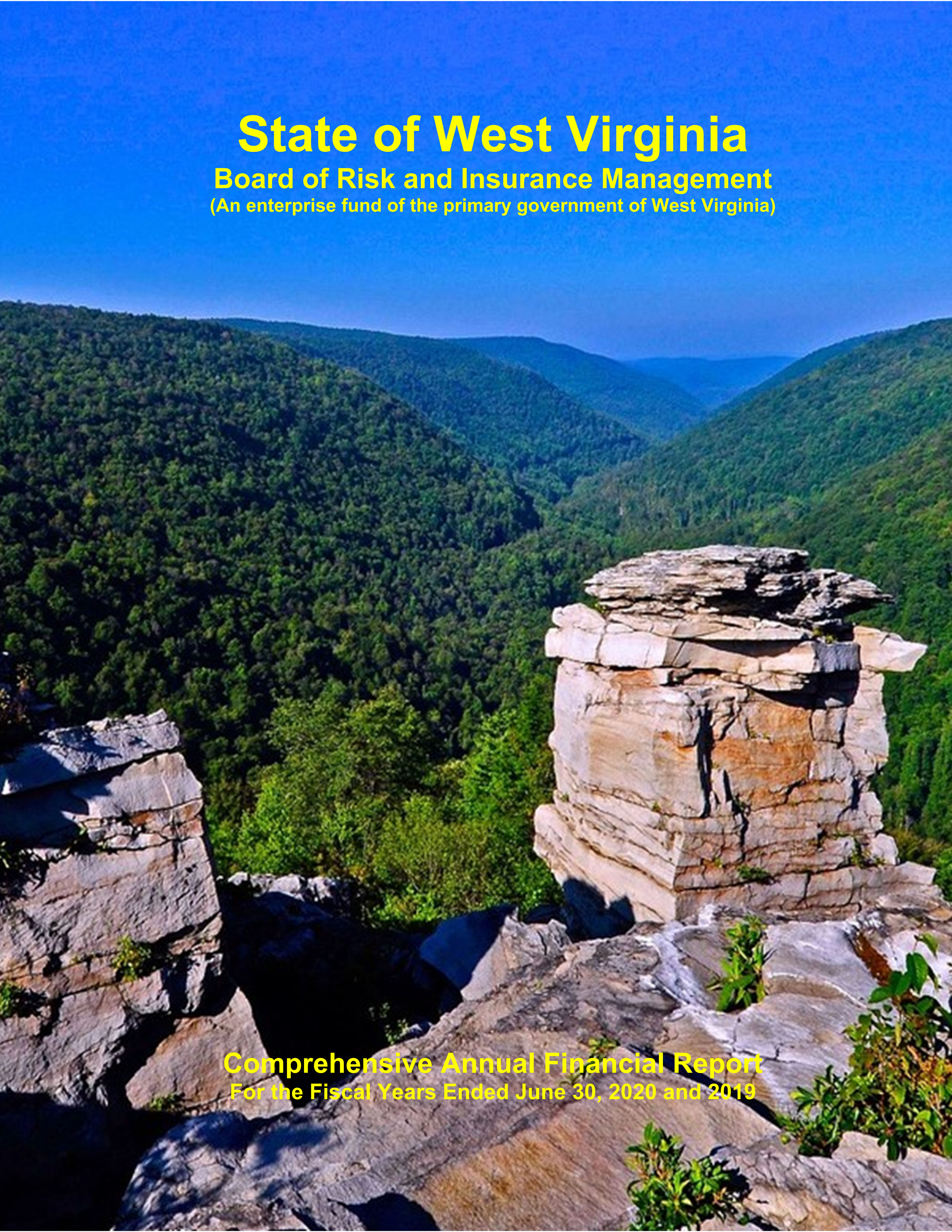
State of West Virginia

Board of Risk and Insurance Management

(An enterprise fund of the primary government of West Virginia)



Comprehensive Annual Financial Report

For the Fiscal Years Ended June 30, 2020 and 2019

On the Cover – **Lindy Point –** West Virginia's natural beauty provides many opportunities for outdoor recreation. Hiking to Lindy Point offers a view of some of the lovely mountain scenes that are abundant in our state.

State of West Virginia

Board of Risk and Insurance Management

(An enterprise fund of the primary government of West Virginia)

Comprehensive Annual Financial Report

For the Fiscal Years Ended June 30, 2020 and 2019

Jim Justice
Governor

Mary Jane Pickens, Executive Director
West Virginia Board of Risk and Insurance Management

Prepared by
Stephen W. Schumacher, CPA, Chief Financial Officer
West Virginia Board of Risk and Insurance Management

State of West Virginia
Board of Risk and Insurance Management
(An enterprise fund of the primary government of West Virginia)

Comprehensive Annual Financial Report
For the Fiscal Years Ended June 30, 2020 and 2019

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FINANCIAL SECTION

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Introductory Section

Green Bank Observatory – In 1957 ground was broken for a radio observatory in Green Bank, WV. This site is still in operation today and many scientific discoveries have been made here. The rural nature of some parts of our state provided the perfect setting for the "quiet zone" needed to operate the telescopes without outside electronic interference.

State of West Virginia
Board of Risk and Insurance Management

PRINCIPAL OFFICIALS

Jim Justice, Governor

Board of Directors
Bruce Martin, Chairperson
Bob Mitts, Vice Chairperson
James Wilson, Member
Dr. Ed McGee, Member
James Dodrill, Member

Executive Staff
Mary Jane Pickens, Executive Director
Stephen W. Schumacher, CPA, Chief Financial Officer

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
BOARD OF RISK AND INSURANCE MANAGEMENT

Mary Jane Pickens
Executive Director
Deputy Cabinet Secretary

Formal Transmittal of Comprehensive Annual Financial Report (CAFR)

December 18, 2020

Honorable Jim Justice, Governor
State of West Virginia

Board of Directors
West Virginia Board of Risk and Insurance Management

Mary Jane Pickens, Executive Director
West Virginia Board of Risk and Insurance Management

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the West Virginia Board of Risk and Insurance Management (BRIM) for the year ended June 30, 2020, is hereby respectfully submitted. This report was prepared by the Finance Department of BRIM. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management of BRIM. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations and cash flows of BRIM. All disclosures necessary to enable the reader to gain an understanding of BRIM's financial activities have been included. The financial statements of BRIM have been prepared on an accrual basis in conformity with Generally Accepted Accounting Principles (GAAP) for governmental entities as prescribed or permitted by the Governmental Accounting Standards Board (GASB).

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. BRIM's MD&A can be found immediately following the report of the independent auditors.

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Charleston, West Virginia 25301
www.brim.wv.gov

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(800) 345-4669 TOLL FREE WV

Management is responsible for establishing and maintaining internal control designed to ensure that the assets of BRIM are protected from loss, theft or misuse and that the preparation of the financial statements is in conformity with GAAP. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived from it, and (2) the valuation of costs and benefits requires estimates and judgments by management. Because the cost of internal control should not outweigh its benefits, BRIM's management has established a comprehensive framework of internal control has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

PROFILE OF BRIM

BRIM is reported as an enterprise fund operating as a single business segment, included in the primary government in the State of West Virginia's CAFR.

BRIM is governed by a board of up to five members appointed by the governor. BRIM operates by the authority granted in Chapter 29, Article 12; and Chapter 33, Article 30 of the West Virginia Code as amended, and the provisions of Executive Order 12-86. The day-to-day operations of BRIM are managed by the Executive Director, who is responsible for the implementation of policies and procedures established by the Board of Directors.

BRIM is charged with providing insurance coverage to all state agencies, which number 167. Additionally, BRIM provides these services to cities, counties, and non-profit organizations throughout the State under the provisions of Senate Bill 3 (SB 3). Currently, BRIM insures approximately 940 of these organizations. BRIM also provides a coal mine subsidence reinsurance program that allows homeowners and businesses to obtain insurance coverage up to $200,000 for collapses and damage caused by underground coal mines. Currently, BRIM underwrites over 15,000 commercial and personal mine subsidence policies annually.

In March 2004, the West Virginia Legislature passed House Bill 4740, creating a Patient Injury Compensation Fund. This fund provides relief to medical malpractice claimants whose economic damages were limited because of caps for trauma care or as a result of joint and several liabilities. BRIM serves as third-party administrator for this fund and, accordingly, the activity for this fund is not reflected in BRIM's financial statements but included in the State's financial statements.

The initial capitalization of the fund came from the State's tobacco settlement fund. Legislation passed in March 2016 closed compensation to any claimants who did not file with the Patient Injury Fund before July 1, 2016. In July 2016, the remaining balance of the House Bill 601 Program funds of $2.8 million were transferred to the Patient Injury Compensation Fund. Additional funding to pay any remaining compensable claims filed as of June 30, 2016 was established by creation of assessments imposed on medical liability claims awards and settlements and fees charged to licensed physicians and hospitals.

Effective July 1, 2005, BRIM established an annual pre-funding trust program with a financial institution that covers all liability claims with loss dates occurring after June 30, 2005. With this program, a separate sub-account that coincides with the current claim and fiscal year is created within the trust account. The sub-account for the current claim/fiscal year is then fully funded by BRIM during the current fiscal year. This advance deposit funding ensures that each year's sub-account covers the total actuarially determined estimated liability claims costs for those liability claims with loss dates whose occurrence corresponds with that specific claim/fiscal year. The financial institution, acting as trustee, holds these funds within the sub-accounts in the trust to cover BRIM's estimated liability claims costs for all liability claims.

In fiscal year 2010, BRIM transferred the remaining advance deposits being held in accounts maintained by the insurance company, or carrier, into the existing BNY trust vehicle to fund all outstanding liability claims with loss dates before July 1, 2005. A sub-account was established with sufficient funding to cover the total actuarially determined estimated liability claims costs for all of those claims with loss dates whose occurrence are dated June 30, 2005 and earlier.

The funds, together with their earnings, are used to pay claims and claims adjustment expenses related to these liability claims. As escrow agent, the financial institution periodically transfers monies from the trust to the insurance company administering these claims in order to reimburse the insurance company for payments that they have issued on these claims and claims adjustment expenses on BRIM's behalf. BRIM is not indemnified by the carrier, and the carrier is compensated for claims handling by a negotiated fixed fee that is paid directly to the carrier.

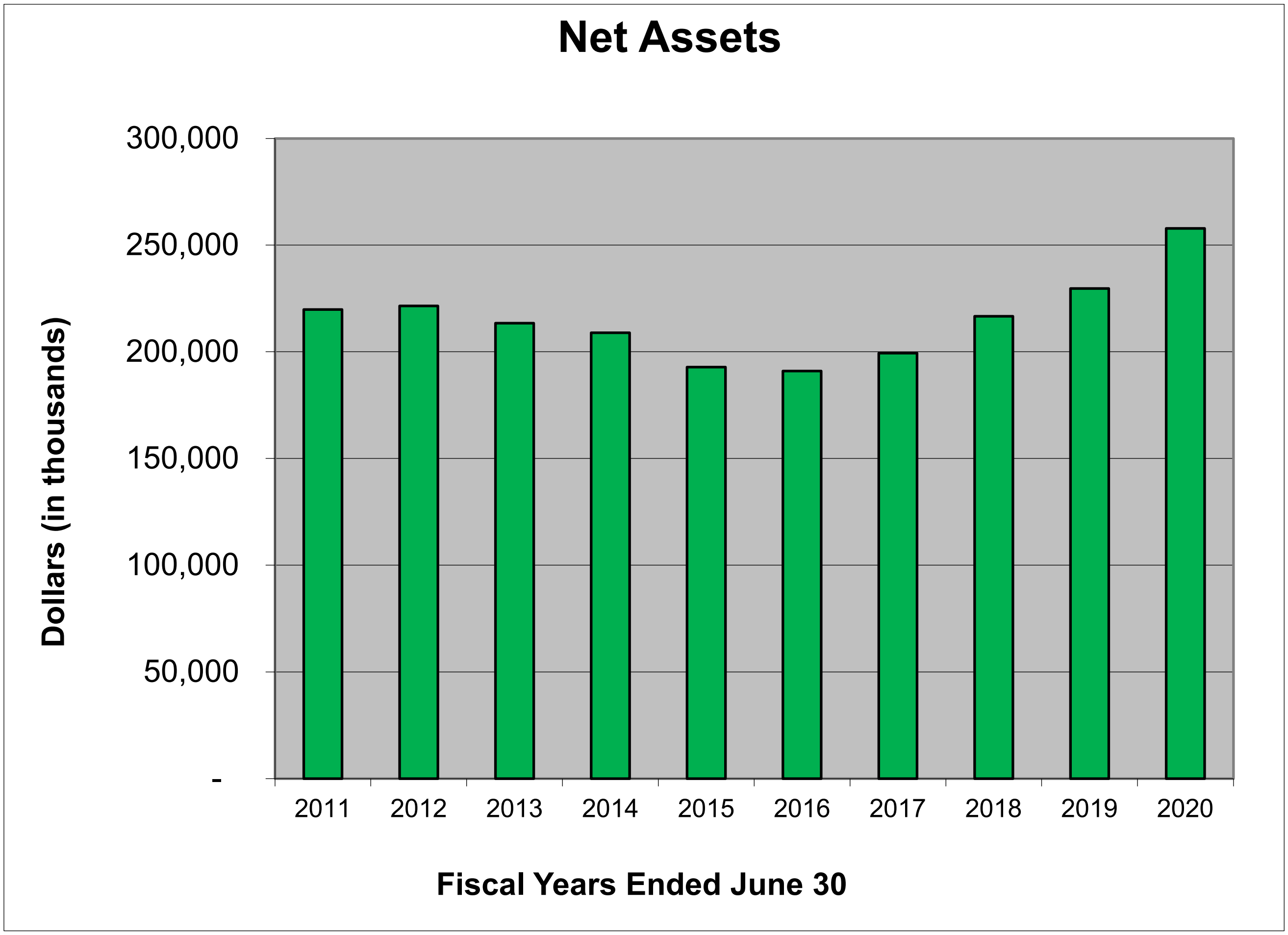
Property losses are retained by BRIM up to $1 million. Additional coverage is provided up to a limit of $400 million through various excess policies. This coverage provides reimbursement of loss at the stated or reported value less a $1,000 deductible. Under the mine subsidence program, ceding insurers pay BRIM a reinsurance premium. In exchange the ceding insurers are paid a commission for the business they placed with BRIM.

ASSESSING BRIM'S FINANCIAL CONDITION

Net Position

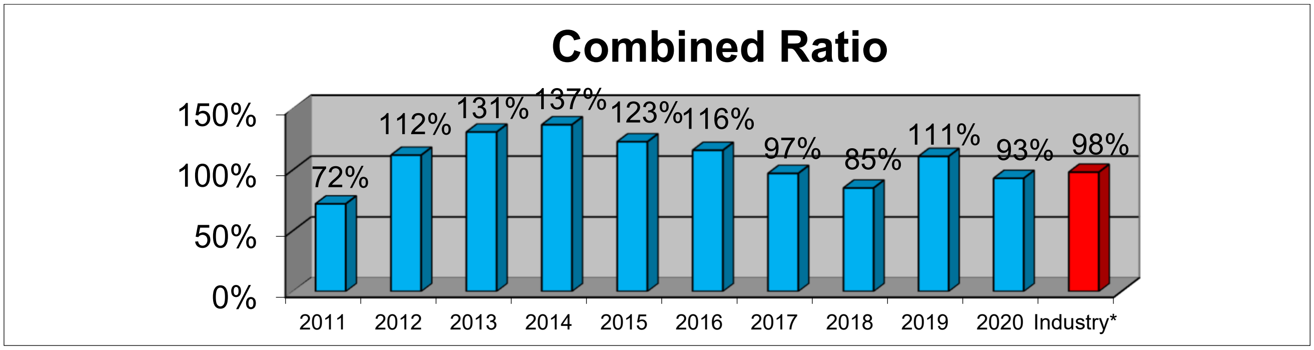
One of management's major goals was to eliminate the net position deficiency that existed in prior years. The deficiency in net position developed in the past due to several factors, including unanticipated losses and adverse loss development in state agency and Senate Bill 3 entity coverages for general liability and medical malpractice lines of business. Declining investment returns also were a contributing factor. In fiscal year 2004, management adopted a financial stability plan to address the deficiency in net position. In 2014 BRIM adopted a net position reserve policy. As of June 30, 2020, BRIM has a total net position of $258 million reflected on the Statement of Net Position. Management anticipates that net position will continue to remain positive. For more detailed information see the MD&A included in the financial section of this report.

The chart below shows the net position/deficiency for the past ten years.



Combined Financial Ratio

The combined ratio is one of the key ratios used to measure underwriting performance. It is derived by adding the loss and expense ratio. A combined ratio below 100% indicates an underwriting profit and one above 100% indicates an underwriting loss. Historically, BRIM's primary advantage over the commercial insurance market has been low administrative costs, which are kept at a relatively stable 5 to 10% range, as compared to the insurance industry market rate of 29%. The lower administrative costs have enabled BRIM to keep this key financial ratio well below the industry average. Decreases in BRIM's claims reserves also have contributed to the lower combined ratios experienced by BRIM prior to 2012. Increasing claims reserves coupled with reduced premiums billed for 2012 thru 2016 had an unfavorable impact on BRIM's combined ratio for these fiscal years, in particular when compared to earlier years and the industry average. Claims decreased in 2017 and 2018. BRIM saw a significant increase in claims reserves in 2019. This negatively impacted the combined ratio. Based on the most recent risk funding study completed, the loss ratio improved in 2020. This resulted in an improvement in the combined ratio from 111% to 93% that exceeds the industry average for the current year. BRIM's combined ratios are shown in the chart below in blue and the most recent insurance industry average is in red.



*The industry data shown above was obtained from Insurance Services Office

Investment Strategy

For several years prior to 2005, BRIM's investment returns had been declining. During this time BRIM was limited, by code, to certain low risk, short-term investments. In anticipation of revisions to be made to the state code that would become effective beginning in fiscal year 2005, BRIM and the West Virginia Investment Management Board (WVIMB) began working, in fiscal year 2004, on a solution to maximize returns. The WVIMB developed a suggested investment strategy with 20% in equities, 65% in fixed income securities and 15% in cash. This arrangement was finalized and approved by BRIM's Board with the actual investment transition not occurring until fiscal year 2005. As a result of these changes, BRIM's long-term investments are now managed by the WVIMB based on their recommendations. Also, beginning in 2006, BRIM's excess short-term cash funds have been managed by the West Virginia Board of Treasury Investments (BTI). Therefore, the cash portion of BRIM's investments is maintained in accounts with the BTI that are similar to the low-risk money market funds that were previously maintained by the State Treasurer's Office. The combined investment strategy is similar to those used by commercial insurers. Consequently, beginning in 2005, investment earnings have improved over those of the years prior to 2005.

The WVIMB also recommended that BRIM reallocate its funds managed by the WVIMB and BRIM's board approved the WVIMB's recommendation. Beginning in early 2009, the WVIMB repositioned one third of the funds previously held in fixed income securities into an approved group of well-established, fixed-income based hedge funds. In fiscal year 2011, BRIM accepted the WVIMB's additional recommendation to further diversify BRIM's holdings with the WVIMB by investing a small percentage in a Treasury Inflation Protection Securities (TIPS) pool as a hedge against inflation.

In the last quarter of 2014 the BRIM's board approved a recommendation by the WVIMB to reallocate BRIM's WVIMB investments. The new allocation for BRIM's funds is 65% fixed income, 30% equities and 5% in cash.

BRIM On-Line

We invite you to visit BRIM's website at http://www.brim.wv.gov. The website is designed to inform the public about BRIM and to provide assistance to our insureds. Through the claim department section, insureds can find a claim submission form, instructions for submitting a claim and information on claim status. Our underwriting section contains information on adding exposures to the policy (such as autos or property) and contains annual renewal forms. The loss control division of BRIM maintains a wealth of risk management knowledge where you can view information on safety topics and check out the latest dates for loss control seminars. A variety of frequently asked questions on topics ranging from billing to underwriting can also be found on this site.

Audit

The financial statements of BRIM are prepared on the accrual basis of accounting in conformity with GAAP. BRIM is required by the Financial Accounting and Reporting Section (FARS) of the Department of Administration and by State Code to have an annual independent audit. The firm of Dixon Hughes Goodman, LLP was selected to perform the financial statement audit for the fiscal year ended June 30, 2020. The report of independent auditors on the basic financial statements is included in the financial section of this report.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to BRIM for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. This was the twenty second consecutive year that BRIM has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

Brim would like to thank the Governor, the Legislature, the Cabinet Secretary of Administration, and the Board of Directors of BRIM for their support and leadership.

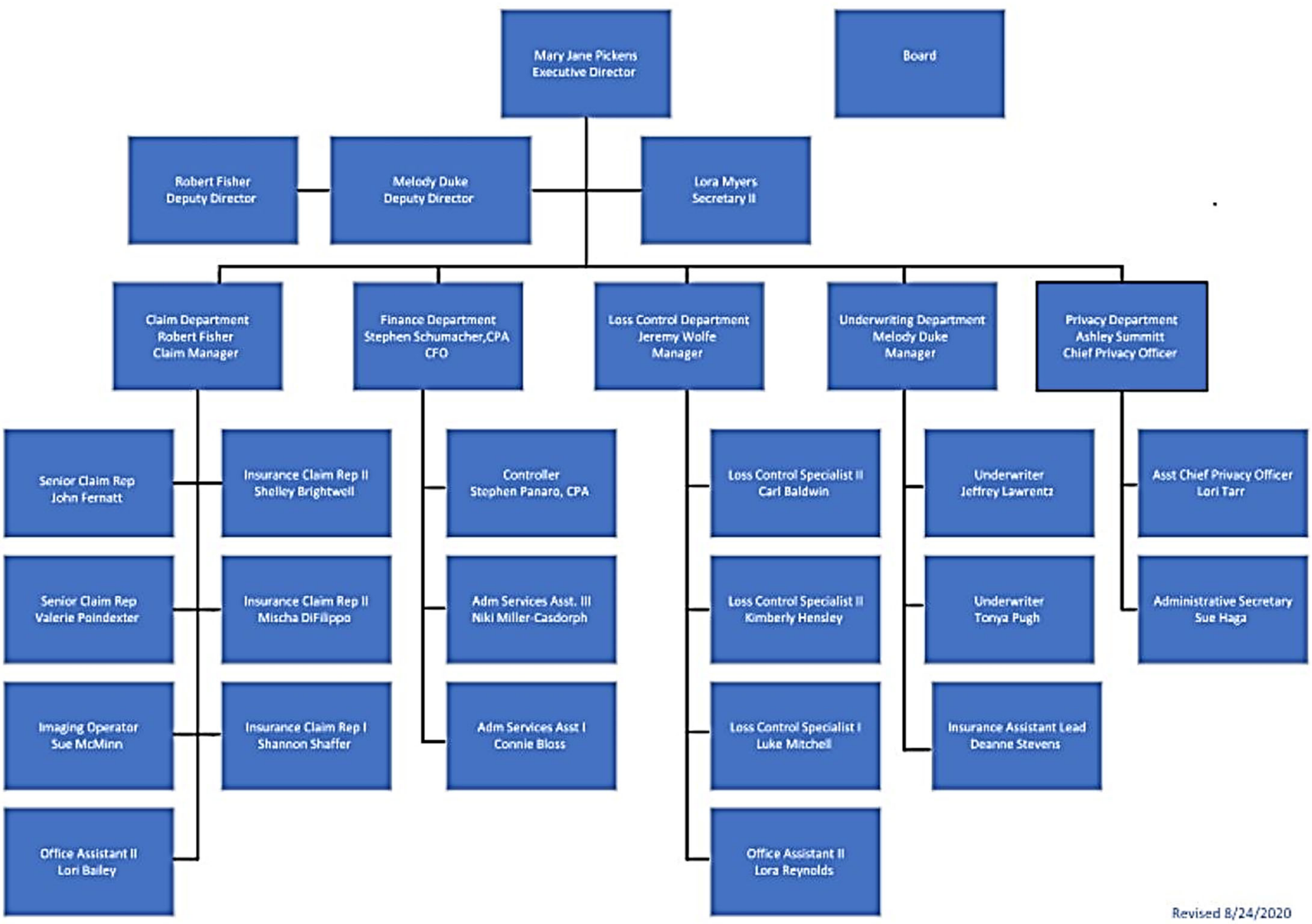
A special thank you is extended to the Executive Director, the Board of Directors' finance committee and the finance staff of BRIM. Their hard work and dedication made this report possible.

