

Minutes of Public Meeting of the Board of Trustees

Arizona School Board Association Insurance Trust

Of the Meeting Held June 4th , 2025

Phoenix, Arizona

A public meeting of the Trustees of the Arizona School Boards Association Insurance Trust (ASBAIT) was convened on June 4th ,2025 at 10:04 a.m. in the ASBA Board Room, 2100 N Central Ave, Phoenix, AZ 85004.

The meeting was called to order at 10:04 a.m. by Crystle Nehrmeyer, Chairperson; a quorum was present.

Trustees in attendance:

Chairperson Nehrmeyer

Desiree Fowler (left at 2:47pm)

Troy Thygerson

Dan Contorno

Mayra Zuniga

Dr. Ashley Hodge

Paul Roetto

Ellen White

Others in attendance at the meeting were: Anthony Contente-Cuomo, (Legal Counsel, Sims Mackin), Leslie Schneider (Acrisure), Jeff Bloom (Acrisure), Peter Freska (Acrisure), Eleanor Schroeder (Acrisure), Anil Kocher (Acrisure, left at 2:55pm), Josh Axene (Acrisure, virtually), Rick Cajthaml (Meritain Health, virtually and left at 12:36pm), Patricia Menendez (Meritain Health, virtually and left at 12:36pm), Chuck Nelson (Meritain Health, virtually and left at 10:46am), Monica Zook (Meritain Health, virtually), Lynette Hallinan (Meritain Health and left at 12:36pm), Judy Herz (Meritain Health), Kristi Sisk (ASBA), Dani Rodriguez (Vail Unified School District), Laura Emslie (Vail Unified School District) and Maureen Schultz (Marana Unified School District)

Chairperson Nehrmeyer called the meeting to order at 10:04 a.m. and opened the floor for public comment. No comments were received during the call to the public.

To be reviewed, approved
by Trustees on September 2nd, 2025

The Chairperson began with Agenda Item A, 2025/2026 Renewal & Sales Update. Mr. Cajthaml provided an update on renewal and sales activity, noting that 94% of groups were retained, representing 92% of total membership. However, ASBAIT did lose three trustee districts, largely due to their transition to self-funding. Mr. Nelson reported positive growth, with fourteen new school districts joining and three new broker meetings conducted. Additionally, there are over nineteen opportunities with ASBA Charter Members, some of which are 1/1 renewals, and more than seventeen opportunities with non-ASBA Member Charter schools.

The group then moved on to Item B: Wellness Program Overview. Mr. Axene shared that Dr. Axene has led a great campaign, successfully building a comprehensive wellness platform. The program features 20 different wellness activities and had over 15,000 courses completed. Notably, the initiative has achieved participation from more than 15% of the total membership, reflecting strong engagement and positive momentum.

The board moved on to Agenda Item C: Financial Update. As of April, the balance sheet showed \$4 million in equity. This figure has decreased slightly due to recent claims activity, and Mr. Kocher noted that he has increased the IBNR (Incurred But Not Reported) reserve. Despite the decline, the fund remains solvent. Writing a significant amount of new business continues to strengthen the financial position, and the departure of some districts is not expected to have a major impact.

Mr. Kocher discussed Agenda Item C3, specifically the IBNR, confirming that if all business were to stop today, there would still be enough funds to cover all outstanding claims.

Following the financial discussion, the board moved to the Audit Engagement Approval, Agenda Item D. James Marta was reaffirmed as the auditor. Although the audit engagement had previously been approved for a five-year term, the motion was structured to allow for annual confirmation.

Mr. Nelson left the meeting at 10:46am.

The board then discussed Agenda Item F: D&O Insurance Calculation Update. Mr. Freska explained that the Directors & Officers (D&O) insurance policy is purchased by ASBA, and there has been no increase in the premium compared to last year. The policy, which is underwritten by Nexus, is part of ASBA's total insurance portfolio, ASBAIT currently reimburses ASBA for this policy. Mr. Freska noted that the calculation percentage is based strictly on the balance sheet and is reviewed annually, he stated the breakdown is based on each organizations liabilities.

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Dr. Hodge raised a question about whether ASBA fees could be used to cover the cost of the policy. Mr. Freska responded that it he thinks it should remain separate because it is a standalone insurance policy. However, he acknowledged that offsetting the cost in the future could be explored. Dr. Hodge stated “I motion to have attorneys from both Acrisure and ASBA further explore the possibility of using a portion of ASBA fees to help offset the cost of the D&O insurance.” The motion was seconded by Mr. Thygerson and unanimously approved.

