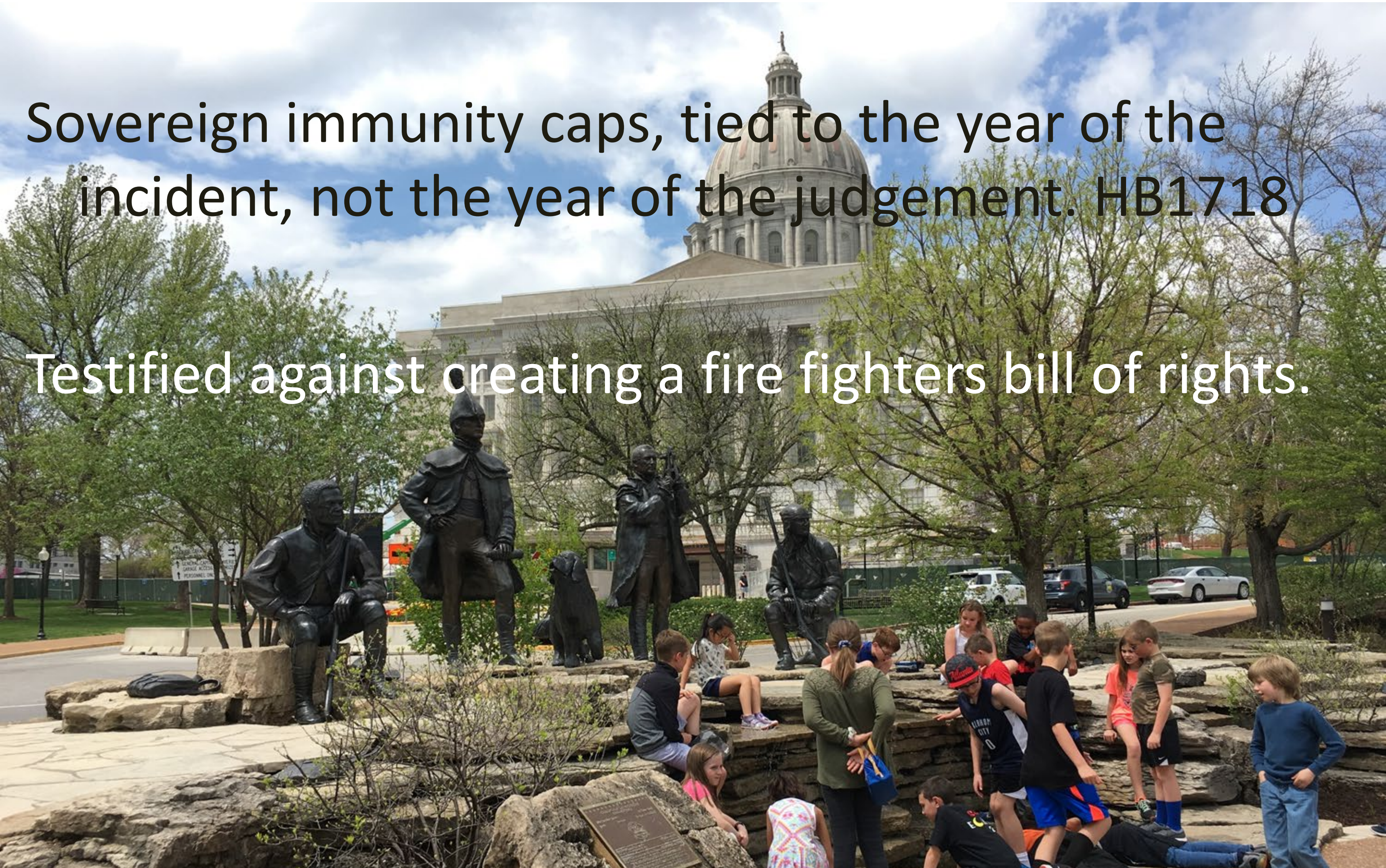
- We also removed the previous $5,000,000 per occurrence limit on auto physical damage.
- Two new items which limit coverage are:
  - the inclusion of a new EPL deductible of $50,000 for alleged violation of the law enforcement officer's bill of rights (LEOBOR), and
  - a $50,000 deductible on auto physical damage when a police vehicle is used in a TIV or PIT maneuver, unless deadly force is justified.

