

**MINUTES OF
MISSISSIPPI TORT CLAIMS BOARD
THURSDAY, JULY 8, 2021**

The Mississippi Tort Claims Board (Board) meeting was held at 1:30 p.m. in Room 138, Woolfolk State Office Building; 501 North West Street; Jackson, Mississippi.

The following members were present, constituting a quorum:

Bolin, Liz; Representing Attorney General Lynn Fitch
Edds, Steve; Chairman
Kelsey, Christina; Representing Insurance Commissioner Mike Chaney
Sean Tindell; Commissioner, MS Department of Public Safety
Welch, Liz; Executive Director, MS Department of Finance & Administration
Wilson, Brian; Representing State Treasurer David McRae

Also present were:

Burkhalter, Chris; The Burkhalter Group
Donaldson, Bruce; Tort Claims Board
Kelly, Trina; Tort Claims Board
Logan, Jim; Tort Claims Board
Milner, Steve; Tort Claims Board
Rayburn, Amanda; Tort Claims Board
Smith, Dan; Attorney General's Office
Stephenson, Matthew; The Burkhalter Group
Wilson, Jeff; Trinity Capital

The Chairman called the meeting to order.

Motion was made by Mrs. Welch to approve the minutes of the May 13, 2021 meeting. Ms. Kelsey seconded the motion, which passed unanimously.

There was no Old Business.

In New Business, Mr. Burkhalter provided members with a 2021 review of the actuarial report and assessment. The main goal is to establish a reserve level for the fund balance sheet in our audit and financial statements. Also, project the necessary assessment for the upcoming fiscal year to be collected over the next twelve months which will fund the next fiscal year starting July 1st. Slide two shows a twelve year history of the fund. The red line is the cash and invested assets you withheld. The blue bars represent case reserves of open reported claims set by Ms. Rayburn's team and green is the actuarial or IBNR reserve which means incurred but not reported set by Mr. Burkhalter. There are claims out there that happened before June 30th but we do not know what they are. The unearned premium reserve is the assessment money we are

holding for the year we are going into. All three liabilities for 2021 add up to \$16.4 million with over \$17 million in assets.

Slide three shows the drivers of our losses whether they go up or down. Seeing the ultimate claim count for claims occurring in each of these fiscal years you can see a long term downward trend which has kept our assessments from going up much. In 2021, we had about a hundred more claims than for 2020 possibly due to COVID having a unique way of delaying claims and lawsuits while courts were closed last spring then reopening resulting in some of those claims being reported a little later. Slide four average claim severity tells us for every claim we get, what average amount is paid out. The long term annual trend is 3.3% and over the last ten years it has been more accelerated at 6.7%. So your frequency is pushing your assessment toward a downward trend. This one is moving in the other direction which made the assessment level over the last few years or so.

Slide five shows the overhead expense since 2001 and since 2010 it has been flat hovering right under a million dollars. This expense ratio is between 20 - 25% of what is paid in assessments goes toward overhead. A commercial market would be higher which means we are getting more of our assessments dollar to pay claims and this operation is very efficient.

Slide six shows our estimated equity position at June 30, 2021. Our best estimate is a central range of \$2.1 million in unencumbered funds which is good for everyone. The indicated assessment in the middle we feel anything collected between \$3.9 - \$5.2 million on the low or on the high end would be reasonable and actuarially supported. Our best estimate is that you should collect \$4.5 million in the coming twelve months to fund claims 2022 – 2023 fiscal year. Slide seven shows how wrong we were in the past. Slide seven shows the low, the central and the high in the past years. The bars are the most recent estimate of the actual number before that year. Slide eight shows that the Board has always decided between \$4- \$5 million and in 2018 we had what we sometimes call an assessment holiday which we did not assess.

Mr. Burkhalter's point here is that if you were to ask his recommendation as an actuary, he would say \$4.5 million, the central. But you have that \$2.1 million out there and for insurance companies that is great, it adds surplus to back up your claims if you have a bad year. In our case there is concern that the legislature would see these funds as a target as it has in the past. There is no reason to hold surplus in this fund, because if you have a bad year, this is a long tail line and we have plenty of time to adjust on the move. As a consultant, I would say take the \$2.1 million off the \$4.5 million and just go with the \$2.4 million assessment and you should be fine.

Chairman Edds comments that it would be a dramatic drop in the assessment. Mr. Burkhalter suggests it would be a single year drop. Chairman Edds comments that it could lead to a much larger assessment in the following fiscal year. Mr. Burkhalter says it most likely would pop back up to \$4.5 million. Mrs. Welch made comments concerning the past events of funds that were pulled from across the street and Mr. Burkhalter explained the Board would need to make a decision. Commissioner Tindell suggested going with the amount in the middle, Mrs. Welch suggested \$3 million which Mr. Burkhalter said would not be a problem based on us being in good shape. Conversation comments were made from Mr. Edds, Mrs. Welch, Mr. Tindell, Mr. Wilson and Mr. Burkhalter. The issue of cutting it too much and when you go back

to a normal assessment, it will cause more pain because we would have skipped a year. Mr. Donaldson suggested using a low figure of around \$3.9 instead of the central and Mr. Logan made the statement of how our assessment this past year at \$4.3 million so we can go lower, but not too low. He explained how the agencies struggle to get the money back the next year when they budget down and not realizing it was just a holiday. After much consideration, Mr. Tindell made a motion to approve the \$4.3 million assessment and Mrs. Welch seconded the motion, which passed by unanimous vote.

Mr. Logan provided the budget request for FY2023 which we are currently in FY2022. Page one goes through the narrative of each budget category and page two provides the numbers. We usually request for budget what the legislature gave us the year before. There is no reason to increase anything in level funding and we want to have enough funds available in case whatever comes up. The budget request shows what our actual numbers were for FY2021, what the appropriation is for FY2022 and request for FY2023. We got \$6.559 million in our appropriation and we are requesting the same thing for FY2023. Mrs. Welch made a motion to approve the funding and Ms. Kelsey seconded the motion, which passed by unanimous vote.

Mr. Donaldson provided a report on the public hospitals and medical centers. Since taking on this new position, he has discovered a number of political subdivisions including hospitals and medical centers that are either no longer submitting their coverage information on an annual basis or they are submitting some of the coverage information but not all. This has made most of them currently out of compliance somehow with the Board rules. We recently met with Chairman Steve Edds, Commissioner Mike Chaney, Christina Kelsey, Dan Smith and Chris Burkhalter who collectively came up with a plan to reboot this process and get it back on track. In your folder is a copy of the letter dated July 8, 2021 mailed certified to the public hospitals and medical centers. We marked their specific deficiencies as needed. The board is doing our best to get these back into compliance. In the future, you will notice some political subdivisions showing up on multiple occasions throughout the course of the year for Tort Claims Board approval in issuing the certificates of coverage because these political subdivisions renew different coverages at different times throughout the course of the year. Mr. Donaldson passed a sample certificate of coverage around to the Board showing the coverages listed on the certificate. The Board will note that the certificates we issue denote only the specific coverage which the Board approves. These are not blanket certificates. These certificates are specific to the coverages the political subdivision submitted. Mr. Edds thanked Bruce for discovering and working on a plan to correct these forty-two that were out of compliance. After forty-five days of receiving the letters, the statute require the Attorney General Office to take action against these entities.

Relating to public entities who elect to self-insure. Mr. Donaldson informed us of the political subdivisions self-insured trust fund recommended confidence levels on public entities where previous Boards have approved funding levels between 70% - 99%. After consulting with our actuary Mr. Burkhalter, the staff is recommending that the Board consider establishing a minimum benchmark funding level for these self-insured entities as follows. First, combining the actuarial indicated central estimate which is 50% of the total loss and expense reserves of past claims. Second, the actuarial indicated losses for the perspective year at the 75% confidence level. These minimums would still be subject to the annual review and adjustments needed

based upon future actuarial and submitted financial data. This is needed because self-insured are required to report annually which help with reporting to be completed in a more uniform comprehensive accurate timely manner. We are requesting the Board to consider establishing these minimums to help us in the future of going forward in submitting this information. Mr. Burkhalter explained to the Board what the minimums mean and Mr. Donaldson ask for them to adopt the policy he read. Mrs. Welch made the motion to adopt the policy and Ms. Kelsey seconded the motion, which passed by unanimous vote.