Respectfully, we hereby submit the West Virginia Board of Risk and Insurance Management Comprehensive Annual Financial Report for the year ended June 30, 2020.

Sincerely,

Stephen W. Schumacher, CPA
Chief Financial Officer

Board of Risk and Insurance Management Organizational Chart



Revised 8/24/2020

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of West Virginia Board of Risk & Insurance Management

For its Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

Christopher P. Morrill

Executive Director/CEO

Financial Section

Wind Turbines – While WV is known primarily for coal one of our other natural resources is wind. The US Department of Energy has determined that WV has significant wind development opportunities. In 2020 there were 376 wind turbines operating in WV.

DHG

Independent Auditors' Report

Board of Directors and Management
West Virginia Board of Risk and Insurance Management
Charleston, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the West Virginia Board of Risk and Insurance Management (BRIM), an enterprise fund of the State of West Virginia, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise BRIM's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BRIM, an enterprise fund of the State of West Virginia, as of June 30, 2020 and 2019, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

DHG

Emphasis of Matter
As discussed in Note 2, the financial statements of BRIM are intended to present the financial position, and the changes in financial position and cash flows of only that portion of the business type activities of the State of West Virginia that is attributable to the transactions of BRIM. They do not purport to, and do not present fairly the financial position of the State of West Virginia as of June 30, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 14 to 19 and the required supplementary information on pages 68 to 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audits were conducted for the purpose of forming an opinion on BRIM's basic financial statements. The introductory and statistical sections of this report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we express no opinion on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we also have issued our report dated October 9, 2020, on our consideration of BRIM's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BRIM's internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

Charleston, West Virginia
October 9, 2020

Management's Discussion and Analysis
(in thousands)

Management's Discussion and Analysis
(in thousands)

Overview of the financial statements

Management of the West Virginia Board of Risk and Insurance Management (BRIM) provides this Management's Discussion and Analysis for readers of BRIM's financial statements. This narrative overview of the financial activities of BRIM is for the years ended June 30, 2020, 2019, and 2018. BRIM provides property and casualty insurance to the State of West Virginia (the State) agencies and Senate Bill 3 (SB3) entities, which include boards of education and governmental and nonprofit organizations. In addition, BRIM provides cyber insurance to State agencies and boards of education. BRIM also administers a coal mine subsidence reinsurance program that makes available to the general public dwelling insurance covering damage caused by the collapse of underground coal mines.

As an enterprise fund, BRIM's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for governmental entities. The three basic financial statements presented are as follows:

- *Statement of Net Position* - This statement presents information reflecting BRIM's assets, liabilities and net position and is categorized into current and noncurrent assets and liabilities. For purposes of the financial statements, current assets and liabilities are those assets and liabilities with immediate liquidity or that are collectible or becoming due within 12 months of the statement's date.

  The statement of net position reports a separate financial statement element called *deferred outflows of resources.* This financial statement element represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense) until that time. The statement of net position reports a separate financial statement element called *deferred inflows of resources.* This financial statement element represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time.

- *Statement of Revenues, Expenses and Changes in Net Position* - This statement reflects the operating and nonoperating revenues and expenses for the operating year. Operating revenues primarily consist of premium income with major sources of operating expenses being claims loss and loss adjustment expense and general and administrative expenses. Nonoperating revenues primarily consist of investment income and funds transferred in/out as a result of various legislation.

- *Statement of Cash Flows* - The statement of cash flows is presented on the direct method of reporting, which reflects cash flows from operating, noncapital financing and investing activities. Cash collections and payments are reflected on this statement to arrive at the net increase or decrease in cash and cash equivalents for the year.

Effective July 1, 2017, BRIM adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and GASB Statement No. 85, *Omnibus 2017*. BRIM determined that it was not practical to restate all periods presented and has recorded the cumulative effect of the decrease to beginning net position of implementing this change of $58 as of July 1, 2017, which is the net other postemployment benefits (OPEB) liability of $15, less deferred inflows of resources related to OPEB plan contributions of $73 as of that date.

(in thousands)

Financial highlights

The following tables summarize the statements of net position and changes in net position as of and for the years ended June 30, 2020, 2019, and 2018:

				Change 2020 - 2019		Change 2019 - 2018	
	2020	**2019**	**2018**	**Amount**	**Percent**	**Amount**	**Percent**
Cash and cash equivalents	**$ 42,079**	$ 46,278	$ 40,594	$ (4,199)	(9.1)%	$ 5,684	14.0%
Advance deposits with carrier/trustee	**264,014**	224,786	201,377	39,228	17.5	23,409	11.6
Receivables	**4,186**	4,335	2,777	(149)	(3.4)	1,558	56.1
Total current assets	**310,279**	275,399	244,748	34,880	12.7	30,651	12.5
Noncurrent investments	**164,662**	158,696	151,588	5,966	3.8	7,108	4.7
Total assets	**474,941**	434,095	396,336	40,846	9.4	37,759	9.5
Total deferred outflows of resources	**299**	438	482	(139)	(31.7)	(44)	(9.1)
Estimated unpaid claims and claims adjustment expense	**69,336**	62,656	50,453	6,680	10.7	12,203	24.2
Unearned premiums	**9,664**	10,179	10,022	(515)	(5.1)	157	1.6
Agent commissions payable	**1,486**	1,514	1,406	(28)	(1.8)	108	7.7
Accrued expenses	**440**	1,038	411	(598)	(57.6)	627	152.6
Total current liabilities	**80,926**	75,387	62,292	5,539	7.3	13,095	21.0
Estimated unpaid claims and claims adjustment expense, net of current portion	**135,460**	128,322	116,548	7,138	5.6	11,774	10.1
Compensated absences	**150**	124	122	26	21.0	2	1.6
Net pension liability	**214**	249	331	(35)	(14.1)	(82)	(24.8)
Net other post-employment benefits liability	**391**	470	512	(79)	(16.8)	(42)	(8.2)
Total noncurrent liabilities	**136,215**	129,165	117,513	7,050	5.5	11,652	9.9
Total liabilities	**217,141**	204,552	179,805	12,589	6.2	24,747	13.8
Total deferred inflows of resources	**316**	309	402	7	2.3	(93)	(23.1)
Net position:							
Restricted	**78,617**	72,466	66,865	6,151	8.5	5,601	8.4
Unrestricted	**179,166**	157,206	149,747	21,960	14.0	7,459	5.0
Net position	**$ 257,783**	$ 229,672	$ 216,612	$ 28,111	12.2%	$ 13,060	6.0%

Premiums	**$ 82,567**	$ 83,301	$ 78,951	$ (734)	(0.9)%	$ 4,350	5.5%
Less excess coverage	**(6,915)**	(6,627)	(6,518)	(288)	4.3	109	1.7
Net operating revenues	**75,652**	76,674	72,433	(1,022)	(1.3)	4,241	5.9
Claims and claims adjustment expense	**65,349**	80,169	57,393	(14,820)	(18.5)	22,776	39.7
General and administrative	**5,034**	4,519	4,410	515	11.4	109	2.5
Total operating expenses	**70,383**	84,688	61,803	(14,305)	16.9	22,885	37.0
Operating income (loss)	**5,269**	(8,014)	10,630	13,283	165.7	(18,644)	(175.4)
Nonoperating revenues:							
Investment income	**22,818**	21,044	6,712	1,774	8.4	14,332	213.5
OPEB nonoperating income	**24**	30	-	(6)	20.0	30	100.0
Total nonoperating revenues, net	**22,842**	21,074	6,712	1,768	8.4	14,362	214.0
Changes in net position	**28,111**	13,060	17,342	15,051	115.2	(4,282)	(24.7)
Total net position - beginning	**229,672**	216,612	199,328	13,060	6.0	17,284	8.7
Cumulative effect of adoption of GASB 75	**-**	-	(58)	-	0.0	58	100.0
Total net position - beginning of year, restated	**229,672**	216,612	199,270	13,060	6.0	17,342	8.7
Total net position - end	**$ 257,783**	$ 229,672	$ 216,612	$ 28,112	12.2%	$ 13,060	6.0%
Total revenues	**$ 98,494**	$ 97,748	$ 79,145	$ 746	0.8%	$ 18,603	23.5%
Total expenses	**$ 70,383**	$ 84,688	$ 61,803	$ (14,330)	(16.9)%	$ 22,885	37.0%

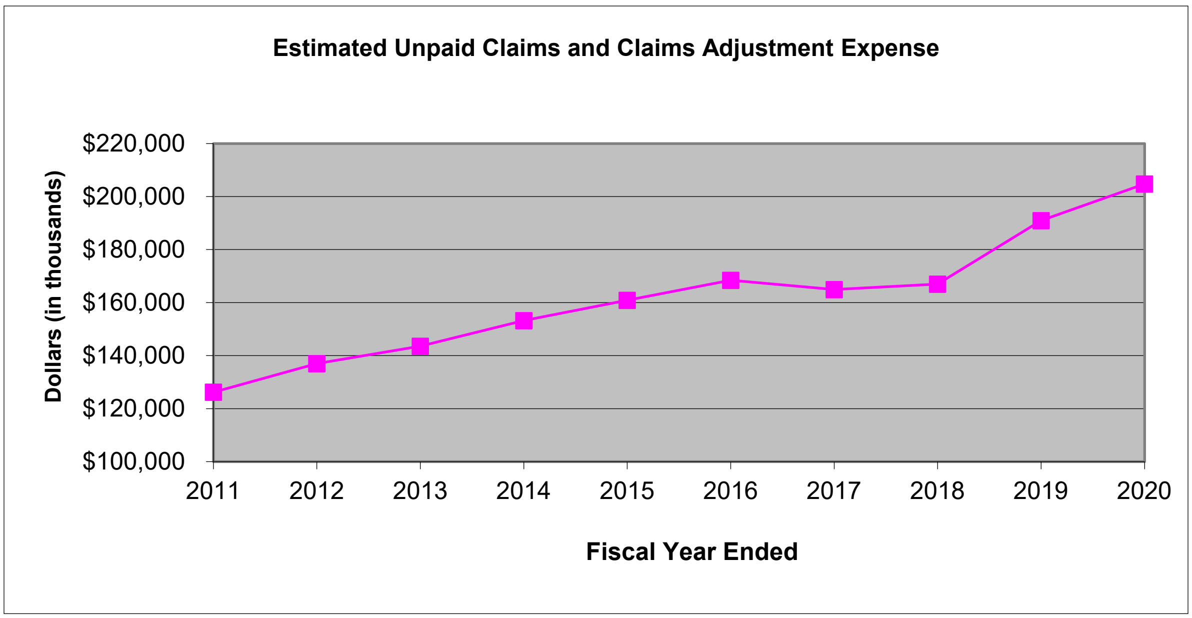
- Total assets increased by $40,846 in 2020 and increased by $37,759 in 2019. The increase in 2020 is the result of an increase in advance deposits and a decrease in cash and cash equivalents. Additional cash was held in 2019 and increased deposits were made to the trustee. The increase in noncurrent assets can be attributed to investment returns during the year.
- Total liabilities increased by $12,589 in 2020 and increased by $24,747 in 2019. An increase in unpaid claims, and decreases in unearned premium, accrued expenses and other liabilities are the components of this increase for the current year. The coronavirus (COVID-19) pandemic had an impact on the increase in outstanding reserves in 2020. Claims settlement activity slowed in the fourth quarter and the litigation of claims was delayed due to the courts being closed since mid-March. In 2019, an increase in the estimated incurred but not recorded claims total resulted in outstanding claims liabilities increasing versus 2018.
- The improvements in total net position of $28,111 in 2020 and $13,060 in 2019 were due to several factors. While premium revenue decreased in 2020 this was offset by a decrease in claims and claims adjustment expense resulting in operating income for the year. Investment income of $22,818, which was driven by our fixed income investments and added to the operating income resulted in a change of net position of $28,112. GASB 75 was implemented in 2018 resulting in a reduction of net position of $58. The increase in net position in 2019 was due to positive investment income offsetting an operating loss. Investment income of $21,044 was more than 2018. Deferred inflows increased from 2019 to 2020 and deferred outflows decreased due to changes in pension activity for the year. In 2019 there was a decrease in deferred inflows and deferred outflows. Also included within the net position category are restricted positions of $78,617 in 2020, $72,466 in 2019, and $66,687 in 2018. This is comprised of funds that provide mine subsidence coverage to the general public per West Virginia Code.
- Total net operating revenues decreased by $1,022 , and increased by $4,241, and $7,746 in 2020, 2019, and 2018, respectively. The increase in projected claims losses in recent years has required BRIM to increase premium rates to policyholders for 2020, 2019, and 2018.
- Claims and claims adjustment expense decreased by $14,820 for 2020. The coronavirus (COVID-19) pandemic slowed claims payment activity in the fourth quarter with overall claims payment activity down $4,661 for the current year. Claims expense also benefited from favorable claims development of $4,460 for several prior years. Net claims and claims adjustment expense increased by $22,766 in 2019 with unfavorable claims development of $11,077 for several prior years and an increase in claims payment activity contributing to the increase in expense. G&A expenses increased slightly for both years.
- Net nonoperating revenues increased by $1,768 in 2020 and increased by $14,362 in 2019. Year over year investment returns for 2020 improved by $1,774 and improved by $14,332 for 2019.
- Total revenues and total expenses from 2020 to 2019 and from 2019 to 2018 have fluctuated due to alterations in premium rates, the changes in the retained loss estimates and the variations in annual investment market returns. See the analysis of these individual components, as previously discussed, for additional information.

Overall analysis

The overall net position of BRIM improved 12.2% from the prior year compared with an increase of 6.0% from 2018 to 2019. Reserves increased in 2020 and investment earnings also increased. The effect of the slight decrease in premium revenue and better investment returns along with positive operating income resulted in an increase in net position for the year. Total net position at June 30, 2020 was $257,783. BRIM continues to adhere to a comprehensive financial stability and rating plan.

Unpaid Claims Liability

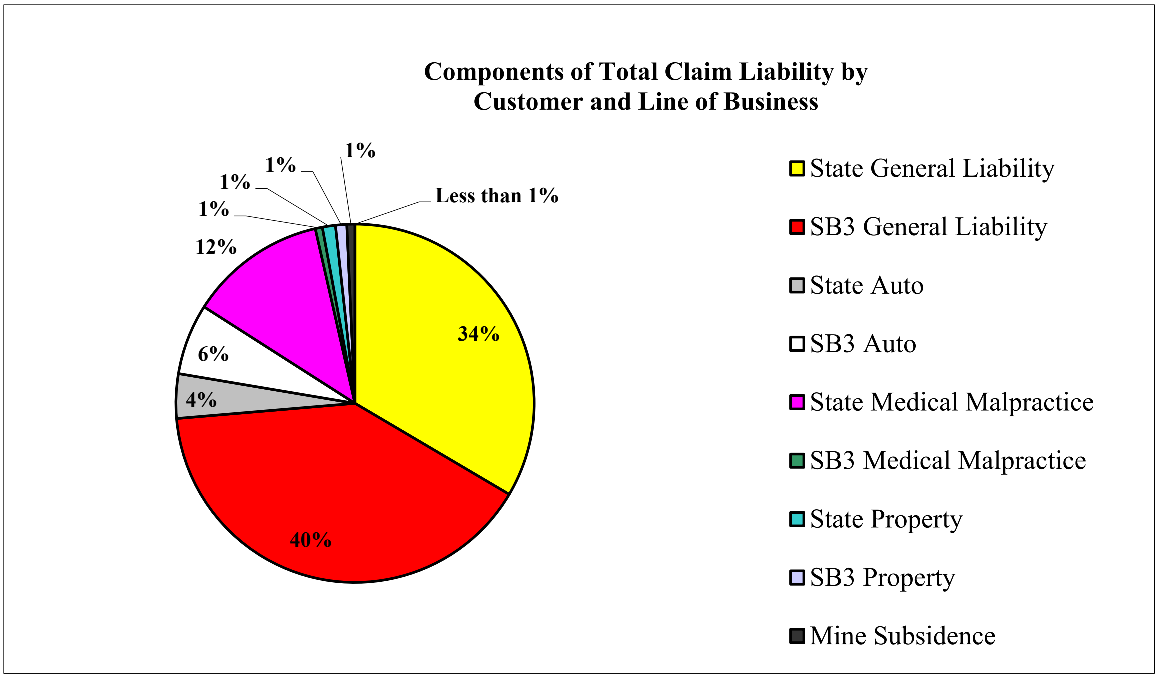
BRIM's most significant number on its statements of net position is the liability for estimated unpaid claims and claims adjustment expense. This liability consists of two parts: claims of which BRIM is aware that have been reserved and incurred but not reported (IBNR) claims, which are projected by an independent actuary. For 2020, year over year actual reserves increased by $13,818 while the projected IBNR total decreased by $1,242. Unfavorable claims development for several prior years' reserves resulted in the combined increase in 2020 of $12,576. From fiscal year 2019 to 2020, the liability for unpaid claims increased from $190,978 to $204,796, respectively. The chart below shows the estimated unpaid claims and claims adjustment expense liability for fiscal years 2010 through 2020.



<u>Results by Line of Business for BRIM</u>

BRIM's lines of business are comprised of the State (state agencies), SB3 (for nonprofits, boards of education and other governmental units) and mine subsidence (for home and business owners).

The following chart shows the breakdown by customer and line of business of the total estimated claim liability number, which is $204,796. As demonstrated in the chart, the largest claim volume for BRIM relates to general liability for the State agencies and SB3 programs and the State agencies' medical malpractice coverage.



There is no long-term debt activity.

Economic factors and next year's rates

<u>Management's Plan to Maintain Net Position by Line of Business</u>

BRIM has had no deficiency in net position for the programs it has overseen for several years. Previously, however, a deficiency arose, primarily due to adverse claim development in the general liability and medical malpractice lines of business for the State and SB3. The following paragraphs describe the essential plans that BRIM continues to follow to ensure that all lines of business remain fiscally solvent and that the individual programs are financially sound.

<u>Risk Management</u>

BRIM continues pursuing an aggressive risk management plan to help identify the risks underlying the adverse losses that occurred in earlier years. Processes are in place to allow for better organization and for proper documentation of activities. BRIM has been working on ways to increase and improve communications, both within the agency and with its customers, and has been promoting interaction within the agency with regard to loss control utilization. In conjunction with the underwriting department, a system of credits and surcharges is in place, based on loss control efforts and cooperation, or lack thereof, on the part of BRIM's insurers.

Investment Returns

Investment income increased slightly this fiscal year due to better than expected returns in our fixed income investments. This follows positive returns in 2019, which were higher than the returns in 2018. In 2019 market conditions were more favorable for stocks and less favorable to fixed income investments. 2019's increase from the returns of 2018 was due primarily to fixed income losses offsetting the returns in equities markets. All BRIM funds held by the West Virginia Investment Management Board (WVIMB) inure to the benefit of program participants. BRIM reinvests the investment earnings on funds held by the WVIMB and occasionally withdraws monies from these funds, as needed, for operating and short-term cash requirements. BRIM had no withdrawals from the WVIMB in 2020 or 2019.

Premium Determination Process

BRIM has properly maintained premiums across all lines of business for the past several years based on relevant exposure data, claims loss history and investment returns. Charging proper premiums, consistent with the commercial industry, has enabled BRIM to adequately cover losses. Adverse claims development for several prior years resulted in a significant addition to prior years' reserves in 2020, increasing retained reserves and negatively impacting operating results but not as much as in 2019. Fiscal years 2019 saw negative operating income due to an increase in claims and claims adjustment expense over 2018. 2018 saw positive net operating results that benefited from prior years' reserve releases.

In addition, BRIM adopted a net assets reserve policy in 2014. The policy calculates a ratio of premiums to net position for comparison to a selected group of organizations with similar insurance operations. A range was established to assist BRIM's board in assessing BRIM's overall financial condition.

Economic conditions and other matters

As of March 2020, globally all sectors of industry were affected by the health crisis caused by the coronavirus ("COVID-19"), a respiratory disease declared to be a pandemic by the World Health Organization. Companies have undertaken and are generally in the process of making a diverse range of operational adjustments in response to the effects of COVID-19. Many states issued Stay-At-Home Orders, closed public spaces, and medical facilities delayed non-emergency procedures. Each of these steps were implemented as a measure of public safety and to prevent the healthcare sector from being overwhelmed with more patients than capacity would allow. The magnitude of the disruption of COVID-19, across all industry sectors, is still widely unknown.

Requests for information

This financial report is designed to provide BRIM's customers, governing officials, legislators, citizens and taxpayers with a general overview of BRIM's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Office of the Chief Financial Officer at (304) 766-2646.

Basic Financial Statements
(in thousands)

West Virginia Board of Risk and Insurance Management
Statements of Net Position
June 30, 2020 and 2019
(in thousands)

	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 21,271	$ 29,342
Advance deposits with insurance company and trustee	264,014	224,786
Receivables	3,052	3,223
Restricted cash and cash equivalents	20,808	16,936
Restricted receivables:		
Premiums due from other entities	1,134	1,112
Total current assets	310,279	275,399
Noncurrent assets:		
Equity position in investment pools	104,382	100,600
Restricted investments	60,280	58,096
Total noncurrent assets	164,662	158,696
Total assets	474,941	434,095
DEFERRED OUTFLOWS OF RESOURCES		
Pension	215	373
Other post-employment benefits	84	65
Total deferred outflows of resources	299	438
LIABILITIES		
Current liabilities:		
Estimated unpaid claims and claims adjustment expense	69,336	62,656
Unearned premiums	9,664	10,179
Agent commissions payable	1,486	1,514
Accrued expenses and other liabilities	440	1,038
Total current liabilities	80,926	75,387
Estimated unpaid claims and claims adjustment expense, net of current portion	135,460	128,322
Compensated absences	150	124
Net pension liability	214	249
Net post-employment benefits liability	391	470
Total noncurrent liabilities	136,215	129,165
Total liabilities	217,141	204,552
DEFERRED INFLOWS OF RESOURCES		
Pension	145	200
Other post-employment benefits	171	109
Total deferred inflows of resources	316	309
NET POSTION		
Restricted by State code for mine subsidence coverage	78,617	72,466
Unrestricted	179,166	157,206
Net position	$ 257,783	$ 229,672

See accompanying notes.