- With the change of property carriers our new carrier will provide appraisals of properties over $5,000,000 and we have budgeted to also resume our appraisal program to make sure your major properties have sufficient limits to build back in the event of a total loss.

Legislation

Sovereign immunity caps, tied to the year of the incident, not the year of the judgement. HB1718

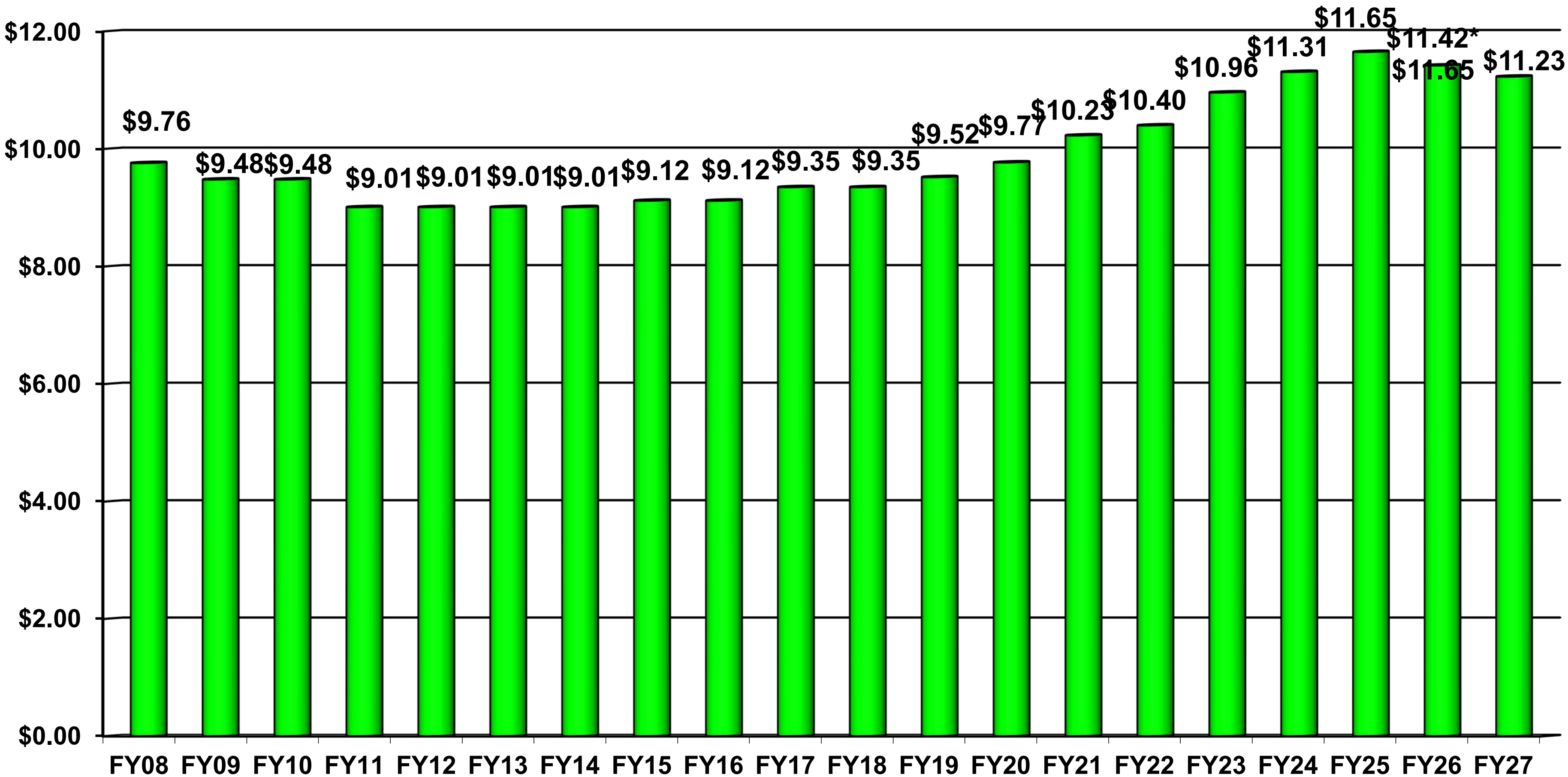
Testified against creating a fire fighters bill of rights.