Mr. Donaldson informed the Board about the political subdivisions self-insured required annual report material. The staff is recommending the Board consider requiring self-insured entities to include at a minimum the items listed below in the submission of their self-insured plan for annual review. Those items A, B and C [found under "New Business" E in the agenda] here because this has become a number of submissions failed to include one or more of these items making it difficult and impossible to evaluate their self-insured plan in determining if they meet the Board's minimum benchmarks. I got a number of actuarial reports that do not have all this material in it, or they do not have the financial audit, but have the actuarial report or do not have the trust fund balance so we can't evaluate it. With the Board approval for entities with self-insured plans, I plan to send them another certified letter saying when you submit your next actuarial report or most recent self-insured plan, these items must be included in them. After much discussion from Mr. Edds, Mrs. Welch, Mr. Donaldson and Mr. Tindell concerning how many years should an audit be considered recent, a recommendation was made. Mr. Tindell made a motion to give Mr. Donaldson the discretion to determine what documentation is required from each of these self-insured entities in order to support their self-insured plan and Mrs. Welch seconded the motion, which passed by unanimous vote.

Mr. Logan presented the financial report cash flow through June to sum up this fiscal year. The claim loses for the year is just over \$3 million, total funds on hand \$17 million and subtract \$6.9 million reserves leaves unencumbered funds available \$10,342,000. The bottom shows the break down between claims, legal payments, reserves and number of claims created, paid and open. The second page shows the budget comparison report with the expenditures figured into what was allotted from appropriation at the beginning of the year. We spent approximately 65% of it.

Mr. Wilson presented the investment report through June 2021. The portfolio earned just under 50 basis points. Which is about a level rate of return equating to 2% total return basis. Two year treasuries are at 9 basis points. At the end of the month we had just under 1.5% cash and over \$1.2 million in treasuries. What we have done in consultation with staff at treasury is we bought TIP bonds, which are bonds that adjust their face value with the rate of inflation. We have purchased \$1.25 million in TSY Bonds that now have a par amount of \$1.267 million. Add additional principle payments coming from the government decreasing our values. It worked out so far so good for the first six months of the year. We continue to work our way out of floaters. As rates spike up, we come out of floaters doing well with that. Anticipate we will continue with that through the next fiscal year as rates spike up. The maturity distribution we are trying to move the portfolio out of bonds that mature within the next twelve months. There has never been a call on this cash to pay for claims or expenses so there is no reason to treat this fund like we do other self-insured funds. So we are trying to move all the bonds out to the 2.5 year range.

Mr. Milner provided members a report of his Loss Control activities since our last meeting and informed the Board how well Mrs. Rayburn and himself was received at the recent Highway Patrol Cadet Presentation. Ride alongs with new state troopers will begin in early September.

Mr. Donaldson presented a list of 21 political subdivisions with the recommendation that all be approved for renewal of Certificates of Coverage. We have reviewed what they submitted and they have met all the minimum requirement. Mr. Tindell made a motion to approve the political subdivisions for certificate of coverages and Mrs. Welch seconded the motion, which passed by unanimous vote.

Mrs. Rayburn informed the Board that there were no claims for this month.

There being no further business to come before the Board, Mrs. Welch motion for the meeting to adjourn and Ms. Kelsey seconded the motion, which passed by unanimous vote. The meeting was adjourned.



STEVE EDDS, CHAIRMAN

MIKE CHANEY, BOARD MEMBER



LYNN FITCH, BOARD MEMBER



DAVID MCRAE, BOARD MEMBER



SEAN TINDELL, BOARD MEMBER

Liz Welch by Audrey Ruth Gordon

LIZ WELCH, BOARD MEMBER

CHRIS WELLS, BOARD MEMBER

Mississippi Tort Claims Board
July 8, 2021 - 1:30pm
Conference Center North, Room 138
First Floor, Woolfolk Building
Jackson, Mississippi

ATTENDANCE LIST

<u>NAME</u>	<u>DEPARTMENT/COMPANY</u>
Bruce Donaldson	Tort
TRINA Kelly	Tort
Steve Milner	Tort
Chris Burkhalter	Burkhalter Group
Jeff Wilson	Trinity
Matthew Stephenson	Burkhalter Group
Jim Logan	Tort
Amanda Rayburn	Tort
Dan Smith	MDOT
Jean Tindell	DPS
Steve Edds	Battee & Snow
Christina Kelsey	Insurance Comm
Liz Welch	DFA
Brian Wilson	Treasury
Liz Bdin	AG

Mississippi Tort Claims Board
Thursday, July 8, 2021 – 1:30 P.M.

AGENDA

- I. Approval of Minutes
 - A. May 13, 2021

- II. Old Business

- III. New Business
 - A. Actuarial Report and Assessments – Chris Burkhalter
 - B. FY2023 Budget Request – Jim Logan
 - C. Public Hospitals & Medical Centers – Compliance Status – Bruce Donaldson
 - D. Political Subdivisions Self-Insured Trust Fund Recommended Confidence Levels – Bruce Donaldson
 - E. Political Subdivisions Self-Insured Required Annual Report Material – Bruce Donaldson
 - a. Current actuarial analysis providing indicated reserves for past claims as well as the projected loss and expense for the prospective year, including the actuarial central estimate and projections at confidence levels of 75% & 90%
 - b. Current Trust Fund Balance Statement
 - c. Current Financial Audit

- IV. Financial Reports
 - A. Financial Report – Jim Logan
 - B. Investment Report – Jeff Wilson

- V. Loss Control – Steve Milner

- VI. Attorney General’s Report – Bruce Donaldson

- VII. Certificates of Coverage – Bruce Donaldson

- VIII. Claims Report – Amanda Rayburn

- IX. Adjournment

Next meeting date and time: September 9, 2021 – 1:30 P.M.
Meeting location: Suite 138, Conference Center North, Woolfolk Building, Jackson, MS

**MINUTES OF
MISSISSIPPI TORT CLAIMS BOARD
THURSDAY, MAY 13, 2021**

The Mississippi Tort Claims Board (Board) meeting was held at 1:30 p.m. in Room 1302, Woolfolk State Office Building; 501 North West Street; Jackson, Mississippi, with members attending via teleconference.

The following members were present, constituting a quorum:

Chaney, Mike; Insurance Commissioner
Edds, Steve; Chairman
Goodwin, Tommy; Representing Attorney General Lynn Fitch
Kelsey, Christina; Representing Insurance Commissioner Mike Chaney
McRae, David; State Treasurer
Smith, Denita; Representing Public Safety Commissioner Sean Tindell
Welch, Liz; Executive Director, MS Department of Finance & Administration
Wells, Chris; Executive Director, MS Department of Environmental Quality

Also present were:

Donaldson, Bruce; Tort Claims Board
Kelly, Trina; Tort Claims Board
Logan, Jim; Tort Claims Board
Milner, Steve; Tort Claims Board
Rayburn, Amanda; Tort Claims Board
Smith, Dan; Attorney General's Office
Wells, Lisa; Cannon Cochran Management Services Inc.
William; Chad; Attorney General Office
Wilson, Jeff; Trinity Capital

The Chairman called the meeting to order.

Motion was made by Mrs. Welch to approve the minutes of the March 11, 2021, meeting. Mr. McRae seconded the motion, which passed unanimously.

There was no Old Business.

In New Business, Mr. Donaldson provided members with the 2021 Legislative Summary and the 2021 Liability Claims Audit Report from Farley Consulting Services. The 2021 Legislative Session ended with no legislative impact on the Tort Claims Board. Mr. Farley's claim audit concluded clean. Mr. Donaldson introduced the new Tort Claims Liability Manager, Amanda Rayburn. She brings to the table 21 years of claims experience and the last 8 years with our TPA, CCMSI. Mrs. Rayburn has a very good relationship with our office. While at CCMSI, she handled the majority of our claims, and already has a good working relationship with most of

our defense attorneys. We are looking forward to her expertise and being a great asset to Tort Claims.