West Virginia Board of Risk and Insurance Management
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2020 and 2019
(in thousands)

	2020	2019
Operating revenues:		
Premiums	**$ 82,567**	$ 83,301
Less excess coverage/reinsurance premiums	**(6,915)**	(6,627)
Net operating revenues	**75,652**	76,674
Operating expenses:		
Claims and claims adjustment expense	**65,349**	80,169
General and administrative	**5,034**	4,519
Total operating expenses	**70,383**	84,688
Operating income (loss)	**5,269**	(8,014)
Nonoperating revenues:		
Investment income	**22,818**	21,044
OPEB nonoperating income	**24**	30
Net nonoperating revenues	**22,842**	21,074
Increase in net position	**28,111**	13,060
Total net position, beginning of year	**229,672**	216,612
Total net position, end of year	**$ 257,783**	$ 229,672

See accompanying notes.

West Virginia Board of Risk and Insurance Management
Statements of Cash Flows
Years Ended June 30, 2020 and 2019
(in thousands)

		2020		2019
Operating activities:				
Receipts from customers	$	75,286	$	75,273
Payments to employees		(1,987)		(1,854)
Payments to suppliers		(3,591)		(2,069)
Payments to claimants		(51,531)		(56,192)
Deposits to advance deposit with insurance company and trustee		(88,747)		(81,954)
Withdrawals from advance deposit with insurance company and trustee		49,519		58,544
Net cash used in operating activities		(21,051)		(8,252)
Investing activities:				
Purchase of investments		(21,222)		(14,362)
Sale of investments		21,119		14,196
Net investment earnings		16,955		14,102
Net cash provided by investing activities		16,852		13,936
Net (decrease) increase in cash and cash equivalents		(4,199)		5,684
Cash and cash equivalents, beginning of year		46,278		40,594
Cash and cash equivalents, end of year	$	42,079	$	46,278
Cash and cash equivalents consist of:				
Cash and cash equivalents	$	21,271	$	29,342
Restricted cash and cash equivalents		20,808		16,936
	$	42,079	$	46,278

West Virginia Board of Risk and Insurance Management
Statements of Cash Flows
Years Ended June 30, 2020 and 2019
(in thousands) ***(Continued)***

	2020	2019
Reconciliation of operating income (loss) to net cash used in operating activities:		
Operating income (loss)	**$ 5,269**	$ (8,014)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:		
Pension and OPEB expense	**247**	44
Increase in advanced deposits	**(39,228)**	(23,409)
Decrease (increase) in premiums receivable, net	**149**	(1,558)
Increase in estimated liability for unpaid claims and claims adjustment expense	**13,818**	23,977
(Decrease) increase in other liabilities	**(600)**	737
(Decrease) increase in unearned premiums	**(515)**	157
Deferred outflows of resources - pension and OPEB contributions	**(191)**	(186)
Total adjustments	**(26,320)**	(238)
Net cash used in operating activities	**$ (21,051)**	$ (8,252)
Noncash activities:		
Increase in fair value of investments	**$ 5,863**	$ 6,942

See accompanying notes.

Notes to Financial Statements
(in thousands)

Notes to Financial Statements (in thousands)

1. General *(Amounts Referenced in this Note Related to Insurance Coverages are Actual Dollars)*

The West Virginia Board of Risk and Insurance Management (BRIM) was established in 1957 to provide for the development of the State of West Virginia's (the State and primary government) property and liability self-insurance program. Approximately 160 State agencies participate in the program. Beginning in 1980, county boards of education were authorized to participate in the liability portion of this program, with 55 county boards currently participating in the program. In fiscal year 1987, Senate Bill 3 (SB3) was enacted, allowing local governmental entities and nonprofit organizations to participate in the entire program. There are approximately 970 such entities participating in the program. In 1982, legislation was also enacted requiring BRIM to establish and administer a coal mine subsidence reinsurance program that makes available to the general public dwelling insurance covering damage up to a specific maximum caused by the collapse of underground coal mines.

BRIM operates under the authority granted by the Legislature in Chapter 29, Article 12, and Chapter 33, Article 30 of the West Virginia Code and the provisions of Executive Order 12-86. BRIM is an agency of the State operating within the Department of Administration and is governed by a five-person board of directors appointed by the Governor. Accordingly, BRIM is reported as an enterprise fund of the State, operating as a single business segment and is included in the State's Comprehensive Annual Financial Report.

BRIM uses a "modified" paid retrospective rating plan for its liability insurance program. Under the current plan, BRIM annually pays a "premium" deposit into a trust fund in the amount of the estimated losses for the current policy year. As claims are reported, they are paid from the trust funds established by the "premium" deposit. When paid losses exceed the amount of the "premium" deposit, including earnings, BRIM pays into the trust account an additional "premium" deposit estimated to be sufficient to fund any estimated remaining claims and claims adjustment expenses expected to be paid during the ensuing 12-month period. These payments are calculated through retrospective rating adjustments made subsequent to the current policy year. Therefore, the "premiums" paid by BRIM are advance deposits and BRIM is not indemnified by the insurance company for any losses. Under this plan, the insurance company is compensated for its claim-handling services by a fixed fee negotiated on a yearly basis.

From January 1, 1971 through June 30, 1976, the liability coverage provided by BRIM was limited to $25 thousand per occurrence on general liability, automobile liability and medical malpractice claims. From July 1, 1976 through June 30, 1980, the liability coverage provided by BRIM was limited to $100 thousand per occurrence. From July 1, 1982 through June 30, 1985, the liability coverage provided by BRIM was limited to $6 million per occurrence. Since July 1, 1985, the liability coverage provided by BRIM is limited to a $1 million indemnity per occurrence. In addition, the county boards of education are covered by an excess insurance policy providing up to $5 million of coverage in excess of the underlying $1 million limit. These limits only apply to incur indemnity claim losses. BRIM pays all allocated loss adjustment expenses, which are the costs incurred in the reporting, investigation, adjustment, defense and settlement of claims that are attributable to a specific, individual claim.

Prior to July 1, 1990, BRIM retained the first $25 thousand of loss per event on property insurance claims. Losses in excess of $25 thousand per event were also retained within an annual aggregate limit. From July 1, 1990 through June 30, 1991, the exposure retained by BRIM was $1 million per event. From July 1, 1991 through June 30, 1996, the exposure retained by BRIM was $2 million per event. Since July 1, 1996, the exposure retained by BRIM is $1 million per event. BRIM has obtained excess coverage, through insurance companies, covering losses in excess of $1 million, up to $400 million per occurrence, subject to various sublimits for particular types of claims as specified in the policy. With the passage of House Bill 532 in March 2015, BRIM is required to retain the first $1.5 million of medical malpractice liability for the state's medical schools and their related practice plans beginning July 1, 2015.

The retained limit of $1.5 million is indexed for inflation each year. On July 1, 2020 and 2019, the retained limit increased slightly.

In 1985, the coal mine subsidence program was legislatively expanded to include all types of building structures, and the maximum amount of insurance available was increased from $50 thousand to $75 thousand per structure. Additional legislation passed in March 2016 further expanded the amount of insurance available beginning October 1, 2016, from $75,000 up to $200,000 per structure.

In December 2001, the West Virginia Legislature passed House Bill 601, which authorized BRIM to provide medical malpractice and general liability coverage to private health care providers (the House Bill 601 Program). On July 1, 2004, all physicians novated to the newly formed West Virginia Physicians' Mutual Insurance Company (WVPMIC). BRIM maintained the hospital and facilities in the House Bill 601 Program that did not novate to WVPMIC. However, all policies were terminated as of June 30, 2004, and the program was in runoff mode only for existing claims and for any claims that may be submitted on any tail policies that were purchased. In 2015, BRIM transferred potential claims/IBNR run-off to a third-party for $750. In July 2016, the remaining balance of the House Bill 601 funds of $2.8 million were transferred to the Patient Injury Compensation Fund, which is discussed in the following paragraph.

In March 2004, the West Virginia Legislature passed House Bill 4740, creating a Patient Injury Compensation Fund. The purpose of this fund is to provide fair and reasonable compensation to claimants in medical malpractice actions for any portion of economic damages awarded that is uncollectible as a result of previously enacted tort reforms. This fund provides relief to claimants whose damages were limited because of caps for trauma care or as a result of joint and several liabilities. The capitalization of the fund comes from the State's tobacco settlement fund. The activity for this fund is not reflected in BRIM's financial statements. BRIM serves as third-party administrator for this fund and, accordingly, the activity for this fund is reflected in the State's financial statements. Senate Bill 602 passed in March 2016 and closed the Medical Liability Fund. All remaining funds were transferred to the Patient Injury Compensation Fund in July 2016. Therefore, there is no continuation of services previously provided by the Medical Liability Fund. This legislation also closed compensation to any claimants who filed with the Patient Injury Fund on or after July 1, 2016. Additional funding to pay any compensable claims filed as of June 30, 2016 was established by creation of assessments imposed on medical liability claims awards and settlements and fees charged to licensed physicians and hospitals. Although BRIM administers the Patient Injury Compensation Fund, it is a fiduciary fund, and is not part of these financial statements.

In the normal course of business, BRIM seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable operating results by reinsuring levels of risk in various areas of exposure with other insurance enterprises or reinsurers. Reinsurance permits recovery of a portion of losses from reinsurers; however, it does not discharge the primary liability of BRIM as direct insurer of the risks insured. BRIM does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers.

The funding of the property and liability insurance premiums for the State agencies comes from direct premium assessments on those agencies. SB3 entities are charged a premium to participate in the program. Under the mine subsidence line of business, the ceding insurers pay BRIM a reinsurance premium.

Pursuant to the West Virginia Code, BRIM submits a detailed budgetary schedule of administrative expenses to the secretary of the Department of Administration prior to the beginning of each fiscal year. The fundamental purpose of budgetary control is to plan for the expected level of operations and to provide management with a tool to control deviation from such plan. The budgetary schedule is prepared on a modified cash basis, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles (GAAP). Expenditures related to the general revenue appropriation amount, if any, are monitored by the State's budgetary review process in total on an unclassified basis. Each year's appropriation lapses at year-end. The remaining operations of BRIM are subject to a nonappropriated budgetary review process.

GAAP defines component units as legally separate organizations for which the elected officials of the primary government are financially accountable or other organizations for which the nature and significance of their relationship with the State's financial statements would cause them to be misleading. BRIM has considered whether it has any component units as defined by GAAP and has determined that no such organizations meet the criteria set forth above.

2. Summary of Significant Accounting Policies

Basis of accounting

As an enterprise fund, BRIM's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with GAAP. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. In its accounting and financial reporting, BRIM follows the pronouncements of the Governmental Accounting Standards Board.

BRIM distinguishes operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with BRIM's principal ongoing operations. The principal operating revenues and expenses of BRIM relate to premium revenues and claims and administrative expenses. Premium contributions received covering future contract periods are deferred and recognized over the related contract period. Net investment earnings and finance charges are reported as nonoperating revenues.

The financial statements of BRIM are intended to present the financial position and the changes in financial position and cash flows of only that portion of the business-type activities of the State of West Virginia that is attributable to the transactions of BRIM. They do not purport to, and do not, present fairly the financial position of the State of West Virginia as of June 30, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in conformity with GAAP.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from management's estimates.

Cash and cash equivalents

Cash equivalents are short-term investments with original maturities of 90 days or less. Cash and cash equivalents principally consist of interest-earning deposits in an investment pool maintained by the West Virginia Board of Treasury Investments (BTI). Such funds are available to BRIM with overnight notice.

Restricted cash and cash equivalents are cash and cash equivalents that are to be used for specific lines of business (i.e., mine subsidence coverage provided to the general public) based on restrictions provided in the State Code.

Advance deposits with insurance company and trustee

Advance deposits with the insurance company consist of monies on deposit that are utilized to fund claims and claims adjustment expenses as they are paid by the insurance company.

BRIM deposits monies with the Bank of New York Mellon (BNY), as trustee, to hold as advance deposits in an escrow account for BRIM liability claims. The monies held in escrow are invested in specific money market funds and short-term guaranteed or investment-grade fixed-income securities that are identified as "qualified assets" in the escrow agreement. The funds held in escrow, together with their earnings, will be used to fund the payment of the claims and claims adjustment expenses related to these liability claims. As an escrow agent, BNY periodically transfers monies from the escrow account to the insurance company administering these claims in order to reimburse the insurance company for payments that it has issued on these claims and claims adjustment expenses on BRIM's behalf.

Investments

BRIM invests in certain West Virginia Investment Management Board (WVIMB) investment pools. Some of these pools invest in longer-term securities and are subject to market fluctuation because of changes in interest rates. Investments are reported by WVIMB at fair value and are accounted for by BRIM accordingly, with changes in the fair value included in investment income. Income from these investments is prorated to BRIM at rates specified by WVIMB based on the balance of BRIM's deposits maintained in relation to the total deposits of all State agencies participating in the pool.

Restricted investments are investments that are to be used for specific lines of business (i.e., mine subsidence coverage provided to the general public) based on restrictions provided in the State Code.

Fair value measurements

GASB Statement No. 72 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

GASB Statement No. 72 establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.

Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.

Level 3 - Unobservable pricing inputs for assets and liabilities.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement and considers factors specific to the investment.

Fair value of the securities BRIM holds with the WVIMB are determined as follows:

- Equity securities are valued at the last sale price or official closing price reported in the market in which they are primarily traded.
- Open-end regulated investment companies or other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.
- Future contracts are valued at the last settlement price established each day by the exchange on which they traded.
- Fixed income securities are valued according to prices furnished by independent pricing services to the securities custodian. These services determine the security prices by a number of methods including, but not limited to, dealer quotes, live market trading levels when available, live feeds of trade execution data, spreads over U.S. Treasury securities and other models and formulae appropriated to the specific security type.

- Repurchase agreements and time deposits are valued at amortized cost, provided such amount approximates fair value.

Investments for which the fair value cannot be determined by one of the above listed processed are valued at fair value as determined in accordance with the WVIMB's established procedures.

Compensated absences

Employees fully vest in all earned but unused annual leave, and BRIM accrues for obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. In accordance with State personnel policies, employees vest in any remaining unused sick leave only upon retirement, at which time any unused compensated absence time can be converted into employer-paid premiums for postemployment health care coverage through BRIM or be converted into a greater retirement benefit under the State of West Virginia Public Employees Retirement System (PERS).

Unpaid claims and claims adjustment expense

Utilizing an external actuary, management establishes the unpaid claims and claims adjustment expense liability based on estimates of the ultimate cost of claims, including future claims adjustment expenses, that have been reported but not settled and of claims that have been incurred but not reported (IBNR). Such estimates are based on industry statistical loss reserve information as well as BRIM historical data, including case-basis estimates of losses reported, actuarial projections of loss development of IBNR claims and estimates of expenses for investigation and adjustment of all incurred and unadjusted losses (and estimates of expected salvage and subrogation receipts are deducted from the estimated liability). The length of time for which such costs must be estimated varies depending on the coverage involved. In the event a reinsurer is unable financially to satisfy an obligation, BRIM is responsible for such liability.

Management believes the estimate for unpaid claims and claims adjustment expense is a reasonable best estimate of BRIM's ultimate losses and loss adjustment expenses to be incurred to discharge BRIM's obligations. However, because actual claims costs depend on such complex factors as actual outcomes versus industry statistical information utilized in the estimation process, inflation, changes in doctrines of legal liability and damage awards, the process used in computing estimates of claims liability does not necessarily result in an exact amount, particularly for coverages such as general liability and medical malpractice. For instance, medical malpractice claims have a long payout period and claims may not be known for several years. Accordingly, BRIM's actual incurred losses and loss adjustment expenses may vary significantly from the estimated amounts reflected in BRIM's financial statements. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors; such adjustments are included in current operations. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and on other factors that are considered to be appropriate modifiers of past experience. The claims and claims adjustment expense category on the statements of revenues, expenses, and changes in net position includes estimated incurred claim costs, allocated loss adjustment expenses and unallocated claims adjustment expenses.

Premium deficiency is defined as the amount by which expected claims costs (including IBNR claims) and all expected claims adjustment expenses exceed related unearned premiums. BRIM has estimated that a premium deficiency does not exist; however, the ultimate amount of incurred losses and loss adjustment expenses may vary significantly from the estimated amounts used in management's determination. In making this determination, management has taken into consideration anticipated investment income using an assumed 4% discount rate.

Deferred outflows of resources

A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. Balances of deferred outflows of resources may be presented in the statements of net position as aggregations of different types of deferred amounts. Deferred outflows of resources related to pension in the statements of net position were composed of $152 and $142 for the years ending June 30, 2020 and 2019, respectively, related to employer contributions to the PERS made during the current fiscal year subsequent to the measurement date. Deferred outflows of resources related to pension also consist of other amounts related to differences between projected and actual earnings on pension plan investments, differences between expected and actual experience related to pension, and changes in proportion and differences between BRIM's contributions and proportionate share of contributions. Deferred outflows of resources related to other post-employment benefits in the statements of net position were composed of $39 and $45 for the years ending June 30, 2020 and 2019, respectively, related to employer contributions to RHBT made during the current fiscal year subsequent to the measurement date.

Deferred inflows of resources

A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. Balances of deferred inflows of resources may be presented in the statements of plan net position as aggregations of different types of deferred amounts. Deferred inflows of resources related to pension in the statements of plan net position are composed of amounts related to differences between projected and actual earnings on pension investments, changes in proportion and differences between BRIM's contributions and proportionate share of contributions, differences in assumptions and differences between projected and actual earnings on pension plan investments related to pension. Deferred inflows of resources related to other-post employment benefits relate to differences between expected and actual experience, net differences between expected and actual earnings on OPEB plan investments, and changes in proportion and differences between employer contributions and proportionate share of contributions.

Receivables and premium income

Receivables represent the amount outstanding for premiums from the insured covered under BRIM's insurance program. Management maintains an allowance for doubtful accounts to reserve for estimated losses based on the length of time the amount has been past due. As of June 30, 2020 and 2019, management deemed allowance for doubtful accounts unnecessary.

Unearned premiums

Unearned premiums included premium revenues collected for future periods. These revenues will be recognized in the operating periods in which they are earned.

Restricted net position

Restricted net position is net position that is to be used for mine subsidence coverage provided to the general public based on restrictions provided in the State Code. When an expense is incurred for which both restricted and unrestricted net positions are available, BRIM first utilizes restricted net position for such purpose.

New accounting pronouncements

The GASB has issued Statement No. 87, *Leases*. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange like transaction. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of No. 87 was effective for reporting periods beginning after December 15, 2019, however, with consideration for the COVID-19 pandemic, GASB postponed the effective date of Statement No. 87. In May 2020, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which delayed the GASB 87 effective date by 18 months. This issuance now requires the adoption of GASB 87 for all fiscal years that begin subsequent to June 15, 2021.

BRIM has not yet determined the effect, if any, these statements will have on its financial statements.

Subsequent events

In preparing these financial statements, BRIM has evaluated events and transactions for potential recognition or disclosure through October 9, 2020, the date the financial statements were available for issuance.

3. Deposit and Investment Risk Disclosures

BRIM is mandated by statute to have its cash and investments managed by the WVIMB and BTI. However, BRIM currently does not have specific policies addressing limitations on specific risk types, such as credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

Cash equivalents

WEST VIRGINIA MONEY MARKET POOL

BRIM participates in BTI's West Virginia Money Market Pool, which has been deemed to meet the GASB 79 criteria to be reported at amortized cost. The criteria specify that the pool must transact with their participants at a stable net asset value per share and meet requirements for portfolio maturity, portfolio quality, portfolio diversification, portfolio liquidity and shadow pricing. The BTI does not place limitations on or restrictions on participant withdrawals from the pool, such as Deredemption notice periods, maximum transaction amounts and any authority to impose liquidity fees or redemption gates. Accordingly, as a pool participant, BRIM measures its investment in this pool at amortized cost that approximates fair value of $40,930 and $45,438 at June 30, 2020 and June 30, 2019, respectively. These deposits are reported as cash and cash equivalents. Investment income earned is pro-rated to BRIM at rates specified by the BTI based on the balance of the deposits maintained in relation to the total deposits of all state agencies participating in the pool. Such funds are available to BRIM with overnight notice. BTI's audited financial statements, including the West Virginia Money Market Pool, are available on their website www.wvbti.com.

Credit Risk and Interest Rate Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The WV Money Market Pool has been rated AAAm by Standard & Poor's. A fund rated "AAAm" has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. "AAAm" is the highest principal stability fund rating assigned by Standard & Poor's.

The BTI limits the exposure to credit risk in the West Virginia Money Market Pool by requiring all long-term corporate debt bonds to be rated A+ by Standard and Poor's (or its equivalent) or higher and short-term corporate debt be rated at least A-1 or higher by Standard and Poor's and P-1 by Moody's (or its equivalent). The pool must have at least 15% of its assets in U.S. Treasury obligations guaranteed as to repayment of interest and principal by the United States of America.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All Consolidated Fund pools and accounts are subject to interest rate risk.

As of June 30, 2020 and 2019, the overall weighted-average maturity (WAM) of the investments of the West Virginia Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 762 days.

(in thousands)

The following table provides the WAM for the various asset types in the West Virginia Money Market Pool:

	2020		2019	
Investment Type	**Fair Value**	**WAM Days**	**Fair Value**	**WAM Days**
U.S. Treasury notes	**$ -**	**-**	$ 24,927	125
U.S. Treasury bills	**1,017,343**	**37**	329,390	34
Commercial Paper	**2,695,856**	**52**	2,236,198	57
Negotiable certificates of deposit	**771,849**	**58**	714,142	33
Repurchase agreements	**445,700**	**1**	473,200	3
Money market funds	**218,603**	**1**	178,619	3
	$ 5,149,351	**44**	$ 3,956,476	42

BRIM's amount invested in the West Virginia Money Market Pool of $40,930 at June 30, 2020 and $45,438 at June 30, 2019 is included in cash and cash equivalents representing approximately 1% of total investments in this pool.

The following table provides information on the weighted-average credit ratings of the West Virginia Money Market Pool's investments:

	Credit Rating		2020		2019	
Security Type	**Moody's**	**S&P**	**Carrying Value**	**Percent**	**Carrying Value**	**Percent**
Commercial paper	P-1	A-1+	**$ 861,472**	**16.73%**	$ 733,411	18.54%
	P-1	A-1	**1,834,384**	**35.62**	1,494,297	37.77
	P-2	A-1	**-**	**-**	8,490	0.21
U.S. Treasury notes	Aaa	AA+	**-**	**-**	24,927	0.63
U.S. Treasury bills	P-1	A-1+	**1,017,343**	**19.76**	329,390	8.33
Negotiable CDs	P-1	A-1+	**302,738**	**5.88**	179,251	4.53
	P-1	A-1	**469,111**	**9.11**	534,891	13.52
Money market funds	Aaa	AAAm	**1,581**	**0.03**	178,619	4.51
	NR	AAAm	**217,022**	**4.21**		
Repurchase agreements (underlying securities):						
U.S. Treasury bonds and notes*	Aaa	AA+	**445,700**	**8.66**	426,000	10.77
U.S. agency bonds and notes	Aaa	AA+	**-**	**-**	47,200	1.19
			$ 5,149,351	**100.00%**	$ 3,956,476	100.00%

*U.S. Treasury issues are explicitly guaranteed by the United States government and are not considered to have credit risk.

(in thousands)

Concentration of Credit Risk
Concentration of credit risk is the risk of loss attributed to the magnitude of the WV Money Market Pool's investment in a single corporate issuer. West Virginia statutes prohibit the West Virginia Money Market Pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2020 and 2019, the pool did not have investments in any one private corporation or association that represented more than 5% of assets.

