

**PUBLIC RISK INNOVATION, SOLUTIONS, & MANAGEMENT
(PRISM)**

FINANCE COMMITTEE

MEETING SUMMARY

Web Conference/Telephonic Meeting

Thursday, December 8, 2022

10:30 a.m.

Fifth Meeting – 2022

Members Present

Mike James, City of El Cajon
Steven Chandler, Kern Co. Hospital Authority - Alt
Frank Williamson, MPA
Rafael Trujillo, City of Rialto
Nathan Black, Sutter County

Members Absent

Erike Young, CIRA
Sharon Vishwa, SMCSIG- Alt
Two (2) Vacant Positions

2022 Annual Comprehensive Financial Report (ACFR)

Staff reviewed the ACFR with the Committee including a review of the combined and individual program financial statements and the required supplementary information. Bob Green, with Gilbert CPAs, presented their audit opinion, which was unmodified; their Report on Internal Control, which had no recommendations or findings; and the Communication with Those Charged with Governance. The Committee approved the distribution of the ACFR for the fiscal year ending June 30, 2022, as required by PRISM's governing documents.

2022 Affiliate Risk Captive (ARC) Audit Report

Staff reviewed the ARC Audit report and Bob Green, with Gilbert CPAs, presented their audit opinion, which was unmodified; their Report on Internal Control, which had no recommendations or findings; and the Communication with Those Charged with Governance.

PRISM ARC Capital Contribution

The State of Utah's Department of Insurance (DIR) requires any captive domiciled in Utah to maintain a minimum capital of \$250k at all times. For the first time since ARC was established, there was a deficit of \$3.2M at June 30, 2022, mainly due to market-to-market adjustment of investments, as well as adverse development in the GL1 MS Re corridor that was transferred to ARC. As such, PRISM is required to recapitalize the captive. At their meeting on October 6th, the Executive Committee approved, retroactively as of April 1, 2022, contributing \$3.5M to ARC as additional paid in capital to replenish the ARC capital account to the minimum required amount of \$250k. The additional capital contribution is allocated amongst the programs in the same manner as the initial contribution.

Other Matters

- Member Services Update – Member Services updated the Committee on the latest services available to PRISM members.

Future Meetings

The next regularly scheduled meeting is ***Tuesday, February 14, 2023***, at ***10:00 a.m.***, to be held ***at the PRISM office in Folsom.***