Mr. Logan presented a financial summary for fiscal year 2021 through April 2021. We have received all the state agencies assessments approximately \$4.3 million. The claims expenses thus far is \$2.7 million and the legal expense is right under \$500,000. The total funds by account is \$17.8 with 6.9 million in reserves leaving \$10.9 million unencumbered. In the Budget Comparison Report, the salary for April is up from the normal due to leave payable for two retired employees, Lea Ann and Teresa. Jim will be making an adjustment in contractual to move that into salaries so everything will be covered by the end of the year.

Mr. Wilson presented the investment report through April 2021. The portfolio had just over \$12.8 million invested and \$12.8 in market value. We have seen a dramatic rise in interest rates so we have been able to keep the market rate even with the book value portfolio. We earned right under 50 basis points for the fiscal year and the portfolio yield is a little over 50 basis points. We have earned about \$50,000 and should increase over the next few months. In consultation with Treasury, we are taking some of the floating rate securities we have in the portfolio and selling those. We have begun to buy fixed rate instruments which should drag the yield up on the portfolio. So by the end of the year instead of about 53 basis points, it should be around 75 basis points. It has been a struggle, while the curve is steep, but we have been keeping our market values in finding bonds for the portfolio until recently. We anticipate that the yield will climb in the portfolio and market, we are positioned well.

Mr. Milner provided members a report of his Loss Control activities since our last meeting. We had no known claims from the Mudbug Festival at the Fairgrounds and we will be making a presentation to the Mississippi Highway Patrol class May 27, 2021.

Mr. Donaldson presented two (2) attorneys for inclusion in the approved Attorney Register: Mark Baker, Sr. with Baker Law Firm, P.C. in Brandon, Mississippi and Katrina S. Brown with Brown, Bass & Jeter, PLLC in Jackson, Mississippi. Both meet the eligibility requirements of the Board and staff recommends approval. Mrs. Welch made a motion to approve Mark Baker and David McRae seconded the motion. Mrs. Welch made a motion to approve Katrina Brown and Ms. Kelsey seconded the motion. Mr. Baker passed by majority vote, Ms. Brown passed by unanimous vote.

Mr. Donaldson presented a list of 13 political subdivisions with the recommendation that all be approved for renewal of Certificates of Coverage. Ms. Kelsey made a motion to approve the list and Mrs. Welch seconded the motion, which passed by unanimous vote.

For the Claims Report, Mrs. Rayburn presented a summary of the claim of Tim Parker vs. the Mississippi Department of Wildlife, Fisheries & Parks for an incident that took place on August 4, 2018. The Plaintiff and his attorney are alleging excessive force during an unlawful arrest which caused injury to his neck and left shoulder. A settlement conference was held before presiding Federal Judge Keith Starrett with the Plaintiff and his attorneys, as well as the agency's defense attorneys, the agency employee, along with his personal defense attorney. Also present were Mr. Donaldson and Mrs. Rayburn. We were able to reach a settlement on this case

and agreed to pay \$137,500 to resolve any potential state tort negligence exposure. Mr. Chaney made a motion to accept the settlement amount and Mrs. Welch seconded the motion and was unanimously approved.

There being no further business to come before the Board, the meeting was adjourned.



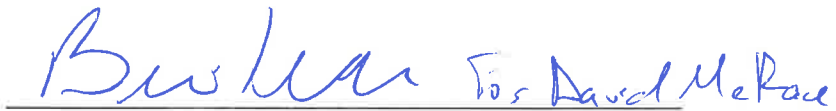
STEVE EDDS, CHAIRMAN



MIKE CHANEY, BOARD MEMBER



LYNN FITCH, BOARD MEMBER



DAVID MCRAE, BOARD MEMBER



SEAN TINDELL, BOARD MEMBER



LIZ WELCH, BOARD MEMBER

CHRIS WELLS, BOARD MEMBER

Mississippi Tort Claims Fund



Highlights of:

Actuarial Review 2021

Presented by:

Christopher J. Burkhalter, FCAS, MAAA
President & Principal

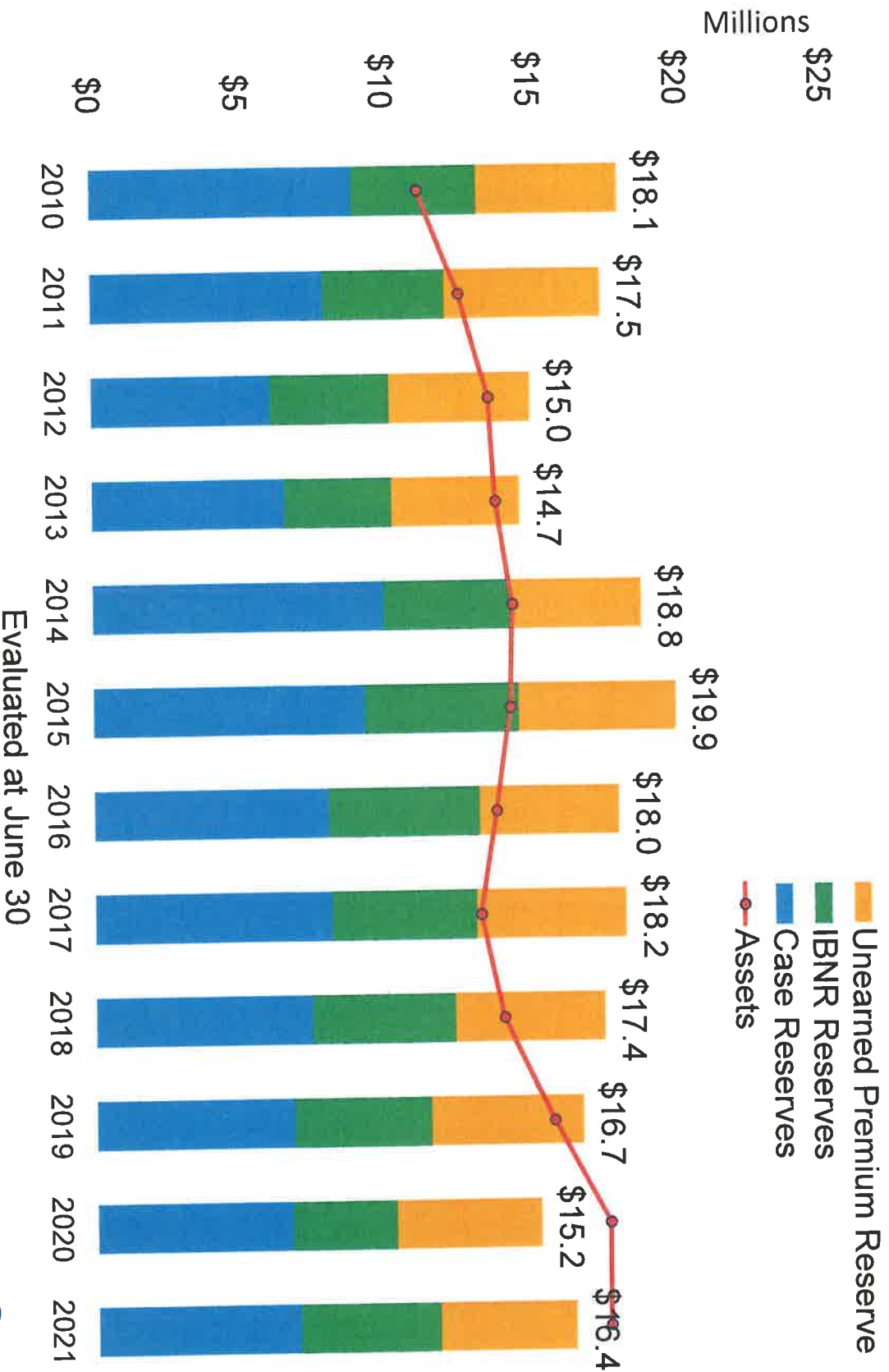
July 8, 2021

THE BURKHALTER GROUP

PO Box 1546 | Madison, MS 39130 | 601.668.7611 | cburkhalter@thpactuaries.com

Consulting Actuaries

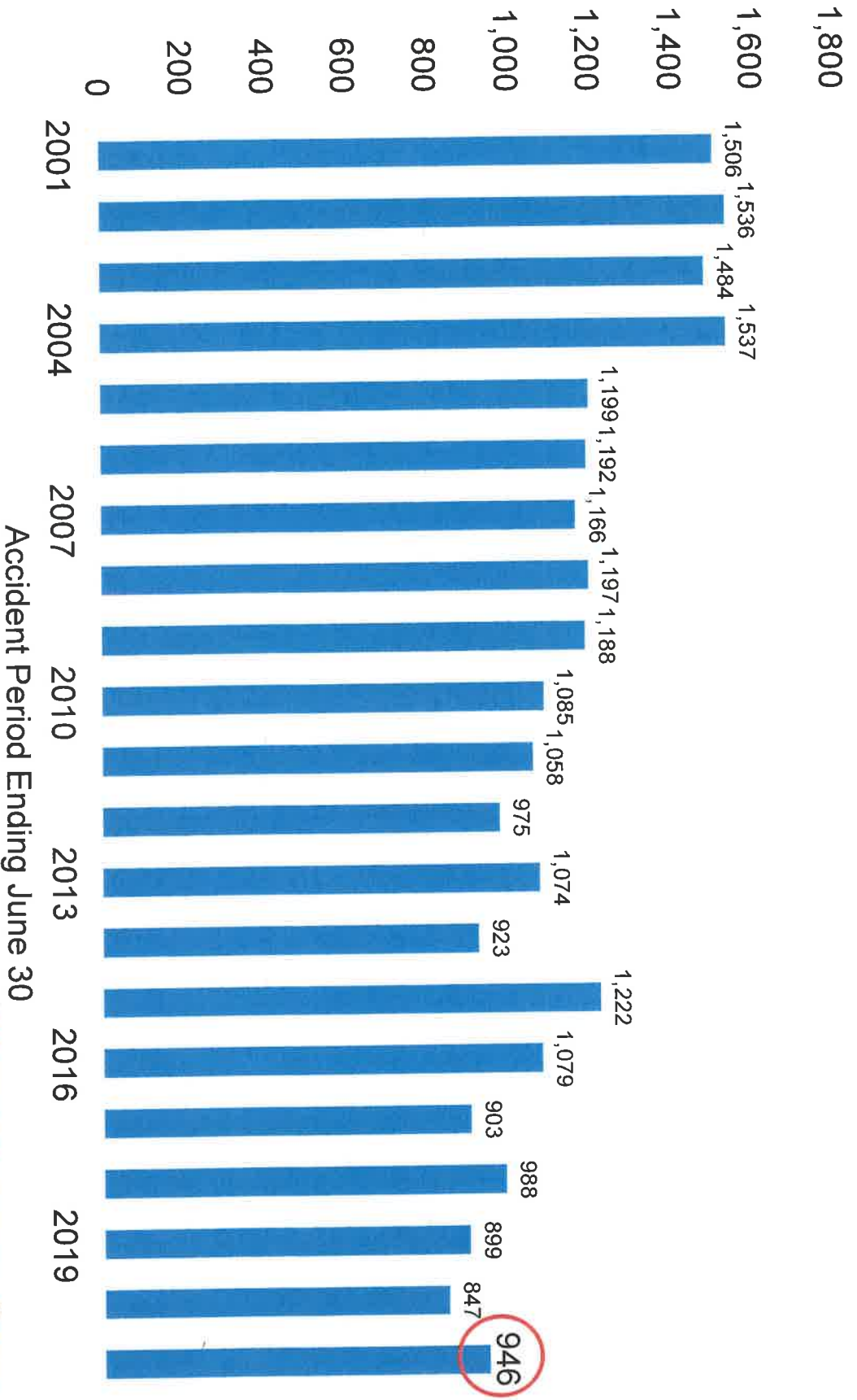
HISTORICAL RESERVES



THE BURKHALTER GROUP

Consulting Actuaries

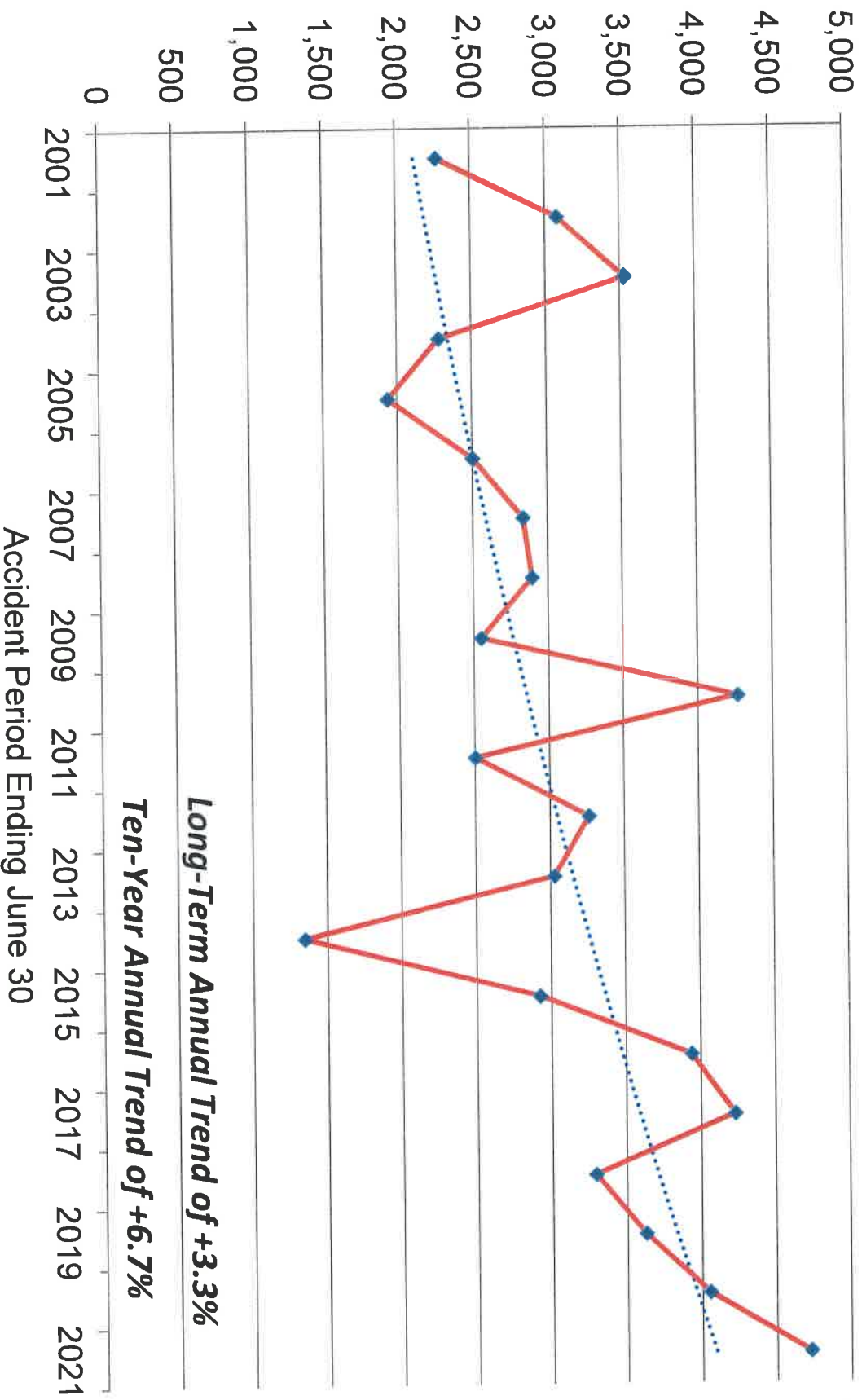
ULTIMATE CLAIM COUNTS



THE BURKHALTER GROUP

Consulting Actuaries

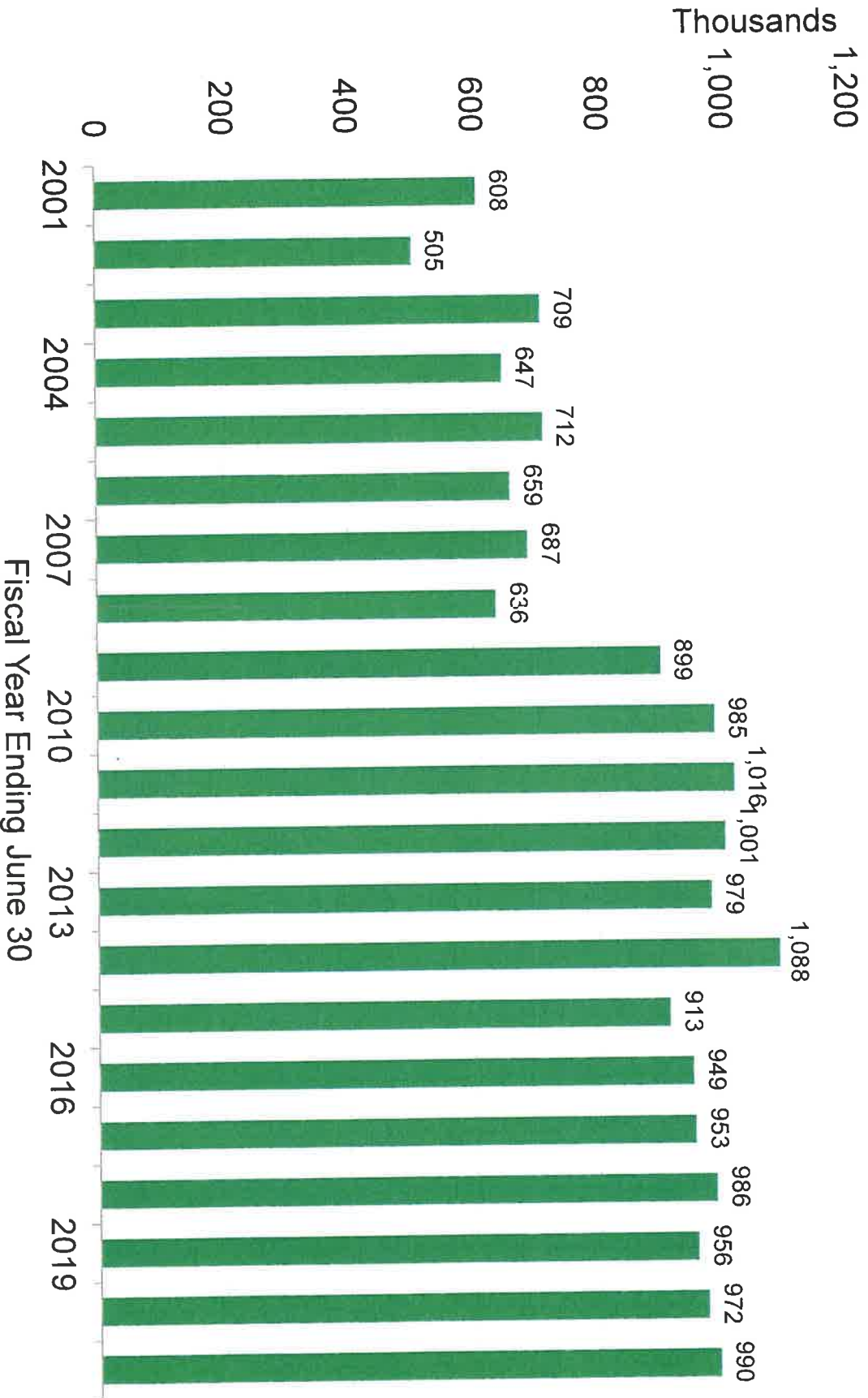
CLAIM SEVERITY