Custodial Credit Risk
The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the WV Money Market Pool will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Repurchase agreements are required to be collateralized by at least 102% of their value, and the collateral is held in the name of the BTI. The BTI or its agent does not release cash or securities until the counterparty delivers its side of the transaction.

Foreign Currency Risk
Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The WV Money Market's Pool does not hold securities subject to foreign currency risk.

Investments

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD INVESTMENT POOLS

BRIM invests, along with other agencies, in the following WVIMB investment pools: Domestic Equity Pool, International Equity Pool, International Nonqualified Equity Pool, Short-Term Fixed Income Pool, Total Return Fixed Income Pool, Core Fixed Income Pool, Hedge Fund, and the Treasury Inflation Protection Securities (TIPS).

Investment Objectives
This fund's investment objective is to provide adequate liquidity to meet cash flow requirements and allow for growth of assets in an amount at least equal to inflation.

Asset Allocation
Based upon the WVIMB's determination of the appropriate risk tolerance for the fund, the WVIMB has adopted the following broad asset allocation guidelines for the assets managed for the Board of Risk and Insurance Management Fund. (Policy targets have been established on a fair value basis.)

	Base Allocation		Strategic Allocation	
Asset Class	**2020**	**2019**	**2020**	**2019**
Equity	**20%**	20%	**30%**	30%
Fixed Income	**80%**	80%	**35%**	35%
TIPS	**0%**	0%	**10%**	10%
Hedge Funds	**0%**	0%	**20%**	20%
Cash*	**0%**	0%	**5%**	5%
Combined total	**100%**	100%	**100%**	100%

**IMB Staff has authority to change the cash target up to 5 percent during a fiscal year, in consultation with the appropriate representative(s) from BRIM.*

(in thousands)

Asset Value
Investments at cost, and as reported at fair value (actual asset allocation), are summarized as follows at June 30:

	2020		2019	
	Cost	**Fair Value**	**Cost**	**Fair Value**
Domestic Equity	**$ 24,013**	**$ 25,684**	$ 21,358	$ 23,121
International equity	**19,619**	**19,416**	16,420	16,400
International nonqualified	**6,400**	**5,933**	7,678	7,498
Total return fixed income	**37,973**	**40,013**	33,313	35,868
Core fixed income	**15,491**	**16,907**	14,278	15,508
Hedge fund	**32,588**	**32,685**	35,520	36,375
TIPS (Treasury Inflation Protection Securities)	**14,851**	**16,161**	15,323	16,062
Short-term fixed income	**7,863**	**7,863**	7,864	7,864
Total investments	**$ 158,798**	**$ 164,662**	$ 151,754	$ 158,696

Investment income is comprised of the following for the years ended June 30:

	2020	2019
Investment income:		
Interest income including realized gains/losses on sale of securities	**$ 16,954**	$ 14,102
Unrealized gain on investments	**5,864**	6,942
Total investment income	**$ 22,818**	$ 21,044

The calculation of realized gains and losses is independent of the calculation of the change in fair value of investments and realized gains and losses of the current year include unrealized amounts from prior years.

Asset class risk disclosures

DOMESTIC EQUITY POOL

The Pool's objective is to exceed, net of external investment management fees, the Russell 3000 Stock Index over three- to five-year periods. Assets are managed by AJO, BlackRock INTECH Investment Management, LLC, and Westfield Capital Management.

BRIM's amount invested in the domestic equity pool of $25,684 and $23,121 at June 30, 2020 and 2019, respectively, represents approximately 0.5% and 0.5%, respectively, of total investments in this pool.

Effective September 1, 2019, the IMB changed its custodian bank from the Bank of New York Mellon (BNYM) to Northern Trust (NT).

Credit Risk
As of June 30, 2020 the Pool's money market mutual fund investment and the Cash Collateral Account are exposed to credit risk. The money market mutual fund had the highest credit rating. The Cash Collateral Account is not rated.

As of June 30, 2019 the Pools Money market mutual fund investment and investments made with cash collateral for securities loaned are exposed to credit risk. The money market mutual fund has the highest credit rating. Credit risk from securities lending collateral investments are limited by requiring minimum ratings on debt instruments. Long-term debt instruments must be rated A or better by Moody's or Standard & Poor's at the time of purchase. Short-term debt instruments must be rated by P-1 b Moody's or A-1 by Standard & Poor's at the time of purchase. The WVIMB Reviews available ratings from Standard & Poor's' and Moody's.

At June 30, 2019, securities lending collateral investments consisted of time deposits and repurchase agreements.

(in thousands)

The following table provides the credit ratings indicative of the great degree of risk of the Pool's securities lending collateral investments as of June 30, 2019:

Rating	**Fair Value 2019**
AAA /A-1	$ 33,117
AA	151,145
A	5,340
BBB	2,428
B	226
Not applicable	50,048
Total securities lending collateral	$ 242,304

**As of June 30, 2020, the Cash Collateral Account is no longer rated.*

Interest Rate Risk
The Pool is exposed to interest rate risk from its money market mutual fund investment and from investments made with cash collateral for securities loaned. As of June 30, 2020, the money market mutual fund has a weighted average maturity (WAM) of 53 days. Except for repurchase agreements that can have up to 95 days maturity, investments in the Cash Collateral Account are limited to overnight investments. As of June 30, 2020, the WAM for the Cash Collateral Account was 1 day. As of June 30, 2019, the money market mutual fund has a weighted average maturity (WAM) of 43 days. The WAM for securities lending collateral investments is not to exceed 90 days. As of June 30, 2019, the WAM for securities lending collateral was 1 day.

Concentration of Credit Risk
The Pool is restricted from investing more than 5% of the value of the Pool in any one company. At June 30, 2020 and 2019, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk
As of June 30, 2020, securities on loan are collateralized to a minimum of 102%, and the collateral is held by the IMB's custodian in the name of IMB. The money market mutual fund, the Cash Collateral Account, and the comingled equity fund are not subject to custodial credit risk. All remaining securities are held by the IMBS's custodian in the name of IMB.

As of June 20, 2019, repurchase agreements, when held, are collateralized to a minimum of 102% and the collateral is held in the name of the WVIMB. Securities on loan are collateralized to a minimum of 102% and the collateral is held by the WVIMB's custodian in the name of the WVIMB. All remaining securities are held by the WVIMB's custodian in the name of the WVIMB.

At June 30, 2020 and 2019, the Pool held no securities that were subject to custodial credit risk.

Foreign Currency Risk
The Pool is exposed to no or minimal foreign currency risk.

(in thousands)

The table below summarizes the valuation of the investment securities in accordance with GASB Statement No. 72 fair value hierarchy levels as of June 30, 2020:

Assets	Level 1	Level 2	Level 3	Total
Commingled equity fund	**$ 2,014,708**	**$ -**	**$ -**	**$ 2,014,708**
Common stock	**2,588,810**	**-**	**-**	**2,588,810**
Securities lending collateral	**4,617**	**-**	**-**	**4,617**
Rights	**6**			**6**
Money market mutual funds	**82,999**	**-**	**-**	**82,999**
Total	**$ 4,691,140**	**$ -**	**$ -**	**$ 4,691,140**

The table below summarizes the valuation of the investment securities in accordance with fair value hierarchy levels as of June 30, 2019:

Assets	Level 1	Level 2	Level 3	Total
Commingled equity fund	$ 1,937,693	$ -	$ -	$ 1,937,693
Common stock	2,682,108	-	-	2,682,108
Securities lending collateral	27,792	-	-	27,792
Money market mutual funds	-	242,304	-	242,304
Total	$ 4,647,593	$ 242,304	$ -	$ 4,889,897

International Equity Pool

The Pool invests in the equities of international companies. The objective of the Pool is to outperform the international equity market as measured by the Morgan Stanley Capital International's All Country World Free Ex US Index over a full market cycle (three- to five-years), net of external investment management fees. As of June 30, 2020, assets are managed by Acadian Asset Management, LLC (Acadian), Allianz Global Investors (Allianz), Axiom International Investors, LLC (Axiom), Brandes Investment Partners, L.P. (Brandes), LSV Asset Management (LSV) and Oberweis Asset Management, Inc. (Oberweis).

Effective September 1, 2019, the IMB changed its custodian bank from the Bank of New York Mellon (BNYM) to Northern Trust (NT).

BRIM's amount invested in the International Equity Pool of $19,416 and $16,133 at June 30, 2020 and 2019, respectively, represents approximately 0.6% and 0.5%, respectively, of total investments in this pool.

Credit Risk

As of June 30, 2020, the Pool's money market mutual fund investment and the Cash Collateral Account are exposed to credit risk. The money market mutual fund has the highest credit rating. The Cash Collateral Account is not rated.

As of June 30, 2019, the Pool's money market mutual fund investments made with cash collateral for securities loaned are exposed to credit risk. The money market mutual fund has the highest credit rating. Credit risk from securities lending collateral investments are limited by requiring minimum ratings on debt instruments. Long- term debt instruments must be rated A or better by Moody's or Standard & Poor's at the time of purchase. Short- term debt instruments must be rated P-1 by Moody's or A-1 by Standard & Poor's at the time of purchase. The WVIMB reviews available ratings from Standard & Poor's and Moody's.

At June 30, 2019, securities lending collateral investments consisted of time deposits and repurchase agreements.

(in thousands)

The following table provides the credit ratings indicative of the greatest degree of risk of the Pool's securities lending collateral investments as of June 30, 2019:

Rating	Fair Value 2019
AAA/ A-1	$ 9,678
AA	44,168
A	1,560
BBB	710
B	66
Not applicable	14,625
Total securities lending collateral	$ 70,807

**As of June 30, 2020, the Cash Collateral Account is no longer rated.*

Interest Rate Risk
The pool is exposed to interest rate risk from its money market mutual fund investment and certain investments made with cash collateral for securities loaned. As of June 30, 2020, the money market mutual fund has a weighted average maturity (WAM) of 53 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the Cash Collateral Account are limited to overnight Investments. As of June 30, 2020, the WAM for the Cash Collateral Account was 1 day.

As of June 30, 2019, the money market mutual fund has a weighted average maturity (WAM) of 43 days. The WAM for securities lending collateral investments is not to exceed 90 days. As of June 30, 2019, the WAM for securities lending collateral was 1 day.

Concentration of Credit Risk
The pool is restricted from investing more than 5% of the value of the pool in any one company. At June 30, 2020 and 2019, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk
As of June 30, 2020, securities on loan are collateralized to a minimum of 102% for U.S. Dollar denominated loans and 105% for foreign denominated loans, and the collateral is held by the IMB's custodian in the name of IMB. The money market mutual fund, the Cash Collateral Account, and the comingled equity fund are not subject to custodial credit risk. All remaining securities are held by the IMB's custodian in the name if IMB.

As of June 30, 2019, repurchase agreements, when held, are collateralized to a minimum of 102% and the collateral is held in the name of the WVIMB. Securities on loan are collateralized to a minimum of 102% for U.S. Dollar denominated loans and 105% for foreign denominated loans, and the collateral is held by WVIMB's custodian in the name of WVIMB. All remaining securities are held by the WVIMB's custodian in the name of WVIMB.

At June 30, 2020 and 2019, the Pool held no securities that were subject to custodial credit risk.

Foreign Currency Risk
The Pool has equity investments, cash and foreign currency spot contracts that are exposed to foreign currency risks.

The amounts at fair value (in U.S. dollars) of equity investments, cash and foreign currency spot contracts as of June 30, 2020 are as follows:

(in thousands)

	2020			
Currency	**Equity Investments**	**Cash**	**Foreign Currency Spot Contracts**	**Total**
Australian Dollar	$ 82,579	$ 373	$ -	$ 82,952
Brazil Real	61,732	397	-	62,129
British Pound	189,226	409	-	189,635
Canadian Dollar	93,508	70	-	93,578
Chilean Peso	5,906	-	-	5,906
Chinese Yuan	12,809	3,460	-	16,269
Czech Koruna	40	-	-	40
Danish Krone	10,965	3	-	10,968
Emirati Dirham	8,021	10	-	8,031
Euro Currency Unit	354,338	4,828	-	359,166
Hong Kong Dollar	404,086	2,525	-	406,611
Hungarian Forint	14,000	32	-	14,032
Indian Rupee	104,809	1,694	-	106,503
Indonesian Rupiah	30,263	36	-	30,299
Israeli Shekel	7,399	2	-	7,401
Japanese Yen	365,408	2,270	-	367,678
Malaysian Ringgit	10,968	4	-	10,972
Mexican Peso	39,362	42	-	39,404
New Taiwan Dollar	119,629	404	-	120,033
New Zealand Dollar	289	26	-	315
Norwegian Krone	16,412	196	-	16,608
Philippine Peso	7,480	8	-	7,488
Polish Zloty	1,337	-	-	1,337
Qatari Riyal	125	6	-	131
Singapore Dollar	12,316	211	-	12,527
South African Rand	29,989	56	-	30,045
South Korean Won	183,138	1,747	-	184,885
Swedish Krona	79,152	29	-	79,181
Swiss Franc	100,002	46	1	100,049
Thailand Baht	36,076	6	-	36,082
Turkish Lira	11,034	1,711	-	12,745
Total	2,392,398	20,601	1	2,413,000
U.S. Dollar	981,212	-	-	981,212
Total	$ 3,373,610	$ 20,601	$ 1	$ 3,394,212

(in thousands)

Currency	2019 Equity Investments	Cash	Foreign Currency Spot Contracts	Total
Australian Dollar	$ 126,545	$ 975	$ -	$ 127,520
Brazil Real	135,983	682	(2)	136,663
British Pound	284,807	2,169	(2)	286,974
Canadian Dollar	125,313	2,518	-	127,831
Chilean Peso	6,037	-	-	6,037
Danish Krone	4,586	-	-	4,586
Egyptian Pound	926	-	-	926
Emirati Dirham	1,689	10	3	1,699
Euro Currency Unit	463,116	6,782	-	469,901
Hong Kong Dollar	365,906	2,136	-	368,042
Hungarian Forint	11,477	41	-	11,518
Indian Rupee	89,501	946	-	90,447
Indonesian Rupiah	41,637	38	-	41,675
Israeli Shekel	17,395	31	-	17,426
Japanese Yen	380,550	2,595	-	383,145
Malaysian Ringgit	19,851	290	-	20,141
Mexican Peso	55,332	486	-	55,818
New Taiwan Dollar	91,450	553	-	92,003
New Zealand Dollar	553	50	-	603
Norwegian Krone	20,443	463	-	20,896
Pakistan Rupee	1,413	-	-	1,413
Philippine Peso	17,899	4	-	17,903
Polish Zloty	1,027	1,570	-	2,597
Qatari Riyal	756	51	-	807
Singapore Dollar	21,213	540	-	27,753
South African Rand	44,180	448	-	44,628
South Korean Won	201,839	2,128	(1)	203,966
Swedish Krona	71,775	2,166	-	73,941
Swiss Franc	95,408	42	-	95,450
Thailand Baht	60,524	(3)	-	60,521
Turkish Lira	21,677	293	-	21,970
Total	2,780,798	28,004	(2)	2,808,800
US. Dollar	413,517	1,018	-	414,535
Total	$ 3,194,315	$ 29,022	$ (2)	$ 3,223,335

Fair Value Measurements

The tables below summarize the valuation of the investment securities in accordance with the fair value hierarchy levels as of June 30:

Assets	2020 Level 1	Level 2	Level 3	Total
Common stock	**$ 2,741,429**	**$ -**	**$ -**	**$ 2,741,429**
Securities lending collateral	**19,475**	**-**	**-**	**19,475**
Preferred stock	**42,854**	**-**	**-**	**42,854**
Rights	**41**	**-**	**-**	**41**
Money market mutual fund	**37,694**	**-**	**-**	**37,694**
	$ 2,841,493	**$ -**	**$ -**	**$ 2,841,493**
Comingled equity fund				**589,286**
Total				**$ 3,430,779**

(in thousands)

The Pool's comingled equity fund in investment was measured at the NAV as of June 20, 2020. The fund invests primarily in Chinese A-Shared publicly listed equity securities. The IMB defines the investment style as growth at a reasonable price with limited concentration to any single issuer or sector. Redemptions can be made daily with five international business days advance written notice of the withdrawal date, subject to maximum withdrawal restrictions. The fund will pay withdrawal proceeds within thirty days following the withdrawal date.

	2019			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Common stock	$ 3,142,466	$ -	$ -	$ 3,142,466
Securities lending collateral	-	70,807	-	70,807
Preferred stock	51,666	-	-	51,666
Rights	183	-	-	183
Money market mutual fund	26,048	-	-	26,048
Total	$ 3,220,363	$ 70,807	$ -	$ 3,291,170

INTERNATIONAL NON-QUALIFIED POOL

The Pool invests in The Silchester International Investors International Value Equity Trust (Silchester). The Pool's objective is to produce investment returns that exceed the Morgan Stanley Capital International's Europe Australasia Far East Index by 200 basis points on an annualized basis over three- to five-year periods, net of external investment management fees. The Pool exists for participants who are not "qualified" (as defined by the *Internal Revenue Code*). Silchester invests in a diversified developed country, non-U.S. equity, bottom-up value-oriented portfolio of securities with limited exposure to emerging markets and no unreasonable concentration exposure to any single issuer or country. Redemptions from Silchester can be made monthly with ten days advance written notice. Redemptions will generally be made within seven business days following month-end.

Effective September 1, 2019, the IMB changed its custodian bank from the Bank of New York Mellon (BNYM) to Northern Trust (NT).

BRIM's amount invested in the International Nonqualified Pool of $5,933 and $7,763 at June 30, 2020 and 2019, respectively, represents approximately 3.6% and 3.7%, respectively, of total investments in this pool.

Investment Risk

The Pool invests in a collective trust fund that invests in equities denominated in foreign currencies. The value of this Pool at June 30, 2020 and 2019, was $163,136 and $210,181, respectively. This investment, although denominated in U.S. dollars, is exposed to foreign currency risk through the underlying investments. The Pool is not exposed to credit risk, interest rate risk, custodial credit risk, or concentration of credit risk.

Fair Value Measurements

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. The investment in Silchester is valued using the net asset value per share. As Silchester is the only investment in the pool, a fair value hierarchy table is not presented.

TOTAL RETURN FIXED INCOME POOL

This main objective of the Pool is to generate investment income, provide stability, and enhance diversification but not at the expense of total return. The Pool's investment objective is to outperform the Bloomberg Barclays U.S. Universal Bond Index over three- to five-year periods, net of external investment management fees. Dodge & Cox, Franklin Templeton Investments, and Western Asset Management Company manage the Pool.

(in thousands)

Effective September 1, 2019, the IMB changed its custodian bank from the Bank of New York Mellon (BNYM) to Northern Trust (NT).

BRIM's amount invested in the Total Return Fixed Income Pool of $40,013 and $35,870, at June 30, 2020 and 2019, respectively, represented approximately 1.9% and 1.6%, respectively, of total investments in the Pool.

Credit Risk

The Pool is exposed to credit risk from its fixed income investments, money market mutual fund investment, and certain investments made with cash collateral for securities loaned. The WVIMB limits the exposure to credit risk in the Pool by maintaining at least an average rating of investment grade as defined by the nationally recognized statistical rating organization. The WVIMB reviews available ratings from Standard & Poor's, Moody's and Fitch, and reports the rating indicative of the greatest degree of risk. The money market mutual fund has the highest credit rating.

The following tables provides credit ratings of the Pool's fixed income investments as of June 30:

Rating	Fair Value 2020	Fair Value 2019
AAA/ A-1	**$ 21,874**	$ 14,485
AA	**738,758**	685,964
A	**164,334**	105,271
BBB	**526,344**	553,241
BB	**294,094**	320,377
B	**171,134**	204,230
CCC	**16,181**	13,962
CC	**3,822**	-
D	**4,354**	1,050
Withdrawn	**6,148**	7,324
Not rated	**73,473**	55,807
Total fixed income investments	**$ 2,020,516**	$ 1,961,711

As of June 30, 2019, credit risk from securities lending collateral investments are limited by requiring minimum ratings on debt instruments. Long-term debt instruments must be rated A or better by Moody's or Standard & Poor's at the time of purchase. Short-term debt instruments must be rated P-1 by Moody's or A-1 by Standard & Poor's at the time of purchase. The WVIMB reviews available ratings from Standard & Poor's and Moody's and reports the rating indicative of the greatest degree of risk.

At June 30, 2019, securities lending collateral investments consisted of time deposits and repurchase agreements.

The following table provides credit ratings of the Pool's securities lending collateral investments as of June 30, 2019:

Rating	Fair Value 2019
AAA/ A-1	$ 12,154
AA	55,470
A	1,960
BBB	891
B	83
Not applicable	18,368
Total securities lending collateral	$ 88,926

**As of June 30, 2020, the Cash Collateral Account is no longer rated.*

(in thousands)

Interest Rate Risk
As of June 30, 2020, the Pool is exposed to interest rate risk from its fixed income investments, money market mutual fund investment, and Cash Collateral Account investment. The money market mutual fund has a weighted average maturity (WAM) of 53 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the Cash Collateral Account are limited to overnight investments. As of June 30, 2020, the WAM for the Cash Collateral Account was 1 day.

As of June 30, 2019, the pool was exposed to interest rate risk from its fixed income investments, money market mutual fund investment and certain investments made with cash collateral for securities loaned. As of June 30, 2019, the money market mutual fund has a weighted average maturity (WAM) of 43 days. The WAM for securities lending collateral investments is not to exceed 90 days.

The WVIMB monitors interest risk of the Pool by evaluating the effective duration of the investments in the Pool. Effective duration is a method of disclosing interest rate risk that measures the expected change in the price of a fixed income security for a 1% change in interest rates. The effective duration calculation takes into account the most likely timing of variable cash flows, which is particularly useful for measuring interest rate risk of callable bonds, commercial and residential mortgage-backed securities, asset-backed securities and collateralized mortgage obligations.

The following table provides the weighted average effective duration for the various asset types in the Pool as of June 30:

	2020		**2019**	
Investment Type	**Fair Value**	**Effective Duration (Years)**	**Fair Value**	**Effective Duration (Years)**
Commingled debt funds	**$ 206,712**	**3.1**	$ 214,489	2.9
Corporate asset backed issues	**54,349**	**1.2**	72,659	(0.1)
Corporate ABS residual	**-**	**0.0**	3,835	1.9
Corporate CMO	**59,639**	**0.9**	40,069	1.1
Corporate CMO interest-only	**138**	**0.5**	-	-
Foreign asset backed issues	**28,152**	**0.5**	27,005	1.0
Foreign corporate bonds	**264,553**	**5.3**	271,117	5.4
Foreign government bond	**251,488**	**5.1**	317,462	5.1
Municipal bonds	**33,423**	**9.9**	34,254	9.9
Repurchase agreement	**-**	**0.0**	8,000	0.0*
Short term investments	**-**	**0.0**	6,083	0.0*
U.S. corporate bonds	**495,554**	**9.4**	402,522	7.0
U.S. Government agency bonds	**1,530**	**0.0***	9,464	0.2
U.S. Government agency CMO	**77,429**	**1.7**	57,221	1.1
U.S. Government agency CMO interest-only	**6,955**	**6.8**	5,786	4.8
U.S. Government agency MBS	**222,696**	**2.0**	293,479	1.8
U.S. Government agency TBA	**2,599**	**0.7**	106	1.4
U.S. Treasury bonds	**209,690**	**14.4**	157,216	15.6
U.S. Treasury inflation-protected securities	**105,609**	**18.8**	40,944	20.6
Total investments	**$ 2,020,516**		$ 1,961,711	

**Rounds to less than 0.05*

The Pool invests in commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations. The cash flows from these securities are based on the payment of the underlying collateral. The effective duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. The Pool held $451,957 and $500,160 of these securities at June 30, 2020 and 2019, respectively, representing approximately 22% and 25% of the value of the Pool's securities.