Past Legislation

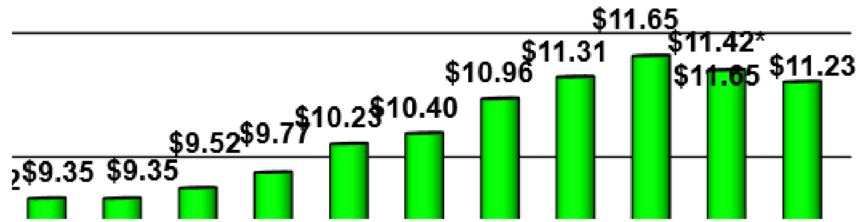
- LaW Enforcement Officers Bill of Rights - 9 pages (142 -150) in a 172-page bill passed during the 2022 special session.
  - Establishes new rules regarding investigating and disciplining: notice periods, who can be present, etc.
  - Paragraph 7. **Employers shall defend and indemnify law enforcement officers from and against civil claims** made against them in their official and individual capacities if the alleged conduct arose in the course and scope of their obligations and duties as law enforcement officers. This includes any actions taken off duty if such actions were taken under color of law. In the event the law enforcement officer is convicted of, or pleads guilty to, criminal charges arising out of the same conduct, the employer shall no longer be obligated to defend and indemnify the officer in connection with related civil claims. **Punitive Damages**
- Firefighter cancer pool
  - Legislation passed in 2021 and the pool fully formed May 1st, 2022.
  - We are encouraging and incentivizing our members to join via a 50% reimbursement.
  - Debit by not addressing your firefighters work comp cancer exposure through the pool is 200% of the pool rates.
  - 37 of our members with fire departments have joined, 11 have yet to do so. $53,362
  -
  - 5 of our members' firefighters have already submitted cancer claims. Non-member work comp claim.

History of Rate/$100



Rate Reduction

- ✓ The majority of this year's rate reduction is due to our reinsurance placement, and almost all of the coverage enhancements are.