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OVERHEAD EXPENSE



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MS Tort Claims Fund

Summary of Results



Cash & Invested Assets at 6/30/2021: \$ 17,274,747

	<u>Low</u>	<u>Central</u>	<u>High</u>
Est. Equity at 6/30/2021 *	(\$205 K)	\$ 2.1 M	\$ 4.2 M

<u>Fiscal Year 2022 / 2023</u>	<u>Low</u>	<u>Central</u>	<u>High</u>
Indicated Assessment	\$ 3.9 M	\$ 4.5 M	\$ 5.2 M

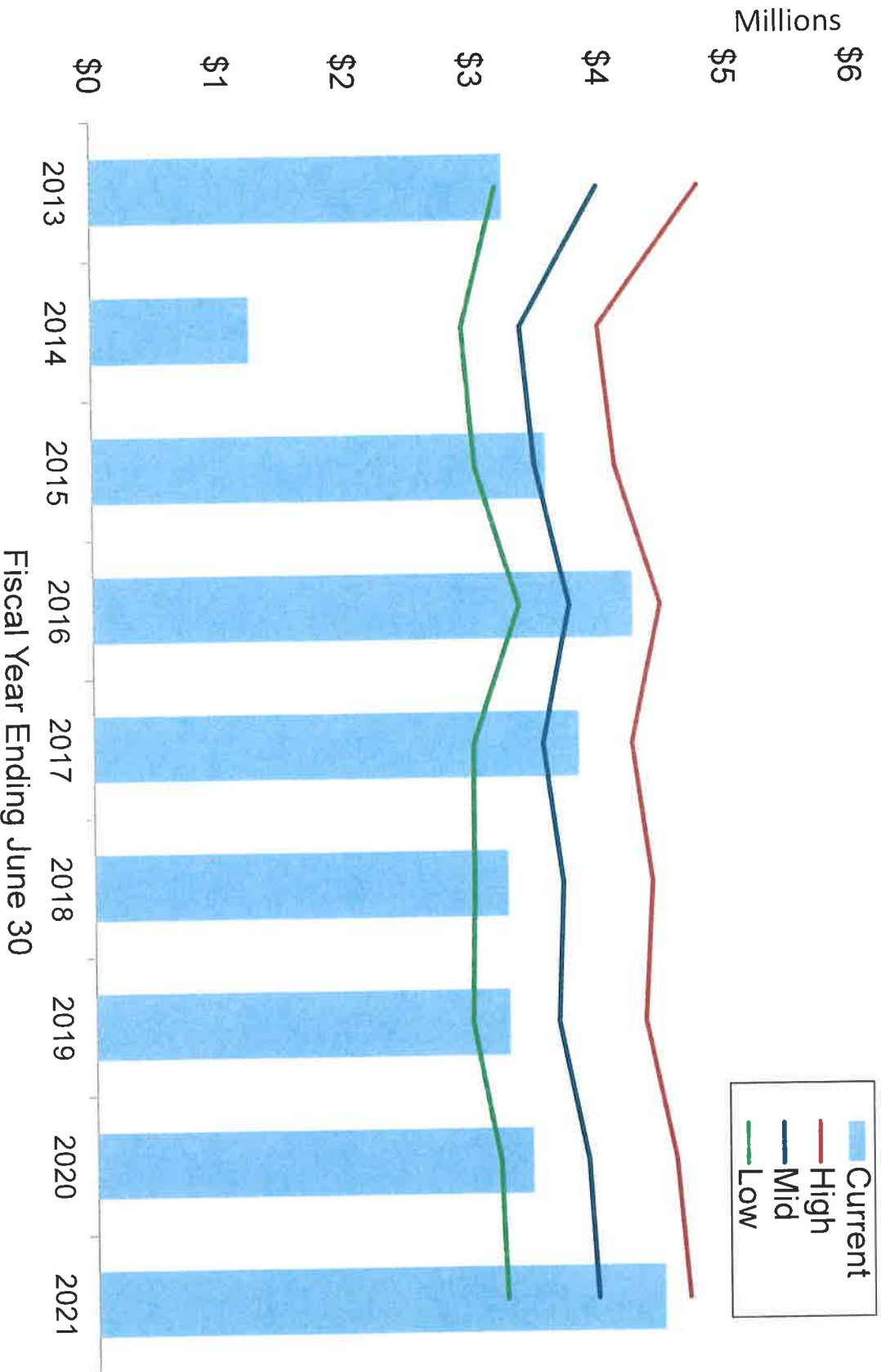
<u>7/1/2021 – 6/30/2022</u>	<u>Low</u>	<u>Central</u>	<u>High</u>
Projected Cash Need	\$ 4.6 M	\$ 5.1 M	\$ 5.7 M