Concentration of Credit Risk
The Pool is restricted from investing more than 5% of the value of the Pool in any one corporate name. At June 30, 2020 and 2019, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk
At June 20, 2020, securities on loan are collateralized to a minimum of 102% for U.S. Dollar denominated loans and 105% for foreign denominated loans, and the collateral is held by the IMB's custodian in the name of IMB. Investments in comingled debt funds, money market mutual funds, and the Cash Collateral Account are not subject to custodial credit risk.

At June 30, 2019, securities on loan were collateralized to a minimum of 102% and the collateral is held by the WVIMB's custodian in the name of the WVIMB. Investments in commingled funds are held in an account in the name of the WVIMB.

At June 30, 2020 and 2019, the Pool held no securities that were subject to custodial credit risk. Repurchase agreements, when held, are collateralized at 102% and the collateral is held in the name of the WVIMB. All remaining securities are held by the WVIMB's custodian in the name of the WVIMB.

Foreign Currency Risk
The Pool has foreign fixed income, foreign equity investments, and cash that are denominated in foreign currencies and exposed to foreign currency risks. The Pool also has foreign denominated derivative instruments. Additionally, the Pool has indirect exposure to foreign currency risk through its ownership interests in certain of the commingled debt funds. Approximately $42,799 and $32,063, or 21% and 15%, respectively, of the commingled investment pools hold substantially all of their investments in foreign currencies as of June 30, 2020 and 2019. This represents approximately 2.0%, respectively, of the value of the Pool's securities at June 30, 2020 and 2019.

(in thousands)

The amounts at fair value (in U.S. dollars) of investments and cash denominated in foreign currencies as of June 30, are as follows:

	2020			
Currency	**Foreign Fixed Income**	**Foreign Equity Investments**	**Cash**	**Total**
Argentine Peso	$ 5,597	$ -	$ 1,770	$ 7,367
Australian Dollar	-	-	2,350	2,350
Belarusian Ruble	1,819	-	-	1,819
Brazil Real	30,899	-	52	30,951
British Pound	15,154	-	2,690	17,844
Canadian Dollar	-	-	(858)	(858)
Colombian Peso	4,620	-	-	4,620
Deutsche Mark	640	-	-	640
Dominican Peso	2,923	-	-	2,923
Egyptian Pound	2,647	-	3	2,650
Euro Currency Unit	5,948	-	3,823	9,771
Ghana Cedi	2,357	-	-	2,357
Indonesian Rupiah	2,713	-	-	2,713
Japanese Yen	49,050	-	6,419	55,469
Kazakhstani Tenge	681	-	-	681
Kenyan Shilling	3,001	-	-	3,001
Mexican Peso	21,785	6	(2,107)	19,684
New Zealand Dollar	-	-	758	758
Peruvian Nuevo Sol	1,812	-	-	1,812
Russian Ruble	31,249	-	856	32,105
South African Rand	5,707	-	1	5,708
Swedish Krona	-	-	477	477
Turkish Lira	-	-	1	1
Uruguayan Peso	5,050	-	-	5,050
Total foreign denominated investments	193,652	6	16,235	209,893
U.S. Dollar	350,541	-	34,398	384,939
Total	$ 544,193	$ 6	$ 50,633	$ 594,832

(in thousands)

	2019			
Currency	**Foreign Fixed Income**	**Foreign Equity Investments**	**Cash**	**Total**
Argentine Peso	$ 8,380	$ -	$ 1,503	$ 9,883
Australian Dollar	-	-	1,704	1,704
Belarusian Ruble	2,048	-	-	2,048
Brazil Real	47,752	-	24	47,776
British Pound	-	-	2,988	2,988
Canadian Dollar	-	-	1,411	1,411
Colombian Peso	5,209	-	-	5,209
Deutsche Mark	1,013	-	-	1,013
Dominican Peso	3,801	-	-	3,801
Egyptian Pound	2,104	-	126	2,230
Euro Currency Unit	5,967	-	12,929	18,896
Georgian Lari	1,796	-	-	1,796
Ghana Cedi	2,469	-	-	2,469
Indonesian Rupiah	2,779	-	-	2,779
Japanese Yen	51,443	-	6,077	57,520
Kenyan Shilling	3,171	-	-	3,171
Kazakhstani Tenge	1,841	-	-	1,841
Mexican Peso	44,765	-	1,943	46,708
New Zealand Dollar	-	-	791	791
Peruvian Nuevo Sol	1,846	-	-	1,846
Russian Ruble	28,094	-	1,796	29,890
Swedish Krona	-	-	483	483
Turkish Lira	3,190	-	-	3,190
Uruguayan Peso	7,479	-	-	7,479
South African Rand	6,726	14	2	6,742
Total foreign denominated investments	231,873	14	31,507	263,394
U.S. Dollar	383,711	-	28,425	412,136
Total	$ 615,584	$ 14	$ 59,932	$ 675,530

Fair Value Measurements

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share as the practical expedient. The tables that follow set forth information about the level within the fair value hierarchy at which the Pool's assets and liabilities are measured at June 30. All of the Pool's investments in other funds were valued using the net asset value per share, as such they have not been categorized in the fair value hierarchy.

(in thousands)

	2020			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Corporate ABS residual	$ -	$ 1,943	$ -	$ 1,943
Corporate asset backed issues	-	54,349	-	54,349
Corporate CMO	-	59,639	-	59,639
Corporate CMO interest-only	-	138	-	138
Corporate preferred securities	10,307	-	-	10,307
Foreign asset backed issues	-	28,152	-	28,152
Foreign corporate bonds	-	264,553	-	264,553
Foreign currency forward contracts	-	1,054	-	1,054
Foreign government bonds	-	251,488	-	251,488
Futures contracts	1,457	-	-	1,457
Money market mutual fund	80,424	-	-	80,424
Municipal bonds	-	33,423	-	33,423
Options contracts purchased	94	347	-	441
Securities lending collateral	4,029	-	-	4,029
Swaps	-	24,789	-	24,789
U.S. corporate bonds	-	495,554	-	495,554
U.S. Government agency bonds	-	1,530	-	1,530
U.S. Government agency CMO	-	77,429	-	77,429
U.S. Government agency CMO interest-only	-	6,955	-	6,955
U.S. Government agency MBS	-	222,696	-	222,696
U.S. Government agency TBAs	-	2,599	-	2,599
U.S. Treasury bonds	-	209,690	-	209,690
U.S. Treasury inflation protected securities	-	105,609	-	105,609
Total	$ 96,311	$ 1,841,937	$ -	1,938,248
Commingled debt funds				206,712
Total				$ 2,144,960

Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Foreign currency forward contracts	$ -	$ (2,323)	$ -	$ (2,323)
Futures contracts	(12,609)	-	-	(12,609)
Options contracts written	(525)	(354)	-	(879)
Securities sold short	-	(526)	-	(526)
Swaps	-	(40,804)	-	(40,804)
Total	$ (13,134)	$ (44,007)	$ -	$ (57,141)

(in thousands)

	2019			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Corporate asset backed issues	$ -	$ 72,659	$ -	$ 72,659
Corporate ABS residual	-	3,835	-	3,835
Corporate CMO	-	40,069	-	40,069
Corporate preferred security	9,979	-	-	9,979
Foreign asset backed issues	-	27,005	-	27,005
Foreign corporate bonds	-	271,117	-	271,117
Foreign currency forward contracts	-	378	-	378
Foreign equity investments	14	-	-	14
Foreign government bonds	-	317,462	-	317,462
Future contracts	9,647	-	-	9,647
Money market mutual fund	41,138	-	-	41,138
Municipal bonds	-	34,254	-	34,254
Options contracts purchased	558	530	-	1,088
Repurchase agreement	-	8,000	-	8,000
Securities lending collateral	-	88,926	-	88,926
Short term investments	-	6,083	-	6,083
Swaps	-	3,683	-	3,683
U.S. corporate bonds	-	402,522	-	402,522
U.S. Government agency bond	-	9,464	-	9,464
U.S. Government agency CMO	-	57,221	-	57,221
U.S. Government agency CMO interest-only	-	5,786	-	5,786
U.S. Government agency MBS	-	293,479	-	293,479
U.S. Government agency TBAs	-	106	-	106
U.S. Treasury bonds	-	157,216	-	157,216
U.S. Treasury inflation protected securities	-	40,944	-	40,944
Total	$ 61,336	$ 1,840,739	$ -	1,902,075
Commingled debt funds				214,489
Total				$ 2,116,564

Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Foreign currency forward contracts	$ -	$ (2,357)	$ -	$ (2,357)
Future contracts	(15,161)	-	-	(15,161)
Options contracts written	(1,081)	(73)	-	(1,154)
Swaps	-	(20,337)	-	(20,337)
Total	$ (16,242)	$ (22,767)	$ -	$ (39,009)

The Pool's investments in commingled debt funds were measured at the NAV as of June 30, 2020 and 2019. These commingled debt funds invest in certain niche sectors, particularly ones that are not a significant percentage to the Pool, to provide economies of scale and efficiencies in establishing and managing a diversified portfolio that would be otherwise difficult to achieve. These funds offer daily liquidity.

(in thousands)

CORE FIXED INCOME POOL

The main objective of this Pool is to generate investment income, provide stability, and enhance diversification but not at the expense of total return. This Pool's investment objective is to outperform the Bloomberg Barclays U.S. Aggregate Bond Index over three- to five-year periods, net of external investment management fees. JP Morgan Investment Advisors, Inc. manages this Pool.

Effective September 1, 2019, the IMB changed its custodian bank from the Bank of New York Mellon (BNYM) to Northern Trust (NT).

BRIM's amount invested in the Core Fixed Income Pool of $16,907 and $15,508 at June 30, 2020 and 2019, respectively, and represented approximately 1.8% and 1.6%, respectively, of total investments in this Pool.

Credit Risk

The Pool is exposed to credit risk from its fixed income investments, money market mutual fund investment, and certain investments made with cash collateral for securities loaned. The WVIMB limits the exposure to credit risk in the Pool by maintaining at least an average rating of investment grade as defined by the nationally recognized statistical rating organizations. The WVIMB reviews available ratings from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. The money market mutual fund has the highest credit rating.

The following table provides credit ratings for the Pool's fixed income investments as of June 30:

	Fair Value	
Rating	**2020**	**2019**
AAA	**$ 47,882**	$ 61,950
AA	**535,867**	518,002
A	**83,021**	93,012
BBB	**171,799**	141,310
BB	**5,281**	10,003
B	**768**	600
CCC	**241**	562
D	**94**	146
Withdrawn	**11,132**	3,013
Not rated	**63,019**	45,328
Total fixed income investments	**$ 919,104**	$ 873,926

Credit risk from securities lending collateral investments are limited by requiring minimum ratings on debt instruments. Long-term debt instruments must be rated A or better by Moody's or Standards & Poor's at the time of purchase. Short-term debt instruments must be rated P-1 by Moody's or A-1 by Standard & Poor's at the time of purchase. The WVIMB reviews available ratings from Standard & Poor's, Moody's, Fitch and reports the rating indicative of the greatest degree of risk.

At June 30, 2019, securities lending collateral investments consisted of time deposits and repurchase agreements.

(in thousands)

The following table provides credit ratings of the Pool's securities lending collateral investments as of June 30, 2019:

Rating	Fair Value 2019
AAA/ A-1	$ 7,859
AA	35,868
A	1,267
BBB	576
B	54
Not applicable	11,877
Total securities lending collateral	$ 57,501

**As of June 30, 2020, the Cash Collateral Account is no longer rated.*

Interest Rate Risk

The Pool is exposed to interest rate risk from its fixed income investments, money market mutual fund investment and investments made with cash collateral for securities loaned. As of June 30, 2020, the money market mutual fund has a weighted average maturity (WAM) of 53 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the Cash Collateral Account are limited to overnight investments. The WAM for the Cash Collateral Account is 1 day.

As of June 30, 2019, the WAM for securities lending collateral investments is not to exceed 90 days. As of June 30, 2019, the money market mutual fund has a weighted average maturity (WAM) of 43 days. The WAM for securities lending collateral investments is not to exceed 90 days.

The WVIMB monitors interest rate risk of the Pool by evaluating the effective duration of the investments in the Pool. Effective duration is a method of disclosing interest rate risk that measures the expected change in the price of a fixed income security for a 1% change in interest rates. The effective duration calculation takes into account the most likely timing of variable cash flows, which is particularly useful for measuring interest rate risk of callable bonds, commercial and residential mortgage-backed securities, asset-backed securities and collateralized mortgage obligations.

The Pool invests in commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations. The cash flows from these securities were based on the payment of the underlying collateral. The effective duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. At June 30, 2020 and 2019, the Pool held $444,501 and $425,431, respectively, of these securities. This represents approximately 48% and 49%, respectively, of the value of the Pool's fixed income securities.

(in thousands)

The following table provides the weighted average effective duration for the Pool's fixed income investments as of June 30:

	2020		2019	
Investment Type	**Fair Value**	**Effective Duration (Years)**	**Fair Value**	**Effective Duration (Years)**
Corporate asset backed issues	**$ 104,830**	**1.6**	$ 122,361	1.6
Corporate CMO	**46,117**	**3.4**	33,139	3.2
Corporate CMO interest-only	**212**	**(13.6)**	303	(2.8)
Corporate CMO principle only	**64**	**4.6**	74	3.5
Foreign asset backed issues	**2,168**	**2.8**	2,698	3.3
Foreign corporate bonds	**61,479**	**6.5**	59,221	5.8
Foreign government bond	**5,870**	**9.3**	3,125	8.0
Municipal bonds	**12,331**	**14.5**	10,261	13.0
U.S. corporate bonds	**189,911**	**9.3**	165,080	7.7
U.S. Government agency bonds	**3,100**	**0.5**	5,257	1.2
U.S. Government agency CMO	**98,050**	**4.4**	109,465	4.7
U.S. Government agency CMO interest-only	**2,144**	**8.8**	2,153	12.7
U.S. Government agency CMO principle only	**4,409**	**5.2**	5,062	6.2
U.S. Government agency MBS	**180,583**	**4.6**	150,176	4.4
U.S. Government agency TBAs	**5,924**	**3.1**	**-**	**-**
U.S. Treasury bonds	**201,453**	**7.8**	205,102	9.1
U.S. Treasury inflation-protected securities	**459**	**0.9**	449	1.9
Total fixed income investments	**$ 919,104**		$ 873,926	

Concentration of Credit Risk

The Pool is restricted from investing more than 5% of the value of the Pool in any one corporate name. At June 30, 2020 and 2019, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk

As of June 30, 2020, securities on loan are collateralized to a minimum of 102%, and the collateral is held by the IMB's custodian in the name of IMB. The money market mutual fund and the Cash Collateral Account are not subject to custodial credit risk. All remaining securities are held the bye IMB's custodian in the name of IMB.

At June 30, 2020, repurchase agreements, when held, are collateralized at 102% and the collateral is held in the name of the WVIMB. Securities on loans are collateralized to a minimum of 102% and the collateral is held by the WVIMB's custodian in the name of the WVIMB. All remaining securities are held by the WVIMB's custodian in the name of the WVIMB.

At June 30, 2020 and 2019, the Pool help no securities that were subject to custodial credit risk.

Foreign Currency Risk

None of the securities held by the Pool are exposed to foreign currency risk.

(in thousands)

Fair Value Measurements

The tables below summarize the valuation of the investment securities in accordance with GASB Statement No.72 fair value hierarchy levels as of June 30:

	2020			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Corporate asset backed issues	**$ -**	**$ 104,830**	**$ -**	**$ 104,830**
Corporate CMO	**-**	**46,117**	**-**	**46,117**
Corporate CMO interest-only	**-**	**212**	**-**	**212**
Corporate CMO principal-only	**-**	**64**	**-**	**64**
Foreign asset backed issues	**-**	**2,168**	**-**	**2,168**
Foreign corporate bonds	**-**	**61,479**	**-**	**61,479**
Foreign government bonds	**-**	**5,870**	**-**	**5,870**
Money market mutual fund	**10,949**	**-**	**-**	**10,949**
Municipal bonds	**-**	**12,331**	**-**	**12,331**
Securities lending collateral	**4,868**	**-**	**-**	**4,868**
U.S. corporate bonds	**-**	**189,911**	**-**	**189,911**
U.S. Government agency bonds	**-**	**3,100**	**-**	**3,100**
U.S. Government agency CMO	**-**	**98,050**	**-**	**98,050**
U.S. Government agency CMO interest-only	**-**	**2,144**	**-**	**2,144**
U.S. Government agency CMO principal-only	**-**	**4,409**	**-**	**4,409**
U.S. Government agency MBS	**-**	**180,583**	**-**	**180,583**
U.S. Government agency TBAs	**-**	**5,924**	**-**	**5,924**
U.S. Treasury bonds	**-**	**201,453**	**-**	**201,453**
U.S. Treasury inflation protected securities	**-**	**459**	**-**	**459**
Total	**$ 15,817**	**$ 919,104**	**$ -**	**$ 934,921**

	2019			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Corporate asset backed issues	$ -	$ 122,361	$ -	$ 122,361
Corporate CMO	-	33,139	-	33,139
Corporate CMO interest - only	-	303	-	303
Corporate CMO principal - only	-	74	-	74
Foreign assets backed issues	-	2,698	-	2,698
Foreign corporate bonds	-	59,221	-	59,221
Foreign government bonds	-	3,125	-	3,125
Money market mutual fund	55,686	-	-	55,686
Municipal bonds	-	10,261	-	10,261
Securities lending collateral	-	57,501	-	57,501
U.S. corporate bonds	-	165,080	-	165,080
U.S. Government agency bond	-	5,257	-	5,257
U.S. Government agency CMO	-	109,465	-	109,465
U.S. Government agency CMO interest-only	-	2,153	-	2,153
U.S. Government agency CMO principal-only	-	5,062	-	5,062
U.S. Government agency MBS	-	150,176	-	150,176
U.S. Treasury bonds	-	205,102	-	205,102
U.S. Treasury inflation protected securities	-	449	-	449
Total	$ 55,686	$ 931,427	$ -	$ 987,113

(in thousands)

HEDGE FUND POOL

This Pool was established to hold the WVIMB's investments in hedge funds. The objective of the Pool is to reduce risk through diversification of participants' assets. The primary performance benchmark is the Hedge Funds Research, Inc. Fund of Funds Composite Index plus 100 basis points. The secondary benchmark is the Citigroup 90-Day Treasury Bill Index plus 500 basis points. Albourne America, LLC has been retained by the WVIMB to provide consulting services for this investment strategy.

Effective September 1, 2019, the IMB changed its custodian bank from the Bank of New York Mellon (BNYM) to Northern Trust (NT).

BRIM's amount invested in the Hedge Fund Pool of $32,685 and $36,375 at June 30, 2020 and 2019, respectively, represented approximately 1.6% and 1.5%, respectively, of total investments in this Pool.

Investment Risk

The Pool holds shares in hedge funds and shares of money market fund with the highest credit rating. As of June 30, 2020 and 2019, the money market mutual fund has the highest credit rating and has a weighted average maturity of 53 and 43 days, respectively. The investments in hedge funds might be indirectly exposed to foreign currency risk, credit risk and/or custodial credit risk. The Pool is restricted from investing more than 10% of the value of the Pool with any single manager. At June 30, 2020 and 2019, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Fair Value Measurements

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share (NAV) as the practical expedient for the year ended June 30, 2020 and 2019. The majority of the Pool's investments in hedge funds were valued using the NAV per share; as such, they have not been categorized in the fair value hierarchy for 2020 and 2019.

The tables that follow sets forth information about the level within the fair value hierarchy at which the Pool's assets and liabilities are measured at June 30.

	2020			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market mutual fund	**$ 12**	**$ -**	**$ -**	**$ 12**
Hedge funds				**1,893,312**
Total				**$ 1,893,324**

	2019			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Money market mutual fund	$ 656	$ -	$ -	$ 656
Hedge funds				2,081,618
Total				$ 2,082,274

(in thousands)

The following tables present information on investments measured at the NAV as of June 30:

Hedge Fund Strategies	Fair Value (2020)	Redemption Frequency	Redemption Notice Period
Directional [a]	**$ 200,974**	Mthly/Qtly	5 to 30 days
Equity long/short [b]	**205,201**	Mthly/Qtly	30 to 60 days
Event-driven [c]	**70,232**	Qtly/Every 2 years	45 to 180 days
Long-biased [d]	**77,581**	Mthly	90 days
Multi-strategy [e]	**1,049,030**	Mthly/Qtly/Semi-ann/Ann	30 to 95 days
Relative-value [f]	**290,294**	Weekly/Quarterly	5 to 60 days
Total investments measured at the NAV	**$ 1,893,312**		

Hedge Fund Strategies	Fair Value (2019)	Redemption Frequency	Redemption Notice Period
Directional [a]	$ 154,484	Mthly/Qtly	3 to 60 days
Equity long/short [b]	272,424	Mthly/Qtly/Every 3 yrs	30 to 60 days
Event-driven [c]	37,715	Qtly	65 days
Long-biased [d]	61,426	Mthly	90 days
Multi-strategy [e]	1,265,338	Mthly/Qtly/Ann	3 to 95 days
Relative-value [f]	290,231	Wkly/Mthly/Qtly	5 to 60 days
Total investments measured at the NAV	$ 2,081,618		

[a] Directional strategies employee various techniques to forecast the direction of segments of the market and then invest in either long or short positions. The segments may be geographic economies, industry sectors, currency, or asset class. The investments may be in physical securities or derivatives. The strategies may be trend-following or mean-reverting and may be specific to that segment or universally applied across them.

[b] An equity long/short strategy involves taking long positions in stocks that are expected to increase in value and short positions in stocks that are expected to decrease in value. At June 30, 2019, investments representing approximately 60% of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions. The percentage of investments subject to maximum withdrawal restrictions at June 30, 2020 was not disclosed.

[c] Event-driven funds maintain positions in companies currently or prospectively involved in various corporate transactions including, but not limited to, mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event-driven exposure includes a combination of sensitive to equity markets, credit markets and company-specific developments. At June 30, 2020, all of the funds in this investment strategy are subject to maximum withdrawal restrictions. At June 30, 2019, the sole fund in this investment strategy is subject to maximum withdrawal restrictions.

[d] Long-biased strategies employ analytical techniques in which the investment thesis is predicated on assessment of the valuation characteristics on the underlying companies with the goal of identifying undervalued companies. Long-biased strategies may vary the investment level or the level of long exposure over market cycles, but the primary distinguishing characteristic is that the manager maintains consistent long exposure.

[e] Multi-strategy managers combine several strategies within the same fund in order to provide diversification benefits to reduce return volatility and decrease asset-class and single-strategy risks. These funds typically add incremental returns through active allocation adjustments based on market opportunities. Risk is managed

(in thousands)

through a combination of quantitative and qualitative constraints including, but not limited to, active risk, liquidity risk, currency risk, manager risk, derivatives risk and leverage risk. Investments representing approximately 35% in 2020 and 43% in 2019 of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.

(f) Relative-value funds maintain positions in which the investment thesis is predicated on the realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment insights and security types range broadly across equity, fixed income, derivative or other security types. Fixed Income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk-adjusted spread between these instruments represents an attractive opportunity. Investments representing approximately 40% in 2020 and 37% in 2019 of the fair value of the instruments in this strategy are subject to maximum withdrawal restrictions.