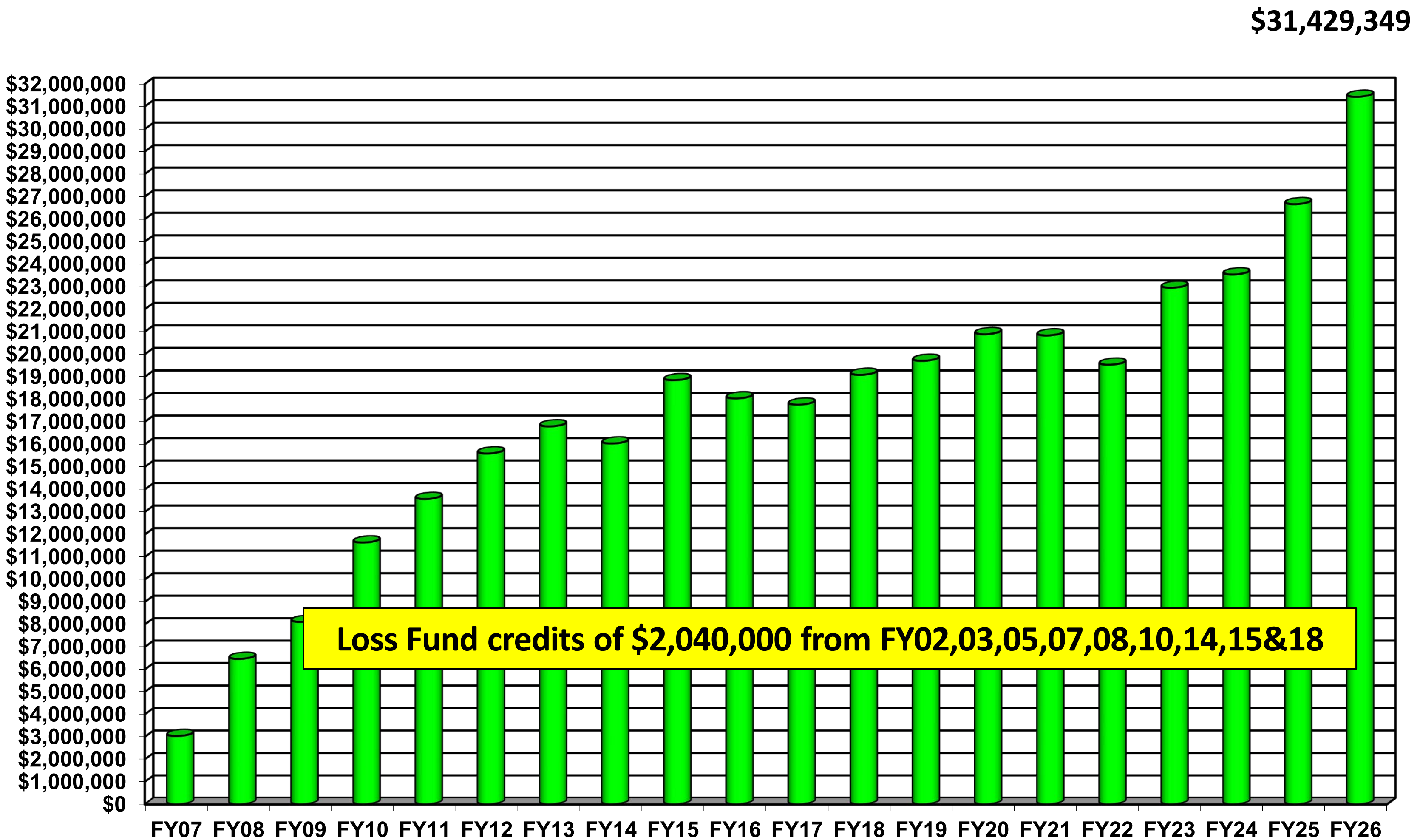


- ✓ Last year $7.8M on a $25M annual budget
- ✓ This year $6.4M with more members, higher property values, more coverages, higher coverage limits and better terms.
- ✓ After substantial increases starting in 2018, the property market is finally softening resulting in lower costs,

  plus

- ✓ We switched to Alliant for brokerage services.
  - ✓ Ethan Salinger
- ✓ There has been some restructuring of carriers, with a few new faces, including our boiler/pressure vessel inspectors, but Genesis, our long-time liability partner is still a part of our program.

Fund Balance History



*Unaudited fund balance as of June 30, 2026

Our independent actuary determined MIRMA's optimal surplus range to be $20.3M - $24.8M

Assessable

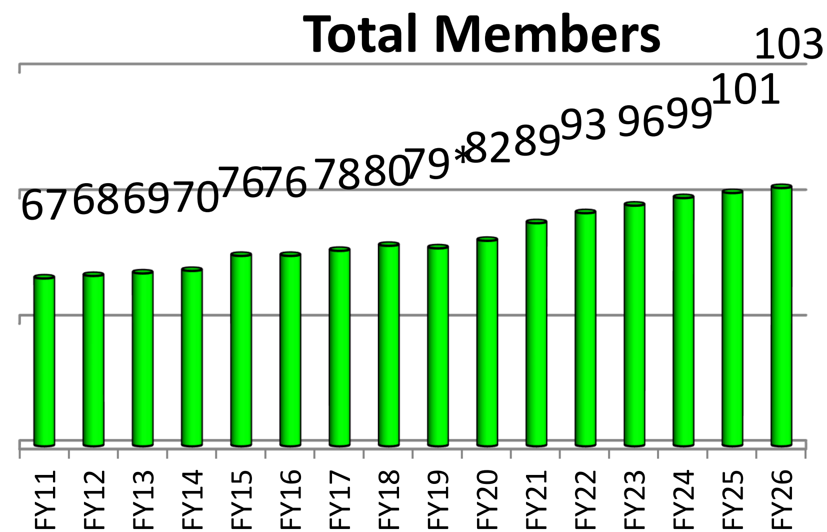
- MIRMA was established to provide a stable, cost effective solution for municipal risk.
- MIRMA maintains actuarially adequate surplus; however, MIRMA does not retain excessive surplus.
- The statute that MIRMA is formed under gives our Board of Directors ability to both return surplus funds and levy a supplemental assessment when losses for a specific policy year are excessive.
- A supplemental assessment has been necessary on only one occasion since the mid 80's. It addressed excessive losses for FY98, FY99 and FY01, and was invoiced in three installments in 2002 and 2003 as follows:
  - 1998 $0.40/100 $ 431,492
  - 1999 $0.64/100 $ 616,331
  - 2001 $1.36/100 $1,278,528
- This collected $2,326,351 (<10% of this year's assessment).
- During FY98, FY99 and FY01 we returned $3,247,264 to the membership.
- In the 10 year period proceeding 2001 we returned a total of $10,082,438.