* - including 2021/2022 exposure

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Consulting Actuaries

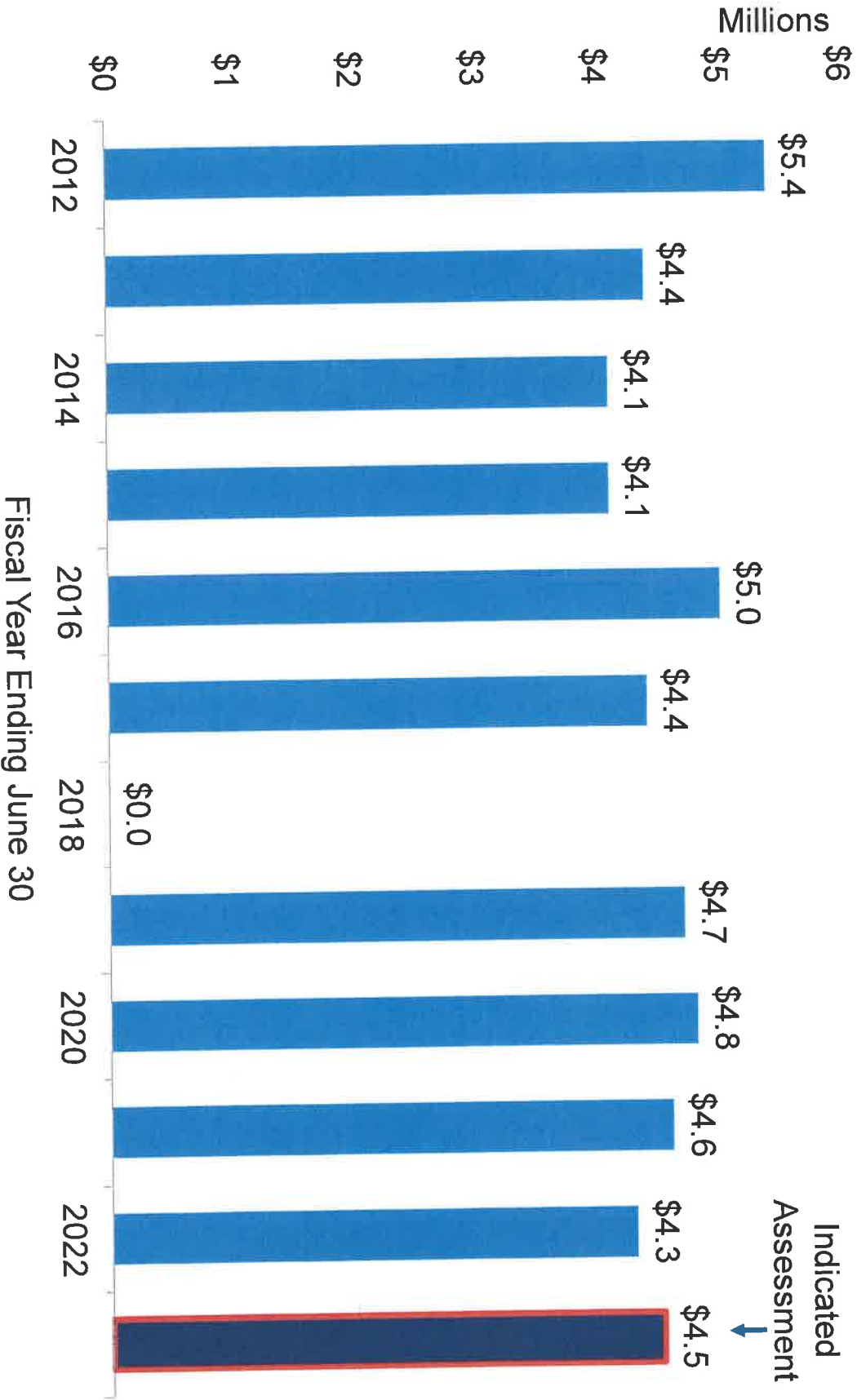
INITIAL VS CURRENT ESTIMATES



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ANNUAL ASSESSMENTS



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**MISSISSIPPI TORT CLAIMS BOARD
BUDGET REQUEST NARRATIVE
FOR FISCAL YEAR 2023**

The Tort Claims Board was created July 1, 1993 to administer the settlement of claims against State agencies and State employees acting within the course and scope of their employment. Funding for the program is received through assessments levied against participants in the plan. The actuarial study conducted prior to fiscal year 1998 determined that a sufficient claim experience history had been accumulated to warrant calculating assessments based on salary expenditures with a discount and/or surcharge based on loss history and agency risk. The fund is currently in line with actuarial estimates and has a liability limit of \$500,000.

The following is a discussion of the expenditure authority requested for FY 2023.

A.1. PERSONAL SERVICES

\$611,647 Special Funds

The budget request for the personal services category includes full funding of the eight (8) positions with the Tort Claims Board

A.2. TRAVEL

\$4,000 Special Funds

The Risk/Loss Control Manager is required to visit State agencies to assist them in developing risk management plans to minimize the number of tort claims. The claims management staff occasionally travels for mediation of litigation cases. Professional staff, required to remain current in developments in the tort claims field, incur travel costs to attend training seminars

B. CONTRACTUAL SERVICES

\$1,634,410 Special Funds

The budget request for the contractual services category includes expenses for routine State agency office operations, legal fees to defense attorneys, court costs, actuarial services, software acquisitions, risk management information system maintenance, and the cost of the third party administrator contract.

C. COMMODITIES

\$7,000 Special Funds

The budget request for commodities includes expenses for office supplies, printing, equipment repair parts, fuel and basic maintenance on state vehicle, safety training materials, and other supplies and materials for routine office operations.

D.2. CAPITAL OUTLAY - EQUIPMENT

\$2,000 Special Funds

The budget request for capital outlay - equipment includes expenses for office machines, furniture, fixtures, and other equipment.

E. SUBSIDIES, LOANS & GRANTS
\$4,300,000 Special Funds

The budget request for subsidies, loans, and grants includes claims payments made by the Tort Claims Board through State Treasury Fund, and claims payments and claims expenses paid by the Third Party Administrator through the Tort Claims Board checking account.

Budget Request for FY 2023

Category	Budget Actual FY 2021	Budget Appropriation FY 2022	Budget Request FY 2023	Increase / Decrease
A1-Salaries	594,979.44	611,647.00	611,647.00	0.00%
A2-Travel	0.00	4,000.00	4,000.00	0.00%
B-Contractual	1,009,803.95	1,634,410.00	1,634,410.00	0.00%
C-Commodities	6223.12	7,000.00	7,000.00	0.00%
D2-Capital Outlay	0.00	2,000.00	2,000.00	0.00%
E-Subsidies	<u>2,665,038.90</u>	<u>4,300,000.00</u>	<u>4,300,000.00</u>	<u>0.00%</u>
TOTAL				
EXPENDITURES	<u>4,276,045.41</u>	<u>6,559,057.00</u>	<u>6,559,057.00</u>	<u>0.00%</u>

PERSONNEL DATA

Permanent Full Time	8	8	8
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Budget Expenditure Comparison Report

Category	Budget Actual FY 2020	Budget Actual FY 2021	Increase / Decrease
A1-Salaries	582,966.38	594,979.44	2.06%
A2-Travel	1,472.03	0.00	-100.00%
B-Contractual	1,048,212.50	1,009,803.95	-3.66%
C-Commodities	3,452.72	6,223.12	80.24%
D2-Capital Outlay	1,799.98	0.00	-100.00%
E-Subsidies	<u>1,597,496.60</u>	<u>2,665,038.90</u>	<u>66.83%</u>
TOTAL	<u>3,235,400.21</u>	<u>4,276,045.41</u>	<u>32.16%</u>



STATE OF MISSISSIPPI
GOVERNOR TATE REEVES

MISSISSIPPI TORT CLAIMS BOARD
STEPHEN C. EDDS, CHAIRMAN

MIKE CHANEY, Commissioner
Insurance Department
LYNN FITCH, Attorney General
Office of Attorney General
DAVID McRAE, Treasurer
Department of Treasury

SEAN TINDELL, Commissioner
Department of Public Safety
LIZ WELCH, Executive Director
Department of Finance and Administration
CHRIS WELLS, Executive Director
Department of Environmental Quality

July 8, 2021

The Mississippi Tort Claims Board is requesting you to update your liability insurance information on file with the Board. Section 11-46-17 of the Mississippi Code requires all political subdivisions of the state to obtain approval of the liability coverage plan from the Board annually.

Please forward all current liability insurance information by either a copy of the declarations pages of each liability policy or Certificate of Insurance for each liability policy as indicated below.