TREASURY INFLATION PROTECTION SECURITIES (TIPS)

The pool was established to offer an additional level of diversification over and above the nominal fixed income securities in an attempt to mitigate the risk of inflation. The main objective for the Pool is to generate a return that exceeds the rate of inflation over a market cycle, to provide investment income and stability of principal, and to diversify interest rate exposure. The Pool's performance is measured against the Bloomberg Barclays U.S. Treasury Inflation Protection Index on an annualized basis over rolling three- to five-year periods, gross of fees. Assets were managed by State Street Global Advisors through April 2, 2018. Effective April 4, 2018, the Pool invests in the BlackRock U.S. Treasury Inflation Protected Securities Fund B (BlackRock). BlackRock invests primarily in a portfolio of debt securities with the objective of closely approximating the total rate of return for all outstanding U.S. Treasury Inflation Protected Securities with a maturity of one year or greater.

Effective September 1, 2019, the IMB changed its custodian bank from the Bank of New York Mellon (BNYM) to Northern Trust (NT).

BRIM's amount invested in the TIPS Pool of $16,161 and $16,062 at June 30, 2020 and 2019, respectively, represented approximately 5.6% and 4.0% respectively, of total investments in this pool.

Credit Risk

The Pool invests in a commingled bond fund that holds primarily U.S. Treasury inflation protected securities. This investment is exposed to credit and interest rate risk. This fund is not rated by a nationally recognized statistical rating organization. Effective duration is a method of disclosing interest rate risk that measures the expected change in the price of a fixed income security for a 1% change in interest rates. As of June 30, 2020 and 2019, the fund had an effective duration of 7.68 and 7.48 years, respectively. At June 30, 2020 and 2019, the Pool is not exposed to concentration of credit risk, custodial risk, or foreign currency risk.

Interest Rate Risk

Interest rate risk of the money market mutual fund is measured by weighted average maturity (WAM). As of June 30, 2020, the fund's WAM was 53 days. As of June 30, 2019, the pool did not disclose WAM in days.

Fair Value Measurements

The table below summarizes the valuation of the investment securities in accordance with fair value hierarchy levels as of June 30:

	2020			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Comingled bond fund	$ 290,665	$ -	$ -	$ 290,665
Money Market Mutual Fund	2	-	-	2
Total	$ 290,667	$ -	$ -	$ 290,667

(in thousands)

	2019			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Comingled bond fund	$ 397,843	$ -	$ -	$ 397,843
Money Market Mutual Fund	5,500	-	-	5,500
Total	$ 403,343	$ -	$ -	$ 403,343

SHORT-TERM FIXED INCOME POOL

The main objective of this Pool is to maintain sufficient liquidity to meet the daily disbursements requested by participants and to invest any contributions until the time the money is transferred to other WVIMB operated investment pools without sustaining capital losses while earning a small return above inflation. The Pool's benchmark, net of external investment management fees, is the Citigroup ninety-day Treasury Bill Index. JP Morgan Investment Advisors, Inc. manages the Pool.

Effective September 1, 2019, the IMB changed its custodian bank from the Bank of New York Mellon (BNYM) to Northern Trust (NT).

BRIM's amount invested in the Short-Term Fixed Income Pool of $7,863 and $7,864 at June 30, 2020 and 2019, respectively, represented approximately 1.3% and 4.2%, respectively, of total investments in this Pool.

Credit Risk

The WVIMB limits the exposure to credit risk in the Pool by requiring all corporate bonds to be rated AA or higher. Commercial paper must be rated A-1 by Standard & Poor's and P-1 by Moody's. Additionally, the Pool must have at least 15% of its assets in United States Treasury issues. The WVIMB reviews available ratings from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. All of the Pool's investments had the highest credit ratings as of June 30, 2020 and 2019.

Interest Rate Risk

As of June 30, 2020 and 2019, the weighted average maturity (WAM) of the investments of the Pool is not to exceed 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date. The following table provides the WAM for the different asset types in the Pool as of June 30:

Investment Type	**2020 Carrying Value**	**WAM (Days)**	**2019 Carrying Value**	**WAM (Days)**
Repurchase agreement	**$ 75,658**	**1**	$ 45,000	1
Money market mutual fund	**25,896**	**1**	-	-
U.S. Government agency bonds	**265,950**	**48**	91,095	10
U.S. Treasury bonds	**274,978**	**27**	49,955	16
Total investments	**$ 642,482**		$ 186,050	

Concentration of Credit Risk

The Pool is restricted from investing more than 5% of the value of the Pool in any one corporate name. At June 30, 2020 and 2019, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

(in thousands)

Custodial Credit Risk

At June 30, 2020 and 2019, the Pool held no investments that were subject to custodial credit risk. Repurchase agreements are collateralized at 102% and the collateral is held in the name of the WVIMB. All remaining investments are held by the WVIMB's custodian in the name of the WVIMB.

Foreign Currency Risk

The Pool has no investments that are subject to foreign currency risk.

Fair Value Measurements

The tables below summarize the valuation of the investment securities in accordance with fair value hierarchy levels as of June 30:

	2020			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Repurchase agreement	**$ -**	**$ 75,658**	**$ -**	**$ -**
Money market mutual fund	**25,896**			
U.S. Government agency bonds	**-**	**265,950**	**-**	**-**
U.S. Treasury bills	**-**	**274,978**	**-**	**-**
Total	**$ 25,896**	**$ 616,586**	**$ -**	**$ -**

	2019			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Repurchase agreement	$ -	$ 45,000	$ -	$ 45,000
U.S. Government agency bonds	-	91,095	-	91,095
U.S. Treasury bills	-	49,955	-	49,955
Total	$ -	$ 186,050	$ -	$ 186,050

Advanced deposits

INSURANCE COMPANY AND TRUSTEE

BRIM deposits monies with BNY, as trustee, to hold as advance deposits in an escrow account for BRIM liability claims. The monies held in escrow are invested in specific money market funds and short-term guaranteed or investment-grade fixed income securities that are identified as "qualified assets" in the escrow agreement. The BNY advance deposit balance at June 30, 2020 and 2019 of $264,014 and $224,786, respectively, are presented net of amounts due to AIG for claims funding. At June 30, 2020 and 2019, amounts payable to AIG were $0 and $1,781, respectively.

(in thousands)

The following table provides information on the weighted-average credit ratings of the cash liquidity pool's investments as of June 30:

	2020				2019			
Security Type	**Moody's**	**S&P**	**Fair Value**	**Percent of Assets**	**Moody's**	**S&P**	**Fair Value**	**Percent of Assets**
Corporate bonds and notes	**A1**	**A+**	**$ 1,456**	**0.56**	A1	A+	$ -	- %
Aa1	**AA+**	**1,446**	**0.55**	Aa1	AA+	1,111	0.49	
	Aa1	**AA**	**1,588**	**0.61**	Aa1	AA	2,188	0.97
	Aa1	**AA-**	**3,114**	**1.19**	Aa1	AA-		
	Aa2	**AA**	**2,960**	**1.13**	Aa2	AA	2,165	0.96
	Aa2	**AA-**	**-**	**0.00**	Aa2	AA-	-	0.00
	Aa3	**AA-**	**1,500**	**0.57**	Aa3	AA-	2,172	0.97
	Aa3	**A+**	**-**	**0.00**	Aa3	A+	-	0.00
	Aaa	**AA+**	**2,656**	**1.01**	Aaa	AA+	1,089	0.48
	Aaa	**AAA**	**4,032**	**1.54**	Aaa	AAA	2,225	0.99
			18,752	**7.16**			10,950	4.86
U.S. Treasury bonds and notes	**Aaa**	**NR**	**238,616**	**91.15**	Aaa	NR	206,546	91.69
	NR	**NR**	**-**	**0.00**	NR	NR	-	0.00
U.S. Agency-debenture	**NR**	**NR**	**2,909**	**1.11**	NR	NR	7,204	3.20
Money market funds	**NR**	**NR**	**1,514**	**0.58**	NR	NR	565	0.25
Total rated investments			**$ 261,791**	**100.00%**			$ 225,265	100.00 %

Concentration of Credit Risk
As per the Investment Guidelines, at the time of purchase, no more than 4.9% of its advance deposit assets can be held in securities issued by a single private corporation or association.

Custodial Credit Risk
At June 30, 2020 and 2019, advanced deposits include no securities that were subject to custodial credit risk.

Interest Rate Risk
The following table provides the WAM for the various asset types in the advanced deposits as of June 30:

	2020		2019	
Investment Type	**Fair Value**	**WAM Years**	**Fair Value**	**WAM Years**
Corporate bonds and notes	**$ 16,096**	**3.5**	$ 9,844	4.6
U.S. Treasury bonds	**238,616**	**3.8**	207,652	3.7
U.S. Agency debenture	**5,565**	**7.4**	7,204	0.3
Money market funds	**1,514**	**0.0**	565	0.7
Total rated investments	**$ 261,791**		$ 225,265	

Foreign Currency Risk
None of the advanced deposits includes interest holds in foreign currency or interests valued in foreign currency.

(in thousands)

Fair Value Measurements

The table below summarizes the valuation of the investment securities in accordance with fair value hierarchy levels as of June 30:

	2020			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Corporate bonds and notes	**$ 16,096**	**$ -**	**$ -**	**$ 16,096**
U.S. Treasury bonds	**238,616**	**-**	**-**	**238,616**
U.S. Agency debenture	**5,565**	**-**	**-**	**5,565**
Money market funds	**1,514**	**-**	**-**	**1,514**
Total	**$ 261,791**	**$ -**	**$ -**	**$ 261,971**

	2019			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Corporate bonds and notes	$ 9,844	$ -	$ -	$ 9,844
U.S. Treasury bonds	207,652	-	-	207,652
U.S. Agency debenture	7,204	-	-	7,204
Money market funds	565	-	-	565
Total	$ 225,265	$ -	$ -	$ 225,265

The fair value tables above do not include cash and cash equivalents at June 30, 2020 and 2019 of $2,223 and $1,302, respectively.

4. Unpaid Claims and Claims Adjustment Expense Liability

BRIM establishes an estimated liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claims adjustment expenses.

The following represents changes in the estimated liability for the fiscal and policy years ended June 30:

	2020	**2019**
Unpaid claims and claims adjustment expense liability at beginning of year	**$ 190,978**	$ 167,001
Incurred claims and claims adjustment expense:		
Provision for insured events of the current year	**69,809**	69,092
(Decrease) increase in provision for insured events of prior years	**(4,460)**	11,077
Total incurred claims and claims adjustment expense	**65,349**	80,169
Payments:		
Claims and claims adjustment expense attributable to insured events of the current year	**(12,300)**	(10,321)
Claims and claims adjustment expense attributable to insured events of prior years	**(39,231)**	(45,871)
Total payments	**(51,531)**	(56,192)
Total unpaid claims and claims adjustment expense liability at end of year	**$ 204,796**	$ 190,978

If the unpaid claims and claims adjustment expense liability were discounted using a 4% discount factor for 2020 and 2019 to take into consideration the time value of money, the result would be a decrease in the liability and an increase in net position of approximately $16,424 and $15,500 for fiscal years 2020 and 2019, respectively. The overall unpaid claim liability number includes a provision for allocated and unallocated claims adjustment expense. Unfavorable claims development for insured events of prior years was the primary reason for the overall increase in the reserves from the prior year.

5. Pension Plan

Plan description

All full-time BRIM employees are eligible to participate in PERS, a multiple-employer defined benefit cost-sharing public employee retirement system administered by the West Virginia Consolidated Public Retirement Board (CPRB). Chapter 5, Article 10 of the West Virginia Code assigns the authority to establish and amend benefit provisions to the PERS Board of Trustees. Benefits under PERS include deferred retirement, early retirement, death and disability benefits and have been established and may be amended by action of the State Legislature. The CPRB issues a publicly available financial report that includes financial statements for PERS that may be obtained at www.wvretirement.com.

Benefits provided

Employees are eligible for normal retirement at age 60 with five or more years of credited service, of at least age 55 with age and service equal to 80 or greater. For all employees hired on or after July 1, 2015, qualification for normal retirement is age 62 with ten years of service or at lease age 55 with age and service equal to 80 or greater. The straight-life annuity retirement benefit, established by State statute, is equivalent to 2% of the employee's final average salary multiplied by years of service. Final average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. For all employees hired on or after July 1, 2015, average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired on or after July 1, 2015 who have separated from employment with a participating PERS agency prior to retirement, the retirement age increases to age 64.

Contributions

While contribution rates are legislatively determined, actuarial valuations are performed to assist PERS and the State Legislature in determining contribution rates. Current funding policy requires employer contributions of 10%, 10% and 11% for the years ended June 30, 2020, 2019 and 2018, respectively. As permitted by legislation, BRIM has elected to pay 100% of all costs relating to the Plan, including the employee's 4.5% contribution for employees hired on or before February 6, 2012. Beginning February 7, 2012, new hires are required to pay the employee's contribution of 4.5%. For all employees hired on or after July 1, 2015, the employee contribution increased to 6.0%. BRIM's contributions to the Plan were $152, $142 and $138 for the fiscal years ended June 30, 2020, 2019 and 2018, respectively.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

The West Virginia Consolidated Public Retirement Board (WVCPRB) administers this cost-sharing multiple-employer plan. At June 30, 2020 and 2019, BRIM reported a liability of $214 and $249 for its proportionate share of the net pension liability. The net pension liability reported at June 30, 2020 was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, rolled forward to the measurement date of June 30, 2019. BRIM's proportion of the net pension liability was based on BRIM's share of contributions to the pension plan relative to the contributions of all employers participating in PERS for the year ended June 30, 2019. At June 30, 2020, BRIM's proportionate share was 0.0995%, which was an increase of 0.0031% from its proportionate share as of June 30, 2019.

(in thousands)

For the years ended June 30, 2020 and 2019, BRIM recognized pension expense of $220 and $5, respectively. At June 30, 2020 and 2019, BRIM reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020		2019	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Net difference between projected and actual earnings on pension plan investments	**$ -**	**$ 77**	$ -	$ 146
Differences between expected and actual experience	**8**	**19**	12	1
Difference in assumptions	**-**	**39**	-	-
Changes in proportion and differences between BRIM's contributions and proportionate share of contributions	**55**	**10**	219	53
BRIM's contributions made subsequent to the measurement date of June 30, 2019 and 2018	**152**	**-**	142	-
Total	**$ 215**	**$ 145**	$ 373	$ 200

Employer contributions to PERS made during the fiscal year, subsequent to the pension liability measurement date, are recorded as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the following year. The net difference between projected and actual investment earnings on pension plan investments is amortized over a five-year period. All other deferred outflows of resources and deferred inflows of resources relating to pension amounts reported in the financial statements are amortized and included in pension expense over the average remaining service life, rounded to the nearest whole year, of four years.

These other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension as of June 30, 2020 will be recognized in pension expense as follows:

Year ending June 30:	
2021	$ (12)
2022	$ (101)
2023	$ (2)
2024	$ 33

Actuarial assumptions and methods

The total pension liabilities for financial reporting purposes were determined by actuarial valuation as of July 1, 2018, and rolled forward to June 30, 2019, using the actuarial assumptions and methods described, as follows:

	2020	2019
Inflation	**3.0%**	3.0%
Salary increase	**3.1-6.5%, avg., including inflation**	3.0-4.6%, avg., including inflation
Investment rate of return	**7.5%, net of pension plan investment expense**	7.5%, net of pension plan investment expense

Mortality rates were based on 110% of the RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis for healthy males, 101% of RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis for healthy females, 96% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis for disabled males, and 107% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis for disabled females.

(in thousands)

The actuarial assumptions used in the valuations were based on the results from an actual experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of long-term geometric rates of return for each major asset class included in the system's target asset allocation as of June 30, 2019 and 2018, are summarized below:

Asset Class	Long-Term Expected Rate of Return
Domestic equity	5.8%
International equity	7.7%
Fixed income	3.3%
Real estate	6.1%
Private equity	8.8%
Hedge funds	4.4%

Discount rate

The discount rate used to measure the total pension liability was 7.5% for both valuations. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policy. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current system members. Therefore, the long-term expected rate of return on system investments was applied to all periods of projected benefit payments to determine the total pension liability. In the event of benefit payments that are not covered by the system's fiduciary net position, a municipal bond rate of 2.79% at June 30, 2019 and 2.71% at June 30, 2018 is to be used to discount the benefit payments not covered by the system's fiduciary net position. The municipal bond rate equals the S&P Municipal Bond 20 Year High Grade Index at the measurement date, June 30, 2019.

Sensitivity of BRIM'S proportionate share of the net pension liability to changes in the discount rate

The following presents BRIM's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what BRIM's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
BRIM's proportionate share of net pension liability (asset)	$ (997)	$ (214)	$ 448

6. Other Post-Employment Benefits

Plan description

BRIM participates in the West Virginia Other Postemployment Benefit Plan (the Plan) is a cost-sharing, multiple employer, defined benefit other post-employment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code Section 5-16D-2 (the Code). The financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State of West Virginia. The Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by PEIA and the RHBT management with approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary serves as Chairman of the Board. Four members represent labor, education, public employees and public retirees. Four remaining members represent the public-at-large.

The Plan had approximately 43,000 policyholders and 64,000 covered lives at June 30, 2019.

BRIM currently has approximately 18 employees eligible to receive RHBT benefits.

Active employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the applicable State retirement system and if their last employer immediately prior to retirement: is a participating employer under the Consolidated Public Retirement Board (CPRB) and, as of July 1, 2008 forward, is a participating employer with the Public Employees Insurance Agency (PEIA). Active employees who, as of July 1, 2008, have ten years or more of credited service in the CPRB and whose employer at the time of their retirement does participate with CPRB, but does not participate with PEIA will be eligible for PEIA retiree coverage provided: they otherwise meet all criteria under this heading and their employer agrees, in writing, upon a form prescribed by PEIA, that the employer will pay to PEIA the non-participating retiree premium on behalf of the retiree or retirees, or that the retiree agrees to pay the entire unsubsidized premium themselves. Active employees who are members of the Teacher's Defined Contribution Retirement plan must be either: 55 years of age and have 12 or more years of credited service; or be at least 60 years of age with five years of service; and their last employer immediately prior to retirement must be a participating employer under that, or the CPRB system to qualify to continue PEIA insurance benefits upon retirement. Employees who participate in non-State retirement systems but that are CPRB system affiliated, contracted, or approved (such as TIAA-CREF and similar plans), or are approved, in writing, by the PEIA Director must, in the case of education employees, meet the minimum eligibility requirements of the State Teacher's Retirement System, and in all other cases meet the minimum eligibility requirements of the Public Employees Retirement System to be eligible for PEIA benefits as a retiree.

For additional financial information, which may be used for disclosure by participating employers, please refer to the audited financial statements of the RHBT. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov. If you have any questions about this report or need additional information, contact the Chief Financial Officer, Jason Haught, at (304) 558-7850, ext. 52642 or the RHBT Controller, Jennifer Priddy, at (304) 558-7850, ext. 52681. You can also submit your questions in writing to West Virginia Public Employees Insurance Agency, 601 57th Street, SE Suite 2, Charleston, WV 25304..

Benefits provided

The Plan provides the following benefits:

- Medical and prescription drug insurance
- Life insurance

The medical and prescription drug insurance is provided through two options:

- Self-Insured Preferred Provider Benefit Plan – primarily for non-Medicare-eligible retirees and spouses
- External Managed Care Organizations – primarily for Medicare-eligible retirees and spouses

Contributions

Contributions into RHBT include paygo, retiree leave conversion billings, and other matters, including billing adjustments. Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribute to RHBT this premium at the established rate for every active policyholder per month. Paygo rates were $168 and $183 for the years ending June 30, 2020 and 2019, respectively. Paygo rates were $177 for January 2018 through June 2018. Other contributions such as retiree leave conversion differ by agency and are only recorded as utilized by plan participants. BRIM's contributions to RHBT were $39, $45 and $44 for the fiscal years ended June 30, 2020, 2019 and 2018, respectively.

Members retired before July 1, 1997 pay retiree healthcare contributions at the highest sponsor subsidized rate, regardless of their actual years of service. Members retired between July 1, 1997 and June 30, 2010, pay a subsidized rate depending on the member's years of service. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy.

Retiree leave conversion contributions from the employer depend on the retiree's date of hire and years of service at retirement as described below:

- Members hired before July 1, 1988, may convert accrued sick or leave days into 100% of the required retiree healthcare contribution.
- Members hired from July 1, 1988, to June 30, 2001, may convert accrued sick or leave days into 50% of the required retiree healthcare contribution.

The conversion rate is two days of unused sick and annual leave days per month for single healthcare coverage and three days of unused sick and annual leave days per month for family healthcare coverage.

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2020 and 2019, BRIM reported a liability of $391 and $470 for its proportionate share of the net OPEB liability. The net OPEB liability reported at June 30, 2020 was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to the measurement date of June 30, 2019. For fiscal year 2019, the net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to the measurement date of June 30, 2018. BRIM's proportion of the net OPEB liability was based on BRIM's share of contributions to the OPEB plan relative to the contributions of all employers participating in RHBT for the year ended June 30, 2019. At June 30, 2020, BRIM's proportionate share was 0.0236%, which was an increase of 0.0017% from its proportionate share as of June 30, 2019.

(in thousands)

At June 30, 2020 and 2019, BRIM reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2020		2019	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Net difference between expected and actual earnings on OPEB investments	**$ 2**	**$ 6**	$ -	$ 9
Differences between expected and actual experience	**-**	**46**	-	7
Changes in assumptions	**-**	**79**	-	47
Changes in proportion and differences between BRIM's contributions and proportionate share of contributions	**43**	**29**	21	46
Reallocation of opt-out employer changes in proportionate share	-	11	-	-
BRIM's contributions made subsequent to the measurement date of June 30, 2018 and 2017	**39**	**-**	44	-
Total	**$ 84**	**$ 171**	$ 65	$ 109

Employer contributions to RHBT made during the fiscal year, subsequent to the net OPEB liability measurement date, are recorded as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the following year.

The net difference between projected and actual investment earnings on OPEB Plan investments are recognized in OPEB expense using a systematic and rational method over a closed five-year period. Differences between actual and expected experience relating to OPEB amounts are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB Plan determined as of the beginning of the measurement period. The average of the expected remaining lives is 4.6370 years.

These other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ending June 30:	
2021	$ (51)
2022	$ (34)
2023	$ (25)
2024	$ (4)

OPEB Contributions by Non-employer Contributing Entities in a Special Funding Situation

The State of West Virginia is a non-employer contributing entity that provides funding through SB 419, effective July 1, 2012, amended by West Virginia Code §11-21-96. The State provides a supplemental pre-funding source dedicating $30 million annually to the RHBT Fund from annual collections of the Personal Income Tax Fund and dedicated for payment of the unfunded liability of the RHBT. The $30 million transferred pursuant to this Code shall be transferred until the Governor certifies to the Legislature that an independent actuarial study has determined that the unfunded liability of RHBT has been provided for in its entirety or July 1, 2037, whichever date is later. This funding is to the advantage of all RHBT contributing employers.

(in thousands)

The State is a non-employer contributing entity that provides funding through West Virginia State Code §11B-2-32. The Financial Stability Fund is a plan to transfer an annual amount of $5 million to the RHBT from special revenue funds to be used to lower retiree premiums, to help reduce benefit cuts, to help reduce premium increases or any combination thereof. The $5 million transferred pursuant to this Code shall be transferred annually into the RHBT through June 30, 2020. This funding is to the advantage of all RHBT contributing employers.