Health Pool

- Following your vote at the 2015 annual meeting to move forward we started the MIRMA Health Program.
- Two phases:
  - individual self-funded plans that MIRMA helped coordinate,
  - And then forming a new pool.
- In the spring of 2018 we reached our goal of a total of 1,002 covered employees and a governing committee was elected by the participating members.
- July 1, 2019 MIRMA Health, submitted their Articles of Incorporation to the State and the first coverage began on October 1, 2019.
- After about 3 years of operation MIRMA Health had grown to about the same size as traditional MIRMA and now both pools are growing at about the same rate.
- Health presentation today at 11:45.

Slow Conservative Growth

- In 2026 we added two new members:
  - **Brookfield 1/1/26**
  - **Lake Lotawana1/1/26**



*The City of Trenton dissolved their separate Board of Public

- **4th consecutive year with no members leaving and only 3 members have voluntarily terminated their membership in the previous decade.**

Member satisfaction & financial stewardship

- The average length of membership is currently 23.4 years. If you don't include the 19 members that have joined in the last six years, the average is 27.6 years.
- 42 members have been with MIRMA over 30 years, and 7 of the 8 original founding members still participate (only missing Columbia).
- MIRMA has an annual actuarial review of our loss projections and recently had an actuary determine our optimal surplus fund balance range of $20.3 - $24.8M.
- We evaluate excess and reinsurance markets annually.
- MIRMA members are not subject to competitive bidding per state statute 537.620. http://www.moga.mo.gov/statutes/C500-599/5370000620.HTM So the decision of if or how often to bid is entirely yours.

Missouri Revised Statutes
Chapter 537
Torts and Actions for Damages

Political subdivisions may jointly create entity to provide insurance--entity created not deemed an insurance company or insurer.

537.620. Notwithstanding any direct or implied prohibitions in chapter 375, 377, or 379, any three or more political subdivisions of this state may form a business entity for the purpose of providing liability and all other insurance, including insurance for elderly or low-income housing in which the political subdivision has an insurable interest, for any of the subdivisions upon the assessment plan as provided in sections 537.600 to 537.650. Any public governmental body or quasi-public governmental body, as defined in section 610.010, and any political subdivision of this state or any other state may join this entity and use public funds to pay any necessary assessments. Except for being subject to the regulation of the director of the department of insurance, financial institutions and professional registration under sections 375.930 to 375.948, sections 375.1000 to 375.1018, and sections 537.600 to 537.650, any such business entity shall not be deemed to be an insurance company or insurer under the laws of this state, and the coverage provided by such entity and the administration of such entity shall not be deemed to constitute the transaction of an insurance business. ***Risk coverages procured under this section shall not be deemed to constitute a contract, purchase, or expenditure of public funds for which a public governmental body, quasi-public governmental body, or political subdivision is required to solicit competitive bids.***

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- MIRMA has developed sample bid specs for use when seeking bids.
- To provide members more flexibility, twelve years ago we moved the notice of membership termination from January 30th to March 31st.
  - (Renewal Questionnaires are still due January 30th)
- We do ask that if you obtain bids or estimates that you let us know so we can see how MIRMA is positioned in the marketplace.