- | | |
|---------------------------------------------------------|-----------------------------------------------------------------|
| <input type="checkbox"/> Auto [If you own a vehicle(s)] | <input type="checkbox"/> Law Enforcement [If you have your own] |
| <input type="checkbox"/> General | <input type="checkbox"/> Airport Liability |
| <input type="checkbox"/> D & O | <input type="checkbox"/> Hanger Keepers Liability |
| <input type="checkbox"/> Public Officials | <input type="checkbox"/> Other |
| <input type="checkbox"/> Professional | |

If you are managing a self-insured program for any liability coverage forward:

- Current Actuarial Evaluation Providing Trust Fund Prospective Confidence Factors of 50%, 75%, 90%.
- Current Trust Fund Balance Statement
- Current Financial Audit
- Current Total Reserve Balance

Your failure to submit the required information within 45 days of the date of this letter will result in the matter being turned over to the Office of the Attorney General of Mississippi for legal action in the Chancery Court of Hinds County, Mississippi to enforce MS Code 11-46-17(3) and 11-46-20.

Sincerely,
Mississippi Tort Claims Board

Bruce Donaldson, Administrator

MISSISSIPPI TORT CLAIMS BOARD
Combined Financial Report - Fiscal Year 2021
Fund 3308100000

-----CASH FLOW ANALYSIS-----

	May	June	Year-To-Date
REVENUE:			
Assessments Received	0.00	0.00	4,299,818.91
Interest	13.78	2,794.20	32,701.82
Investment Interest	3,728.39	2,023.90	54,859.96
Transfer In Funds	250,000.00	0.00	2,500,000.00
Total Revenue	\$ 253,742.17	\$ 4,818.10	\$ 6,887,380.69
EXPENSES:			
Claim Losses - TCB and TPA	185,865.85	92,074.08	3,005,038.02
Legal Expenses - TCB and TPA	70,889.91	89,373.59	624,873.42
Other Expenses - TCB and TPA	420.00	540.00	12,723.77
Administrative Expenses Paid	69,069.16	111,690.63	990,393.85
Transfer of Funds - Out	250,000.00	0.00	2,500,000.00
Total Expenses	\$ 576,244.92	\$ 293,678.30	\$ 7,133,029.06
FUNDS ON HAND:			
Beginning Balance	\$ 17,886,120.24	\$ 17,563,617.49	
Revenue	253,742.17	4,818.10	
Expenses	(576,244.92)	(293,678.30)	
Adjustments (LAPSE PERIOD)	0.00	0.00	
Total Funds	\$ 17,563,617.49	\$ 17,274,757.29	
Cash in Treasury	\$ 4,616,190.56	\$ 4,392,677.26	
Investment in Treasury	\$ 12,790,120.23	\$ 12,792,144.13	
TPA Trustmark Bank Balance	157,306.70	89,935.90	
Total Funds By Account	\$ 17,563,617.49	\$ 17,274,757.29	
Less Reserves	\$ 6,855,320.83	\$ 6,932,638.06	
Unencumbered Funds Available	\$ 10,708,296.66	\$ 10,342,119.23	

-----CLAIMS/RESERVES DETAIL (Year-To-Date)-----

	Tort Board	CCMSI	TOTAL
Claims - Payments	\$ 165,038.90	\$ 2,839,999.12	\$ 3,005,038.02
Claims - Legal Expenses	620,557.46	4,315.96	624,873.42
Claims - Other Expenses	210.00	12,513.77	12,723.77
Total Paid Out to Date	\$ 785,806.36	\$ 2,856,828.85	\$ 3,642,635.21
OUTSTANDING RESERVES	365,880.69	6,566,757.37	6,932,638.06
Total Claims & Reserves	\$ 1,151,687.05	\$ 9,423,586.22	10,575,273.27
Number of Claims Created	592	328	920
Number of Claims Paid	357	216	573
Total Open Claims	201	254	455
AVG. CLAIM \$ / # CLAIMS PAID	\$ 462.29	\$ 13,148.14	\$ 5,244.39
AVG. RESERVE / OPEN CLAIMS	\$ 1,820.30	\$ 25,853.38	\$ 15,236.57

NOTE: Information represents combined operations for Treasury Fund 3081 and the Trustmark account (utilized by CCMSI).

MISSISSIPPI TORT CLAIMS BOARD

Budget Comparison Report
 Treasury Fund 3308100000
 Fiscal Year 2021

Expenses:	Total Budget	May 2021	June 2021	Year To Date Expenditures	Ending Balance	Percent Expended
A1-Salaries	\$ 611,647.00	\$ 48,076.88	\$ 48,082.04	\$ 594,979.44	\$ 16,667.56	97.27%
A2-Travel	4,000.00	0.00	0.00	0.00	4,000.00	0.00%
B-Contractual	1,625,000.00	91,373.70	152,051.46	1,009,803.95	615,196.05	62.14%
C-Commodities	7,000.00	606.19	889.07	6,223.12	776.88	88.90%
D2-Capital Outlay	2,000.00	0.00	0.00	0.00	2,000.00	0.00%
E-Subsidies	4,300,000.00	265,023.71	25,274.94	2,665,038.90	1,634,961.10	61.98%
SUBTOTAL	<u>\$ 6,549,647.00</u>	<u>\$ 405,080.48</u>	<u>\$ 226,297.51</u>	<u>\$ 4,276,045.41</u>	<u>\$ 2,273,601.59</u>	<u>65.29%</u>
TPA Expended		<u>171,164.44</u>	<u>67,380.79</u>	<u>2,856,983.65</u>		
TOTAL Expended		<u>\$ 576,244.92</u>	<u>\$ 293,678.30</u>	<u>\$ 7,133,029.06</u>		

TRINITY

TRINITY CAPITAL INVESTORS

July 1, 2021

Mr. Bruce Donaldson
Mississippi Tort Claims Board
P O Box 267
Jackson, MS 39205-0267

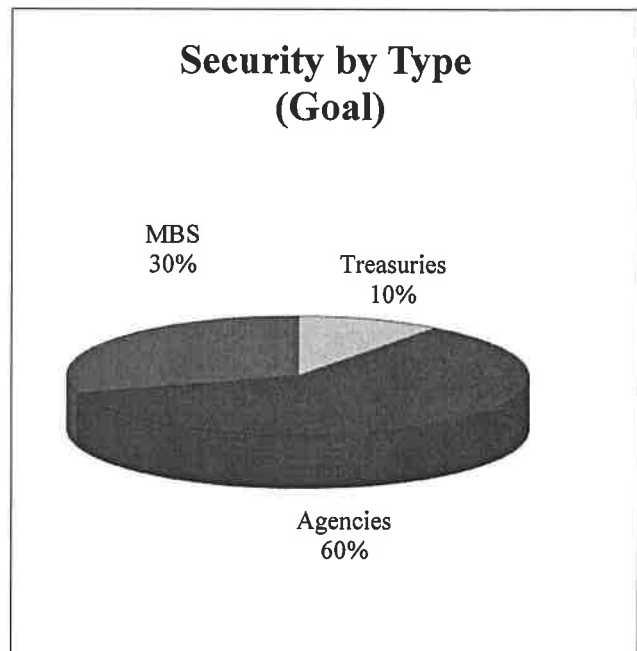
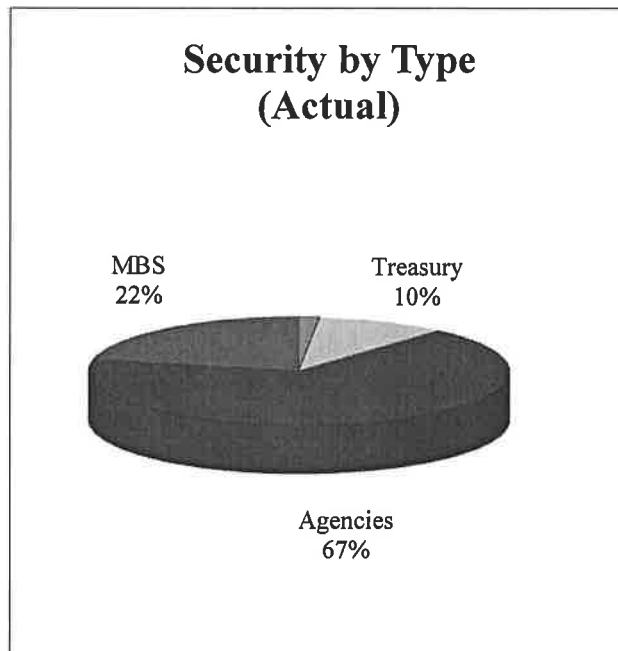
Re: June 2021 Portfolio Highlights