For the years ended June 30, 2020 and 2019, BRIM recognized OPEB expense of $28 and $47.

For the years ended June 30, 2020 and 2019, BRIM recognized revenue of $24 and $30, respectively, for support provided by the State under a special funding situation.

BRIM's reported liability for its proportionate share of the WV OPEB Plan's net OPEB liability that reflected a reduction for the State of WV OPEB support provided to BRIM. The amount recognized BRIM as its proportionate share of the net OPEB liability, the related State of WV support, and the total portion of the net OPEB liability that was associated with BRIM as of June 30 was as follows.

	2020	2019
BRIM's proportionate share of the net OPEB liability:	**$ 391**	$ 470
State of WV's special funding proportionate share of the net OPEB Liability associated with BRIM	**80**	97
Total portion of the net OPEB liability associated with BRIM	**$ 471**	$ 567

Actuarial assumptions

The net OPEB liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation 2.75%

Salary increases .... Dependent upon pension system ranging from 3.00% to 6.50%, including inflation

Investment rate of return .... 7.15%, net of OPEB plan investment expense, including inflation

Healthcare cost trend rates ....

Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year ended 2020, 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.

Actuarial cost method .... Entry Age Normal Cost Method

Amortization method.................. Level percentage of payroll over a 21-year closed period

Remaining amortization period.. 20 years closed as of June 30, 2018

RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2014 Healthy Annuitant Mortality Table projected with scale MP-2016 on a fully generational basis for Troopers A and B. Pre-Retirement: RP-2000 Non- Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2014 Employee Mortality Table projected with Scale MP-2016 on a fully generational basis for Troopers A and B.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 − June 30, 2015.

(in thousands)

Certain assumptions have been changed since the prior actuarial valuation of June 30, 2017 and a measurement date of June 30, 2019. The net effect of assumptions changes was approximately $236 million. The assumption changes that most significantly impacted the Net OPEB Liability were an approximate 11.8 million decrease in the per capita claims costs for Pre-Medicare and Medicare, as well as an approximate $224.2 million decrease due to capped subsidy costs implemented in December 2019. Certain other assumption changes were noted but did not materially impact the Net OPEB Liability.

The long-term expected rate of return of 7.15% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.50% for long-term assets invested with the WV Investment Management Board and an expected short-term rate of return of 3.0% for assets invested with the West Virginia Board of Treasury Investments.

Long-term pre-funding assets are invested with the WVIMB. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTI.

The long-term rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages. Target asset allocations, capital market assumptions ("CMA"), and a 10-year forecast of nominal geometric returns by major asset class were provided by the plan's investment advisors, including the West Virginia Investment Management Board ("WV-IMB"). The projected nominal return for the Money Market Pool held with the West Virginia Board of Treasury Investments ("WV-BTI") was estimated based on WV-IMB assumed inflation of 2.0% plus a 25 basis point spread.

The target allocation and estimates of annualized real returns assuming a 10-year horizon are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real return
Global Equity	49.5%	4.8%
Core plus fixed income	13.5	2.1
Core real estate	9.0	4.1
Hedge fund	9.0	2.4
Private equity	9.0	6.8
Cash and cash equivalents	10.0	0.3
Total allocation	100.0%	

Single discount rate

A single discount rate of 7.15% was used to measure the OPEB liability. The single discount rate was based on the expected rate of return on OPEB plan investment of 7.15% and a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date to the extent benefits are effectively financed on a pay-as-you-go basis. The long-term municipal bond rate used to develop the single discount rate was 3.62% as of the beginning of the year and 3.13% as of the end of the year. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Future pre-funding assumptions include a $30 million annual contribution from the State through 2037. Based on those assumptions, and that the Plan is expected to be fully funded by fiscal year ended June 30, 2033, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates. The discount rate used to measure the total OPEB liability did not change for the June 30, 2018 valuation from the June 30, 2017 valuation.

(in thousands)

Sensitivity of BRIM'S proportionate share of the net OPEB liability to changes in the discount rate

The following presents BRIM's proportionate share of the net OPEB liability calculated using the discount rate of 7.15%, as well as what BRIM's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
BRIM's proportionate share of net OPEB liability	$ 467	$ 391	$ 328

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.

The following presents BRIM's proportionate share of the net OPEB liability of the Plan, as well as what the BRIM's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	$ 316	$ 391	$ 483

7. Lease Arrangement

On October 1, 2019, BRIM entered into a lease with the West Virginia Department of Administration for 13,364 square feet at the Albert Summers building located at 1124 Smith Street, Charleston, WV for an annual rental of $222. This lease expires on August 31, 2022.

Operating lease expense approximated $222 for both the years ended June 30, 2020 and 2019, respectively, relating to these arrangements. Future minimum lease payments under these operating lease arrangements are as follows for years ending June 30:

2021	$ 222
2022	$ 222
2023	$ 37

8. Transactions with Primary Government and Component Units

Premium revenues derived from billings to State entities, which are funded by special revenue funds and component units of the primary government, approximated $47,675 and $47,713 for the years ended June 30, 2020 and 2019, respectively.

BRIM is required by Senate Bill 1002 to remit amounts equal to the gross premium tax attributable to premiums collected by BRIM. These amounts are to be placed in a separate account known as "the Premium Tax Savings Fund" (the Fund) maintained by the State Treasurer. The balance in this fund was $3,258 and $9,362 at June 30, 2020 and 2019, respectively. The Fund is not included in BRIM's financial statements but is included in the general fund of the State.

9. Reinsurance *(Amounts Referenced in this Note Related to Insurance Coverages are Actual Dollars)*

BRIM has entered into two reinsurance agreements for excess coverage with unrelated insurance companies wherein the company assumes the liability over BRIM's limit for a ceded premium. BRIM obtains an excess policy from the commercial market, which gives boards of education a liability limit of up to $5 million in excess of BRIM's $1 million self-insured limit. BRIM also purchases an excess policy on all State and SB3 insured property over and above BRIM's $1 million self-insured limit. These reinsurance agreements have been accounted for as a transfer of risk in the accompanying financial statements; however, BRIM is not relieved of its primary obligation to the insureds in the reinsurance transaction. BRIM had $593 reinsurance recoveries for the fiscal year ended June 30, 2020, and $0 for the fiscal year ended June 30, 2019.

10. Risk Management *(Amounts Referenced in this Note Related to Insurance Coverages are Actual Dollars)*

BRIM is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to and illnesses of employees; medical liabilities; and natural disasters.

BRIM is a participant in the self-insured public entity risk pool it administers. Coverage is in the amount of $1 million per occurrence for general liability and property damage. Health insurance coverage for BRIM's employees is obtained through its participation in health insurance coverage offered by the West Virginia Public Employees Insurance Agency (PEIA). PEIA provides the following basic employee benefit coverage to all participants: hospital, surgical, group major medical, basic group life, accidental death and prescription drug coverage for active and retired employees of the State and various related State and non-State agencies. BRIM has coverage for job-related injuries through a statewide workers' compensation policy with a third-party insurer.

There have been no significant reductions in insurance coverage from the prior year. Additionally, the amount of settlements has not exceeded insurance coverage in the past three years.

11. COVID-19 Pandemic

On March 13, 2020, the President of the United States declared a national emergency with respect to the global coronavirus disease (“COVID-19”), a respiratory disease declared to be a pandemic by the World Health Organization. In response to COVID-19, the federal government and a large number of state governments, including West Virginia, have imposed strict measures to curtail aspects of public life in an effort to control further spreading of COVID-19, including closures of schools, non-life essential businesses and stay at home guidelines.

The spread of the virus may disrupt the BRIM’s business along with the business of BRIM’s participants. The economic uncertainty caused by the virus has not been fully determined but could have a significant impact on BRIM’s financial condition, results of operations, and future cash flows. It is not currently possible to predict the impact on BRIM associated with COVID-19, and, therefore, the financial statements do not reflect any adjustments as a result of the subsequent increase in economic uncertainty.

Required Supplementary Information
(in thousands)

West Virginia Board of Risk and Insurance Management
Ten-Year Claims Development Information
Fiscal and Policy Year Ended June 30
(in thousands)

The table below illustrates how BRIM's earned revenues (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by BRIM as of the end of each of the last ten years. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's premium revenues and investment revenues. (2) This line shows each fiscal year's other operating costs of BRIM including overhead and unallocated claims expense not allocable to individual claims. (3) This line shows BRIM's incurred claims and claims adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year). (4) This section of rows shows the cumulative amounts paid as of the end of successive years for each policy year. (5) This line shows the latest reestimated amount of losses assumed by reinsurers for each year. (6) This section of rows shows how each policy year's incurred claims increased or decreased as of the end of successive years. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (7) This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1) Premiums and investment revenues:										
Earned	$ 71,320	$ 64,361	$ 54,969	$ 69,172	$ 63,037	$ 72,706	$ 81,209	$ 85,663	$ 104,345	**$ 105,385**
Ceded	6,075	5,386	5,825	6,102	6,197	6,909	6,681	6,518	6,627	**6,915**
Net earned	65,245	58,975	49,144	63,070	56,840	65,797	74,528	79,145	97,718	**98,470**
2) Unallocated expenses, including administrative fees paid to third-party claims administrators	7,867	7,562	7,240	7,888	7,653	7,911	8,290	8,507	8,684	**9,224**
3) Estimated incurred claims and claims adjustment expense, end of policy year:										
Incurred	53,728	60,176	57,276	58,389	62,342	66,740	70,705	72,629	69,092	**70,402**
Ceded	-	2,312	-	-	-	-	-	596	-	**593**
Net incurred	53,728	57,864	57,276	58,389	62,342	66,740	70,705	72,033	69,092	**69,809**
4) Paid (cumulative) claims and claims adjustment expense as of:										
End of policy year	10,757	10,156	10,870	10,560	11,146	12,863	11,922	11,846	10,321	**12,300**
One year later	18,034	20,830	18,936	19,965	24,010	23,494	23,067	22,032	22,279	
Two years later	26,398	30,577	30,649	29,077	34,801	34,585	37,673	32,994		
Three years later	34,305	43,021	40,132	45,059	43,864	44,997	44,538			
Four years later	39,497	48,351	48,853	51,231	48,379	49,631				
Five years later	42,538	51,004	52,093	53,383	50,322					
Six years later	43,031	53,155	53,802	54,454						
Seven years later	43,383	54,121	54,126							
Eight years later	43,877	55,578								
Nine years later	43,877									
5) Reestimated ceded claims and expenses	-	248	-	-	-	2,782	-	596	-	**-**
6) Reestimated net incurred claims and allocated claims adjustment expense:										
End of policy year	53,728	57,864	57,276	58,389	62,342	66,740	70,705	72,033	69,092	**69,809**
One year later	52,844	58,812	56,883	57,772	65,545	64,655	65,589	65,418	69,463	
Two years later	50,289	61,106	63,767	61,216	62,727	62,537	65,151	62,380		
Three years later	48,480	62,460	61,150	61,249	59,235	59,700	62,032			
Four years later	47,980	57,109	58,836	59,741	55,907	57,468				
Five years later	46,321	56,003	58,016	64,041	55,374					
Six years later	44,680	56,093	63,918	65,836						
Seven years later	43,910	63,858	60,909							
Eight years later	44,768	62,409								
Nine years later	45,971									
7) (Decrease) increase in estimated net incurred claims and allocated claims adjustment expense from end of policy year	(7,757)	4,545	3,633	7,447	(6,968)	(9,272)	(8,673)	(9,653)	371	**-**

Note: The above financial data is summarized for individual contract periods. Subsequent premium and related expense adjustments and reserve developments are recorded in the year incurred for fiscal year financial reporting, but are included in the applicable contract year for purposes of the above schedule. Accordingly, components of the change in net position as determined on a contract-year basis will differ from those included in BRIM's fiscal year financial statements.

West Virginia Board of Risk and Insurance Management
Reconciliation of Unpaid Claims and Claims Adjustment Expense Liability by Type of Contract
Fiscal and Policy Year Ended June 30
(in thousands)

The table below presents the changes in unpaid claims and claims adjustment expense liability for BRIM's lines of business:

	2020				2019			
	Liability	Property	Mine Subsidence	Total	Liability	Property	Mine Subsidence	Total
Unpaid claims and claims adjustment expense liability at beginning of fiscal year	**$ 183,378**	**$ 6,022**	**$ 1,578**	**$ 190,978**	$ 160,195	$ 5,512	$ 1,294	$ 167,001
Incurred claims and claims adjustment expense:								
Provision for insured events of the current fiscal year	**63,552**	**5,307**	**950**	**69,809**	63,601	4,490	1,001	69,092
Increase (decrease) in provision for insured events of prior fiscal years	**(6,888)**	**2,834**	**(406)**	**(4,460)**	10,806	(277)	548	11,077
Total incurred claims and claims adjustment expense	**56,664**	**8,141**	**544**	**65,349**	74,407	4,213	1,549	80,169
Payments:								
Claims and claims adjustment expense attributable to insured events of the current fiscal year	**9,694**	**2,507**	**99**	**12,300**	9,056	1,081	184	10,321
Claims and claims adjustment expense attributable to insured events of the prior fiscal years	**31,533**	**7,162**	**536**	**39,231**	42,168	2,622	1,081	45,871
Total claims and claims adjustment expense payments	**41,227**	**9,669**	**635**	**51,531**	51,224	3,703	1,265	56,192
Total unpaid claims and claims adjustment expense liability at end of the fiscal year	**$ 198,815**	**$ 4,494**	**$ 1,487**	**$ 204,796**	$ 183,378	$ 6,022	$ 1,578	$ 190,978

West Virginia Board of Risk and Insurance Management
Schedule of Proportionate Share of the Net Pension Liability in PERS
Last Six Fiscal Years
(in thousands except percentages)

	2020	2019	2018	2017	2016	2015
BRIM's proportionate (percentage) of the net pension liability	**0.0995%**	0.0964%	0.0767%	0.0833%	0.0836%	0.0994%
BRIM's proportionate share of the net pension liability	**$ 214**	$ 249	$ 331	$ 766	$ 467	$ 367
BRIM's covered payroll	**$ 1,432**	$ 1,275	$ 1,013	$ 1,100	$ 878	$ 962
BRIM's proportionate share of the net pension's liability as a percentage of its covered payroll	**14.94%**	19.53%	32.68%	69.64%	53.19%	38.15%
Plan fiduciary net position as a percentage of the total pension liability *	**96.99%**	96.33%	93.67%	86.11%	91.29%	93.98%

* This is the same percentage for all participant employers in the PERS plan.

Note 1: All amounts presented are as of the measurement date, which is one year prior to the fiscal year end date.

West Virginia Board of Risk and Insurance Management
Schedule of Contributions to PERS
Last Eight Fiscal Years
(in thousands except percentages)

	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	**$ 152**	$ 142	$ 138	$ 123	$ 149	$ 127	$ 133	$ 129
Contributions in relation to the statutorily required contribution	**(152)**	(142)	(138)	(123)	(149)	(127)	(133)	(129)
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	**$ 1,573**	$ 1,432	$ 1,275	$ 1,013	$ 1,100	$ 878	$ 962	$ 1,014
Contributions as a percentage of covered payroll	**9.66%**	9.92%	10.82%	12.14%	13.55%	14.00%	14.50%	14.00%

Notes to Required Supplementary Information – Schedule of Proportionate Share of the Net Pension Liability in PERS and Schedule of Contributions to PERS

1. Trend Information Presented

The accompanying schedules of BRIM's proportionate share of the net pension liability and contributions to PERS are required supplementary information to be presented for 10 years. However, until a full 10-year trend is compiled, information is presented in the schedules for those years for which information is available.

2. Plan Amendment

The PERS was amended to make changes that apply to new employees hired on or after July 1, 2015, as follows:

- For employees hired prior to July 1, 2015, qualification for normal retirement is age 60 with five years of service or at least age 55 with age and service equal to 80 or greater. For employees hired on or after July 1, 2015, qualification for normal retirement is 62 with 10 years of service or at least age 55 with age and service equal to 80 or greater.

- The straight life annuity retirement benefit is equivalent to 2% of average salary multiplied by years of service. For employees hired prior to July 1, 2015, average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. For all employees hired on or after July 1, 2015, average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings.

- For employees hired prior to July 1, 2015, terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired on or after July 1, 2015, this age increases to 64.

- For all employees hired prior to July 1, 2015, employees are required to contribute 4.5% of annual earnings. All employees hired on or after July 1, 2015, are required to contribute 6% of annual earnings.

(in thousands)

3. Changes in Assumptions

A summary of changes in key actuarial valuation assumptions utilized in the actuarial valuation are as follows:

	2018	2017
Projected salary increases:		
State	3.0 - 4.6%	3.0 - 4.6%
Non-state 3.0 - 4.6%	3.0 - 4.6%	3.0 - 4.6%
Inflation rate 3.0%	3.0%	3.0%
Mortality rates	Healthy males -110% of RP-2000 Non-Annuitant, Scale AA	Healthy males -110% of RP-2000 Non-Annuitant, Scale AA
	Healthy femailes-101% or RP-2000 Non-Annuitant, Scale AA	Healthy femailes-101% or RP-2000 Non-Annuitant, Scale AA
	Disabled males - 96% of RP-2000 Disabled annuitant, Scale AA	Disabled males - 96% of RP-2000 Disabled annuitant, Scale AA
	Disabled females - 107% of RP-2000 Disabled annuitant, Scale AA	Disabled females - 107% of RP-2000 Disabled annuitant, Scale AA
Withdrawal rates:		
State	1.75 - 35.1%	1.75 - 35.1%
Non-state	2 - 35.8%	2 - 35.8%
Disability rates	0 - .675%	0 - .675%

	2016	2015
Projected salary increases:		
State	3.0 - 4.6%	3.0 - 4.6%
Non-state		3.35 - 6.0%
Inflation rate		1.90%
Mortality rates	Healthy males -110% of RP-2000 Non-Annuitant, Scale AA	Healthy males -110% of RP-2000 Non-Annuitant, Scale AA
	Healthy femailes-101% or RP-2000 Non-Annuitant, Scale AA	Healthy femailes-101% or RP-2000 Non-Annuitant, Scale AA
	Disabled males - 96% of RP-2000 Disabled annuitant, Scale AA	Disabled males - 96% of RP-2000 Disabled annuitant, Scale AA
	Disabled females - 107% of RP-2000 Disabled annuitant, Scale AA	Disabled females - 107% of RP-2000 Disabled annuitant, Scale AA
Withdrawal rates:		
State	1.75 - 35.1%	1.75 - 35.1%
Non-state	2 - 35.8%	2 - 35.8%
Disability rates	0 - .675%	0 - .675%

West Virginia Board of Risk and Insurance Management
Schedule of Proportionate Share of the Net OPEB Liability in RHBT
Last Three Fiscal Years
(in thousands except percentages)

	2020	2019	2018
BRIM's proportionate (percentage) of the net OPEB liability	**0.0236%**	0.0219%	0.0208%
BRIM's proportionate share of the net OPEB liability	**$ 391**	$ 470	$ 512
State's proportionate share of the net OPEB liability associated with BRIM	**80**	97	105
Total	**$ 471**	$ 567	$ 617
BRIM's covered-employee payroll	**$ 1,040**	$ 905	$ 812
BRIM's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	**37.60%**	51.93%	63.05%
Plan fiduciary net position as a percentage of the total OPEB liability *	**39.69%**	30.98%	25.10%

* This is the same percentage for all participant employers in the OPEB plan.

Note 1: All amounts presented are as of the measurement date, which is one year prior to the fiscal year end date.

Note 2: The accompanying schedules of BRIM's proportionate share of the net OPEB liability is required supplementary information to be presented for 10 years. However, until a full 10-year trend is compiled, information is presented in the schedule for those years for which information is available.

West Virginia Board of Risk and Insurance Management
Schedule of Contributions to RHBT
Last Five Fiscal Years
(in thousands except percentages)

	2020	2019	2018	2017	2016
Statutorily required contribution	**$ 39**	$ 45	$ 44	$ 43	$ 41
Contributions in relation to the statutorily required contribution	**(39)**	(45)	(44)	(43)	(41)
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -
Covered-employee payroll	**$ 1,109**	$ 1,040	$ 905	$ 812	$ 870
Contributions as a percentage of covered-employee payroll	**4%**	4%	5%	5%	5%

Note 1: The accompanying schedules of BRIM's contributions to RHBT is required supplementary information to be presented for 10 years. However, until a full 10-year trend is compiled, information is presented in the schedule for those years for which information is available.

Statistical Section

Bluestone Lake – The lake is formed by Bluestone Dam, a concrete gravity dam 165 high and 2,048 feet long which was completed in 1949. At normal levels the lake covers 2,040 acres. The dam provides flood control and has created a large lake for recreation.


STATE OF WEST VIRGINIA
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Statistical Section Narrative

Financial Trends – This schedule contains trend information to help the reader understand how BRIM's financial performance and well-being have changed over time.

Schedule 1 – Comparative Statement of Net Assets and Changes in Net Asset (Deficiency)

Revenue Capacity Information – These schedules contain trend information to help the reader understand BRIM's capacity to raise revenue and the sources of those revenues.

Schedule 2 – Premiums by Line of Business for the Past Ten Years
Schedule 3 – Top 10 State Agency Premiums and Top 20 Senate Bill 3 Premiums for Fiscal Year 2020 and Fiscal Year 2011
Schedule 4 – Investment Income and Premium Revenue

Demographic and Economic Information – These schedules offer indicators to help the reader understand the environment within which BRIM's financial activities take place.

Schedule 5 – Principal Employers Current Year and Nine Years Ago
Schedule 6 – Demographic and Economic Indicators Calendar Years 2010 through 2019

Operating Information – These schedules assist the reader in evaluating the size, efficiency, and effectiveness of BRIM.