Staff Anniversaries

Glenn Price

Claims & Litigation Director

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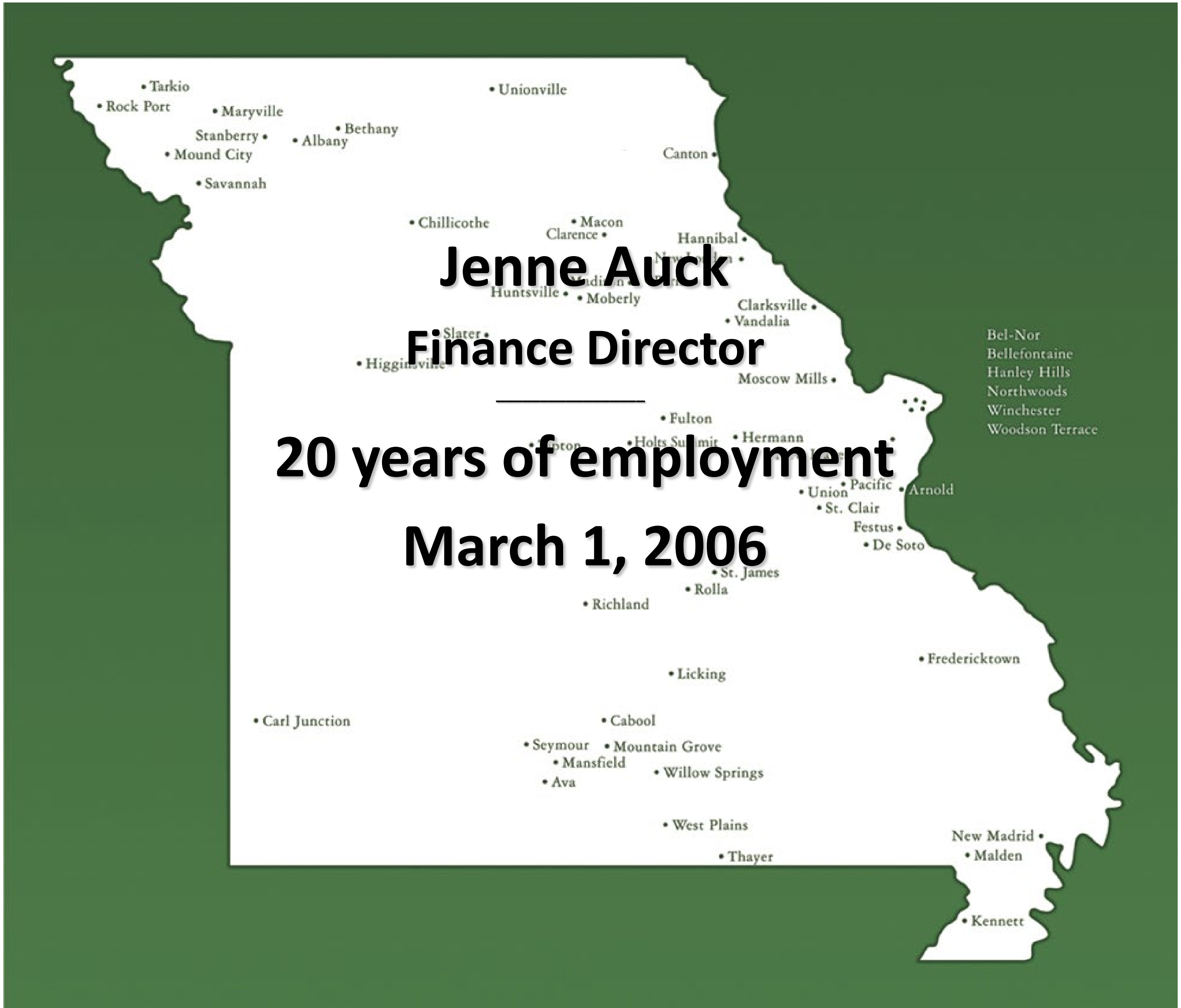
10 years of employment

April 25, 2016

15 years of taking care of our members!