The board then discussed Agenda Item E: Marketing Sponsorship Approvals. Ms. Zook presented the proposed sponsorship for the Arizona School Personnel Administrators Association (ASPAA), a conference attended primarily by human resources professionals. She recommended continuing with the Platinum sponsorship level, which includes benefits such as a booth, an invitation to present during a breakout session and more. Ms. Schroeder then introduced an additional sponsorship opportunity, the Arizona School Boards Association (ASBA) sponsorship which is the Pinecone Trail Walk sponsorship—a wellness-focused event. ASBAIT’s participation in the Pinecone Trail Walk would include branding opportunities such as the organization's logo featured on event t-shirts and other promotional materials. Chairperson Nehrmeyer stated, “I motion to approve all marketing sponsorships.” Mr. Thurman seconded this motion, and the board approved unanimously.

Following that, the board moved to the approval of the previous meeting minutes, Agenda Item G. This was regarding public and executive session minutes from September 3rd 2024, April 16th 2025, and April 20th 2025. Ms. Zuniga motioned, “I motion to approve the public and executive session minutes from September 3rd 2024, April 16th 2025, and April 20th 2025.” It was seconded by Ms. Fowler, and passed with all in favor.

At 11:05 a.m., the board began Agenda Item H, Initial Planning for the 2025–2026 plan year, led by Mr. Bloom. The group reviewed the mission and values, Ms. White suggested incorporating wellness into the mission, as it is a key ASBAIT focus. The board also reviewed and suggested updates to the guiding principles, including adding wellness and renaming the “preventive care” section.

Mr. Kocher provided the financial update, confirming \$4 million in total equity and enough liquidity. The current loss ratio is 102%, largely due to covering run-out claims. However, projections show a 97% loss ratio with existing members and 72% with new membership, with an anticipated \$10 million surplus by year-end. Mr. Kocher noted he would need six months to solidify those numbers.

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On inclusive benefits, the board discussed bringing in Maven for a presentation which supports menopause for women and many other things. Hot topics included addressing the whole person (mental, financial, and physical health), GLP-1 coverage, and services like doulas, acupuncture, and natural herbs for Native American members. Acrisure will explore expanding some of these benefits and bringing them for review in the September meeting.

Regarding second-level appeals, the board discussed adding language around medical necessity for genetic testing, which costs around \$6,000 per panel before negotiations. This will also be reviewed from a cost basis and brought back to the board in September

Lastly, charter school renewals were addressed. While some currently renew on a 1/1 calendar year, the overall ASBAIT plan runs 7/1–6/30. Meritain can administer the charter group off-cycle, and Mr. Kocher noted that while separate renewal cycles do affect trend adjustments, it may ultimately benefit the trust. This topic will be tabled for a further special meeting.

The meeting adjourned for lunch at 12:10p.m. for lunch, with plans to reconvene at 12:40 p.m.

The board reconvened at 12:40 p.m. and motioned to convene into Executive Session. Chairperson Nehrmeyer, seconded by Dr. Hodge, stated “I motion to enter executive session for Item I pursuant to A(2) and A(4) and also for Item J, K, L, M pursuant to A(2), A(3), and A(4).” The motion passed unanimously.

The board left Executive Session at 3:51 p.m.

The Board then moved onto voting on Agenda Item 3I(1) – Second Level Appeals, Claim ID IM8EB96 and IS52J18. Chairperson Nehrmeyer moved by stating, “I motion to deny both claims, IM8EB96 and IS52J18.” Mr. Roetto seconded the motion, and it passed unanimously.

The board then discussed Agenda Item N, Selection of Chair and Vice Chair 25-26. Mr. Roetto stated “I nominate Chairperson Nehrmeyer for another term”, she accepted. Ms. Zuniga seconded the motion and it passed unanimously.

Ms. Zuniga stated “I motion to nominate Dr. Hodge for Vice President.” Dr. Hodge accepted, Mr. Thygerson seconded and it passed unanimously.

The board then moved on to Agenda Item V: Future Agenda Items. Topics discussed included the use of BoardDocs, recognition of board members for their service, the

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possibility of holding a board service retreat or "bootcamp," and providing a structured orientation for new members.

There were no additional announcements. At 4:03 p.m., Mr. Thomas stated "I motion to adjourn the meeting," which was seconded by Dr. Hodge. The motion passed unanimously, and the meeting was adjourned.

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