Total Portfolio	Book Value	\$12,822,950
	Market Value	\$12,845,157
FY 2021 Internal Rate of Return		0.48%
Current Portfolio Book Yield		0.60%
Market Yield		0.61%
Weighted Average Life		Approximately 2 years
YTD 2020 Earnings		54856
Accrued Interest		9926

1675 Lakeland Drive Suite 400 Jackson, MS 39216
Telephone 601-956-3511
Fax 601-956-3513

Portfolio Composition
June 2021

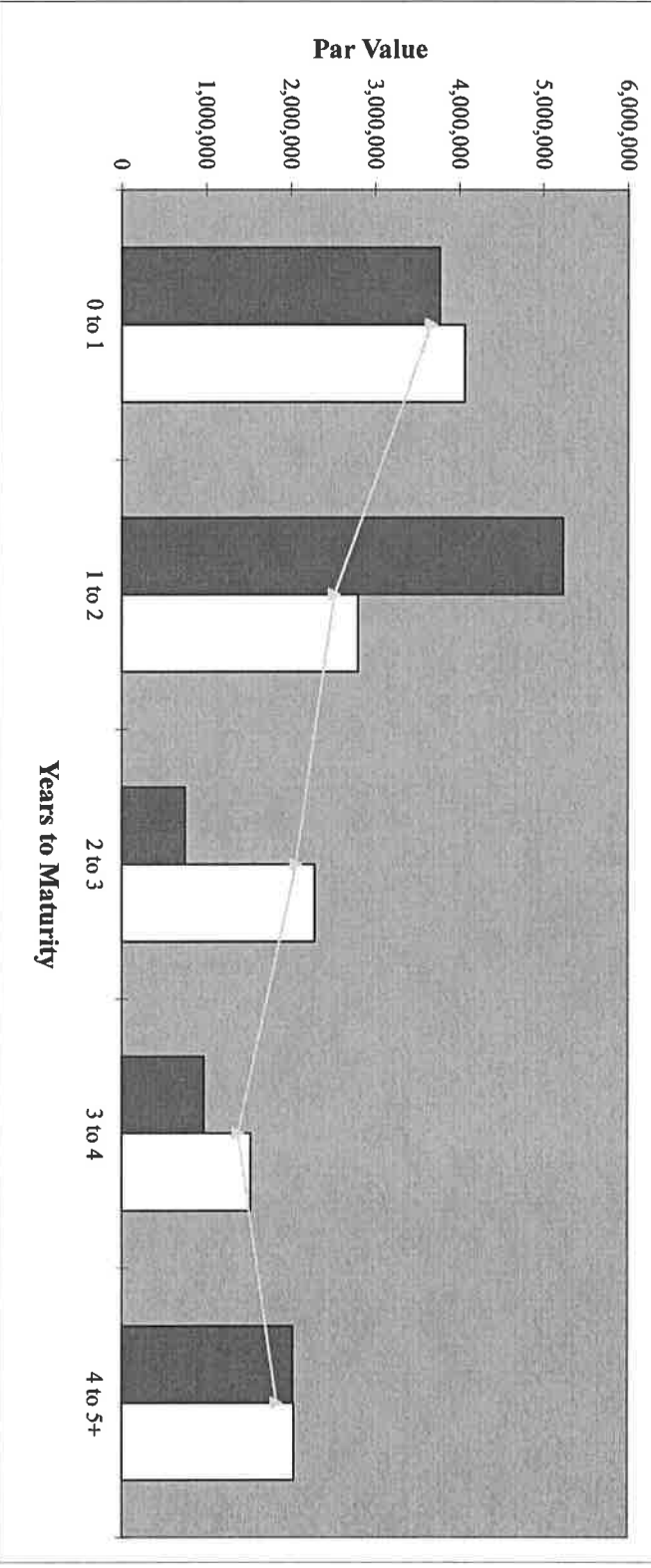
Security Type	Current 6/30/2021	Current Mix	Goal 6/30/2021	Goal Mix
Cash/ Liquidity	204	2%	0	0%
US Treasury	1,263	10%	1,280	10%
Agencies	8,510	67%	7,680	60%
Bullet Maturities	0	0%	3,840	50%
Callables	2,960	35%	3,840	50%
Floater	5,550	65%	0	0%
MBS	2,764	22%	3,840	30%
Floater	1,782	64%	1,920	50%
CMO	982	36%	1,920	50%
Pass Through	0	0%	0	0%
Municipals	0	0%	0	0%
Taxable		0%	0	100%
Tax Free		0%	0	0%
TOTAL	12,741	100%	12,800	100%



*Maturity Distribution
June 2021*

Years to Maturity	0 to 1	1 to 2	2 to 3	3 to 4	4 to 5+	TOTAL	WAL
Actual Par Value	3,762,823	5,237,610	750,000	969,139	2,020,854	12,740,426	1.97
Target Value June '2020	4,064,000	2,794,000	2,286,000	1,524,000	2,032,000	12,700,000	2.16
Claims & IBNR a/o June '19	3,662,080	2,517,680	2,059,920	1,373,280	1,831,040	11,444,000	2.16

Maturity Distribution



Security Inventory
 Booking Report
 June 2021
MISSISSIPPI TORT CLAIMS FUND

Security Group	Type	Par Value	Book Value/ Cost
AGEN	FFCB	6,300,000	6,299,010.65
	FHLB	2,210,000	2,209,875.00
CMO	GNMA		1,641,845.65
	FHR		137,859.18
	FNR		1,022,874.23
US TREAS			1,307,939.36
INTEREST			2,023.90
CASH			203,546.01
			12,822,950.08

Transfer:



STATE OF MISSISSIPPI
GOVERNOR TATE REEVES

MISSISSIPPI TORT CLAIMS BOARD
STEPHEN C. EDDS, CHAIRMAN

MIKE CHANEY, Commissioner
Insurance Department
LYNN FITCH, Attorney General
Office of Attorney General
DAVID McRAE, Treasurer
Department of Treasury

SEAN TINDELL, Commissioner
Department of Public Safety
LIZ WELCH, Executive Director
Department of Finance and Administration
CHRIS WELLS, Executive Director
Department of Environmental Quality

MEMORANDUM

TO: Mississippi Tort Claims Board
FROM: Steve Milner
DATE: July 8, 2021
RE: Loss Control Report

Since the last Board Meeting, loss control services for the Tort Claims Board include:

- 31 State Property/Leased Property Inspections
- 2 Defensive Driving Classes
- 5 Risk Management Assessments
- 2 State Trooper Injury Investigations
- 4 Accident Investigations
- 1 MHP Cadet Presentation



STATE OF MISSISSIPPI
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Department of Finance and Administration
CHRIS WELLS, Executive Director
Department of Environmental Quality

MEMORANDUM

TO: Mississippi Tort Claims Board
FROM: Bruce Donaldson
DATE: July 8, 2021
RE: Political Subdivisions – Certificates of Coverage

RECOMMENDATION: Staff recommends approval of 21 political subdivisions shown on attached list.

MISSISSIPPI TORT CLAIMS BOARD

Thursday, July 8, 2021

Political Subdivisions Recommended for Renewal of Certificate of Coverage

Alphaba Cockrum Ingram Mills Volunteer Fire Dept.

Bridgetown Volunteer Fire Department

Copiah County Medical Center

Covington County Hospital

George Regional Health System

Greenwood Leflore Hospital

GT&Y Utility District, Inc.

Marion General Hospital

Mississippi Business Finance Corp.

Mississippi Levee Commissioners

Municipal Gas Authority of Mississippi

North Sunflower County Hospital

Pearl River County Hospital and Nursing Home

Petal School District

Poplar Springs Water District

Sharkey-Issaquena Community Hospital

Southwest Mississippi Regional Medical Center

Tippah County Hospital

Walthall County General Hospital

West Point Consolidated School District

Yalobusha General Hospital and Nursing Home

Total 21