Staff Anniversaries



Jenne Auck

Finance Director

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20 years of employment

March 1, 2006

Staff Anniversaries

Terri Crane

Finance Assistant

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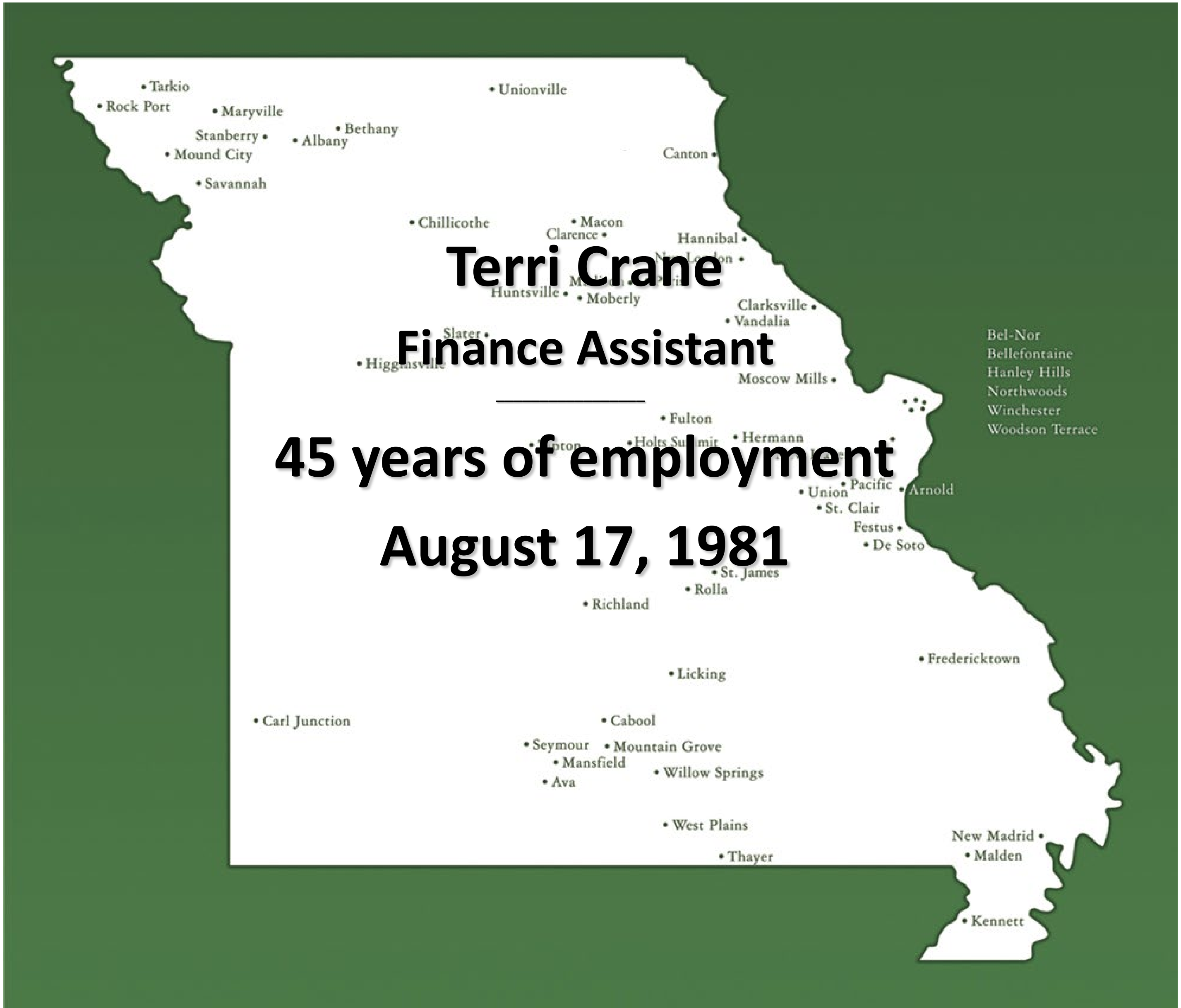
45 years of employment

August 17, 1981



Rate Stability,
Healthy Fund Balance,
Superior Coverage and Services,
All Delivered by an Experienced and Caring Staff.

Your Pool for FY27