Schedule 7 – Full-Time Equivalent Employees Fiscal Year 2020
Schedule 8 – Claims Dollars Incurred by Customer Type for Fiscal Years 2011 through 2020
Schedule 9 – Type of Losses Incurred by Coverage Fiscal Years 2011 through 2020
Schedule 10 – Industry Averages Compared to BRIM
Schedule 11 – Projected Ultimate Retained Losses for State Agencies and Senate Bill 3
Schedule 12 – Listing of Coverages in Effect for Fiscal Year 2020

SCHEDULE 1

Comparative Statement of Net Position and Changes in Net Position (Deficiency)
Last Ten Fiscal Years
(Expressed in Thousands)

	2020	2019	2018	2017	2016
Operating Revenues					
Premiums	$ 82,567	$ 83,301	$ 78,951	$ 71,368	$ 65,293
Less Excess Coverage/Reinsurance Premiums	(6,915)	(6,627)	(6,518)	(6,681)	(6,909)
Net Operating Revenues	75,652	76,674	72,433	64,687	58,384
Operating Expenses					
Claims and Claims Adjustment Expense	65,349	80,169	57,393	59,149	63,753
General and Administrative	5,034	4,519	4,410	4,200	3,905
Total Operating Expenses	70,383	84,688	61,803	63,349	67,658
Operating Income (loss)	5,269	(8,014)	10,630	1,338	(9,274)
Nonoperating Revenues (Expenses)					
Interest Income	22,818	21,044	6,712	9,841	7,413
OPEB nonoperating income	24	30	--	--	--
Financing Income	--	--	--	--	--
On behalf contributions	--	--	--	--	--
SB 602 Reappropriation				(2,810)	--
Distribution to Physicians' Mutual	--	--	--	--	--
Appropriation transfer HB4261					
Payment to transfer HB601 estimated future IBNR	--	--	--	--	--
Total Nonoperating Revenue	22,842	21,074	6,712	7,031	7,413
Change in Net Assets (Deficiency)	28,111	13,060	17,342	8,369	(1,861)
Net Assets (Deficiency) at Year-End					
Restricted	78,617	72,466	66,865	61,063	57,123
Unrestricted	179,166	157,206	149,747	138,265	133,836
Total Net Assets (Deficiency)	$ 257,783	$ 229,672	$ 216,612	$ 199,328	$ 190,959

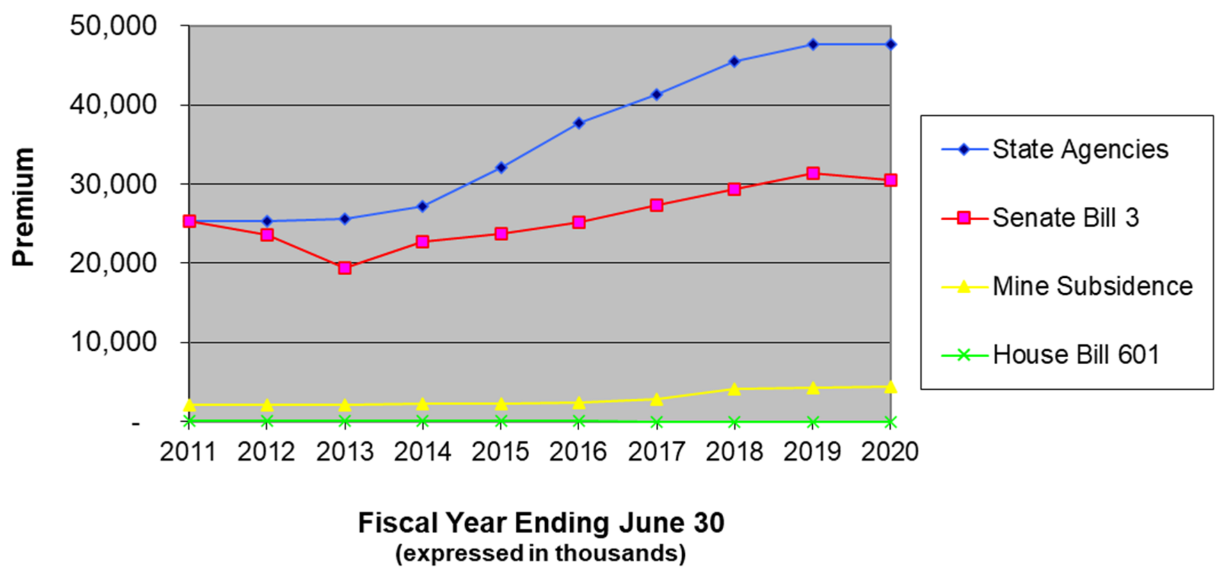
Source: Compiled from BRIM's internal accounting records

		2015		2014		2013		2012		2011
Operating Revenues										
Premiums	$	58,204	$	52,128	$	47,134	$	51,046	$	52,538
Less Excess Coverage/Reinsurance Premiums		(6,197)		(6,102)		(5,825)		(5,386)		(6,075)
Net Operating Revenues		52,007		46,026		41,309		45,660		46,463
Operating Expenses										
Claims and Claims Adjustment Expense		68,145		61,626		54,018		53,396		33,598
General and Administrative		3,541		3,898		3,275		3,892		4,026
Total Operating Expenses		71,686		65,524		57,293		57,288		37,624
Operating Income (loss)		(19,679)		(19,498)		(15,984)		(11,628)		8,839
Nonoperating Revenues (Expenses)										
Interest Income		4,833		17,043		7,835		13,315		18,782
OPEB nonoperating income		--		--		--		--		--
Financing Income		--		--		--		--		--
On behalf contributions		--		--		--		--		--
Appropriations from State of West Virginia		--		--		--		--		--
Distribution to Physicians' Mutual		--		--		--		--		--
Appropriation transfer HB4261				(2,000)		--		--		--
Payment to transfer HB601 estimated future IBNR		(750)				--		--		--
Total Nonoperating Revenue		4,083		15,043		7,835		13,315		18,782
Change in Net Assets (Deficiency)		(15,596)		(4,455)		(8,149)		1,687		27,621
Net Assets (Deficiency) at Year-End										
Restricted		55,428		53,595		49,372		45,599		43,061
Unrestricted		137,392		155,316		163,994		175,916		176,767
Total Net Assets (Deficiency)	$	192,820	$	208,911	$	213,366	$	221,515	$	219,828

Source: Compiled from BRIM's internal accounting records

SCHEDULE 2

Premiums by Line of Business for the Past Ten Years



Fiscal Year	State Agencies	Senate Bill 3	Mine Subsidence	House Bill 601
2011	$ 25,239	$ 25,233	$ 2,032	$ 34
2012	$ 25,290	$ 23,603	$ 2,090	$ 63
2013	$ 25,607	$ 19,345	$ 2,142	$ 40
2014	$ 27,226	$ 22,642	$ 2,220	$ 40
2015	$ 32,118	$ 23,779	$ 2,263	$ 44
2016	$ 37,687	$ 25,146	$ 2,398	$ 60
2017	$ 41,304	$ 27,305	$ 2,759	$ 0
2018	$ 45,516	$ 29,306	$ 4,129	$ 0
2019	$ 47,713	$ 31,286	$ 4,302	$ 0
2020	$ 47,675	$ 30,524	$ 4,368	$ 0

The chart above shows premiums by line of business for the past ten fiscal years, expressed in thousands of dollars. This chart illustrates the recent increases in premium revenue collected from State Agencies and Senate Bill 3 customers. Most of the recent increases are due to a reduction in the premium offsets that began in 2009 to reduce annual premiums billed. These offsets were given for premiums billed thru 2018 based on prior year reserve declines. The slight decrease in premiums for 2020 is attributable to a small reduction in the actuarially estimated losses projected for the year.

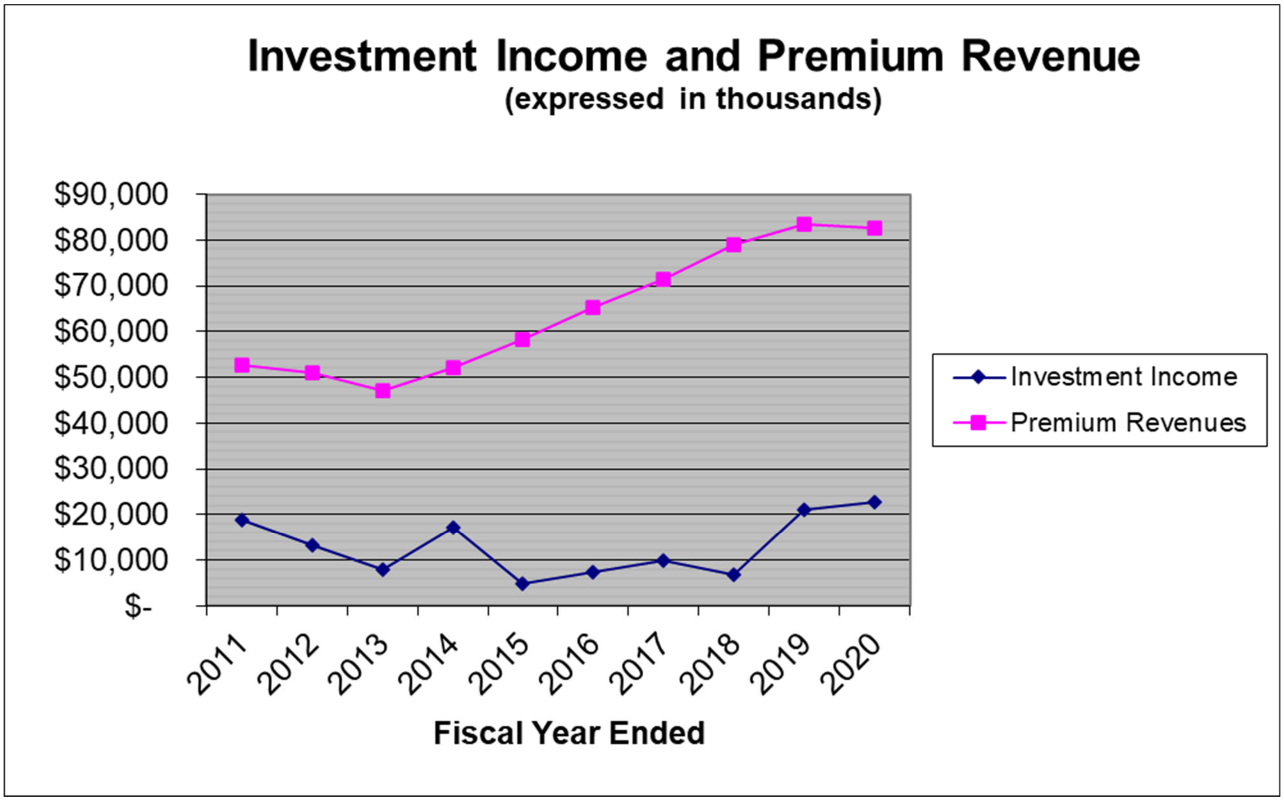
Source: BRIM's internal financial statements.

SCHEDULE 3

	Top 10 State Agency Premiums for Fiscal Year 2020		Top 10 State Agency Premiums for Fiscal Year 2011	
1	WEST VIRGINIA UNIVERSITY	10,360,538	WEST VIRGINIA STATE POLICE	4,948,648
2	DIVISION OF HIGHWAYS	6,397,029	DIVISION OF HIGHWAYS	4,235,089
3	STATE POLICE, WEST VIRGINIA	5,325,334	WEST VIRGINIA UNIVERSITY	3,885,511
4	DIVISION OF CORRECTIONS	4,169,606	DEPARTMENT OF HEALTH AND HUMAN RESOURCE	3,119,738
5	DEPARTMENT OF HEALTH AND HUMAN RESOURC	3,418,612	MARSHALL UNIVERSITY	1,445,566
6	MARSHALL UNIVERSITY	3,059,666	DIVISION OF CORRECTIONS	821,697
7	REGIONAL JAIL & CORR. FAC. AUTHORITY	1,808,260	REGIONAL JAIL & CORR. FAC. AUTHORITY	398,364
8	WEST VIRGINIA UNIVERSITY MEDICAL CORP.	907,661	DIVISION OF NATURAL RESOURCES	360,049
9	SUPREME COURT OF APPEALS	810,197	WEST VIRGINIA STATE PARKS	354,955
10	WEST VIRGINIA PARKWAYS AUTHORITY	662,897	WEST VIRGINIA PARKWAYS AUTHORITY	321,249
	Total Top Ten	**$ 36,919,800**	Total Top Ten	**$ 19,890,866**
	Total State Premium Billing for 2018	**$ 49,582,664**	Total State Premium Billing for 2011	**$ 25,868,596**
	% of top 10 in relation to all state agency billings	**74.46%**	% of top 10 in relation to all state agency billings	**76.89%**

	Top 20 SB 3 Premiums for Fiscal Year 2020		Top 20 SB 3 Premiums for Fiscal Year 2011	
1	KANAWHA COUNTY BOARD OF EDUCATION	$ 1,447,140	KANAWHA COUNTY BOARD OF EDUCATION	$ 1,656,392
2	BERKELEY COUNTY BOARD OF EDUCATION	869,701	RALEIGH COUNTY BOARD OF EDUCATION	786,530
3	CITY OF ST. ALBANS	869,666	BERKELEY COUNTY BOARD OF EDUCATION	615,430
4	RALEIGH COUNTY BOARD OF EDUCATION	720,021	WEST VIRGINIA UNIVERSITY MEDICAL CORPORATI	588,439
5	CABELL COUNTY BOARD OF EDUCATION	602,818	HARRISON COUNTY BOARD OF EDUCATION	480,930
6	HARRISON COUNTY BOARD OF EDUCATION	571,713	MERCER COUNTY BOARD OF EDUCATION	432,543
7	PUTNAM COUNTY BOARD OF EDUCATION	525,136	WAYNE COUNTY BOARD OF EDUCATION	429,549
8	WAYNE COUNTY BOARD OF EDUCATION	506,140	PUTNAM COUNTY BOARD OF EDUCATION	410,033
9	JEFFERSON COUNTY BOARD OF EDUCATION	482,067	CABELL COUNTY BOARD OF EDUCATION	368,031
10	MONONGALIA COUNTY BOARD OF EDUCATION	469,470	MARION COUNTY BOARD OF EDUCATION	363,638
11	MINGO COUNTY COMMISSION	463,739	MONONGALIA COUNTY BOARD OF EDUCATION	360,265
12	LOGAN COUNTY BOARD OF EDUCATION	433,297	JEFFERSON COUNTY COMMISSION	341,686
13	KANAWHA VALLEY REGIONAL TRANSPORTATION	424,152	CITY OF ST. ALBANS	330,203
14	MERCER COUNTY BOARD OF EDUCATION	416,146	WOOD COUNTY BOARD OF EDUCATION	329,057
15	FAYETTE COUNTY BOARD OF EDUCATION	396,753	LOGAN COUNTY BOARD OF EDUCATION	327,631
16	MARION COUNTY BOARD OF EDUCATION	391,020	MCDOWELL COUNTY BOARD OF EDUCATION	321,267
17	WESTBROOK HEALTH SERVICES, INC.	359,699	FAYETTE COUNTY BOARD OF EDUCATION	296,299
18	OHIO COUNTY COMMISSION	320,122	JEFFERSON COUNTY BOARD OF EDUCATION	286,624
19	MINGO COUNTY BOARD OF EDUCATION	319,327	CHARLESTON-KANAWHA HOUSING AUTHORITY	282,149
20	WOOD COUNTY BOARD OF EDUCATION	306,380	OHIO COUNTY BOARD OF EDUCATION	280,323
	Total Top Twenty	**$ 10,894,507**	Total Top Twenty	**$ 9,287,019**
	Total SB 3 Premium Billing for 2020	**$ 32,359,936**	Total SB 3 Premium Billing for 2011	**$ 26,597,596**
	% of top 20 in relation to total SB 3 billings	**33.67%**	% of top 20 in relation to total SB 3 billings	**34.92%**

SCHEDULE 4



Fiscal Year	Investment Income	Premium Revenue
2011	$ 18,782	$ 52,538
2012	$ 13,315	$ 51,046
2013	$ 7,835	$ 47,134
2014	$ 17,043	$ 52,128
2015	$ 4,833	$ 58,204
2016	$ 7,413	$ 65,291
2017	$ 9,841	$ 71,368
2018	$ 6,712	$ 78,951
2019	$ 21,044	$ 83,301
2020	$22,818	$82,567

This chart illustrates a comparison of investment income and premium revenue for the most recent ten years. Overall investment returns since 2014 have been impacted by the lower interest rate environment. An improving equity market helped to offset lower fixed income earnings. For the earlier fiscal years shown above, favorable trends in insured events allowed BRIM to provide some relief in premiums charged. More recently, actuarially projected increases in claims losses have required BRIM to increase premiums. Amounts are expressed in thousands of dollars.

Source: Information compiled from the West Virginia Board of Risk and Insurance Management's internal data.

SCHEDULE 5

Principal Employers

Current Year and Nine Years Ago

Estimated as of June 30, 2020			Estimated as of June 30, 2019		
Major West Virginia Employers	**Number of Employees**	**Percentage of Total Employed**	**Major West Virginia Employers**	**Number of Employees**	**Percentage of Total Employed**
Local Government	70,000 - 74,999	9.68%	Local Government	75,000 - 79,999	10.39%
State Government	40,000 - 44,999	5.56%	State Government	40,000 - 44,999	5.80%
Federal Government	20,000 - 24,999	3.35%	Federal Government	20,000 - 24,999	3.18%
WVU Medicine	14,000 – 19,,999	2.64%	Wal-Mart Associates, Inc.	13,000 - 14,999	2.04%
Wal-Mart Associates, Inc.	11,000 - 13,999	1.85%	West Virginia United Health System	7,000 – 9,999	1.36%
Charleston Area Medical Center	7,000 - 10,999	1.45%	Charleston Area Medical Center, Inc.	6,,000 - 6,999	0.95%
Mountain Health Network	6,000 – 6,999	0.92%	Kroger	4,000 - 5,999	0.81%
Kroger	4,000 - 5,999	0.79%	American Electric Power	1,000 - 2,999	0.41%
Lowe's Home Centers	2,000 - 3,999	0.53%	Consolidation Coal	1,000 - 2,999	0.41%
Contura Energy	2,000 - 2,999	0.40%	Lowe's Home Centers, Inc.	1,000 - 2,999	0.41%
Wheeling Hospital, Inc	2,000 - 2,999	0.40%	St. Mary's Hospital	1,000 - 2,999	0.41%
Mylan Pharmaceuticals, Inc.	2,000 - 2,999	0.40%	Res-Care, Inc.	1,000 - 2,999	0.41%
Murray American Energy.	2,000 - 2,999	0.40%	Mylan Pharmaceuticals, Inc.	1,000 - 2,999	0.41%
Actual Total	**214,932**			**198,576**	

Source: Workforce West Virginia Research, Information, and Analysis Office

SCHEDULE 6

SCHEDULE 6

Demographic and Economic Indicators
Calendar Years 2010-2019

	2019	2018	2017	2016	2015
Population					
West Virginia	1,792,147	1,805,832	1,836,843	1,831,102	1,844,128
Change	-0.76%	-1.69%	0.31%	-0.71%	-0.33%
National	328,239,523	327,167,434	325,719,178	323,127,513	320,896,618
Change	0.33%	0.44%	0.80%	0.70%	1.13%
Total Personal Income					
West Virginia (in millions)	75,835	73,810	70,680	67,062	67,786
Change	2.74%	4.43%	5.40%	-1.07%	1.58%
National (in millions)	18,542,262	17,813,035	16,817,207	16,364,400	15,594,003
Change	4.09%	5.92%	2.77%	4.94%	6.22%
Per Capita Personal Income*					
West Virginia	42,315	40,873	38,644	36,624	36,758
Change	3.53%	5.77%	5.52%	-0.36%	0.31%
National	56,490	54,446	51,631	49,246	48,112
Change	3.75%	5.45%	4.84%	2.36%	4.50%
Median Age	**42.9**	**42.8**	**42.3**	**41.8**	**41.9**
Educational Attainment					
9th Grade or Less	4.20%	4.70%	5.6%	4.6%	4.6%
Some High School, No Diploma	8.70%	9.40%	8.3%	10.3%	10.3%
High School Diploma	40.20%	40.60%	40.1%	40.2%	40.2%
Some College, No Degree	17.90%	18.50%	21.3%	16.3%	16.3%
Associate, Bachelor's or Graduate Degree	29.00%	26.80%	24.6%	28.6%	28.6%
Labor Force and Employment (people in thousands)					
Civilian Labor Force	797	783	785	783	780
Employed	758	743	743	736	732
Unemployed	39	40	42	47	48.6
Unemployment Rate	4.90%	5.10%	5.30%	6.00%	6.20%
Nonfarm Wage and Salary Workers Employed in West Virginia					
Goods Producing Industries (people in thousands)					
Mining	22.4	22.7	22.8	20.3	25.9
Construction	36	47.5	33.5	30.1	32.5
Manufacturing-Durable Goods	28.3	28.5	27.8	27.9	28.6
Manufacturing-NonDurable Goods	18.7	19	18.8	18.8	19
Total Goods Producing Industries	**105.4**	**117.7**	**102.9**	**97.1**	**106**
Non-Goods Producing Industries (people in thousands)					
Trade	127.4	129.3	132.8	133.3	135
Service	334.8	332.8	360.9	361.3	371.1
State and Local Government	127.9	127.1	131	132.6	128.7
Federal Government	24	23.5	23.5	23.5	23.2
Total Non-Goods Producing Industries	**614.1**	**612.7**	**648.2**	**650.7**	**658.0**
Total Nonfarm Wage and Salary Employment	**719.5**	**730.4**	**751.1**	**747.8**	**764.0**

*Per capita personal income is calculated by dividing total personal income by population.
Sources: Workforce West Virginia Research, Information, and Analysis Office, the Census, Federal Reserve Board of St. Louis (Economic Research)

Demographic and Economic Indicators
Calendar Years 2010-2019

	2014	2013	2012	2011	2010
Population					
West Virginia	1,850,326	1,854,304	1,855,413	1,855,364	1,852,994
Change	-0.21%	-0.06%	0.00%	0.13%	1.83%
National	317,297,938	316,128,839	313,914,040	311,591,917	308,745,538
Change	0.37%	0.71%	0.75%	0.92%	0.57%
Total Personal Income					
West Virginia (in millions)	66,729	65,268	63,968	62,178	59,417
Change	2.24%	2.03%	2.88%	4.65%	3.27%
National (in millions)	14,680,500	14,090,700	13,401,869	12,981,741	12,353,577
Change	4.19%	5.14%	3.24%	5.08%	3.67%
Per Capita Personal Income*					
West Virginia	36,644	35,533	34,477	33,513	32,042
Change	3.13%	3.06%	2.88%	4.59%	2.91%
National	46,038	44,402	42,693	41,663	39,937
Change	3.68%	4.00%	2.47%	4.32%	2.81%
Median Age	**41.9**	41.0	41.3	41.1	41.3
Educational Attainment					
9th Grade or Less	6.2%	6.2%	3.0%	6.8%	6.1%
Some High School, No Diploma	10.2%	10.2%	5.0%	11.3%	10.7%
High School Diploma	44.1%	44.1%	40.1%	41.3%	41.6%
Some College, No Degree	13.4%	13.4%	26.3%	17.6%	18.3%
Associate, Bachelor's or Graduate Degree	26.1%	26.1%	25.6%	23.0%	23.3%
Labor Force and Employment (people in thousands)					
Civilian Labor Force	789	796.0	805.0	799.9	782.3
Employed	737	744.7	746.0	736.1	711.1
Unemployed	52	51.3	59.0	63.8	71.2
Unemployment Rate	6.6	6.5%	7.3%	8.0%	9.1%
Nonfarm Wage and Salary Workers Employed in West Virginia					
Goods Producing Industries (people in thousands)					
Mining	30.3	31.8	33.7	33.6	29.9
Construction	33.7	34.3	35.6	33	32.6
Manufacturing-Durable Goods	28.7	29.1	29.6	30	29.6
Manufacturing-NonDurable Goods	19.1	19.3	19.6	19.5	19.5
Total Goods Producing Industries	**111.8**	**114.5**	**118.5**	**116.1**	**111.6**
Non-Goods Producing Industries (people in thousands)					
Trade	109.4	110.3	111.0	109.9	109.2
Service	388.9	384.5	381.7	376.2	372.5
State and Local Government	128.6	130.5	130.7	128.3	128.3
Federal Government	23.3	23.3	23.3	23.5	24.3
Total Non-Goods Producing Industries	**650.2**	**648.6**	**646.7**	**637.9**	**634.3**
Total Nonfarm Wage and Salary Employment	**762.0**	**763.1**	**765.2**	**754.0**	**745.9**

*Per capita personal income is calculated by dividing total personal income by population.
Sources: Workforce West Virginia Research, Information, and Analysis Office, the Census, Survey of Current Business and the West Virginia Center on Budget & Policy

SCHEDULE 7

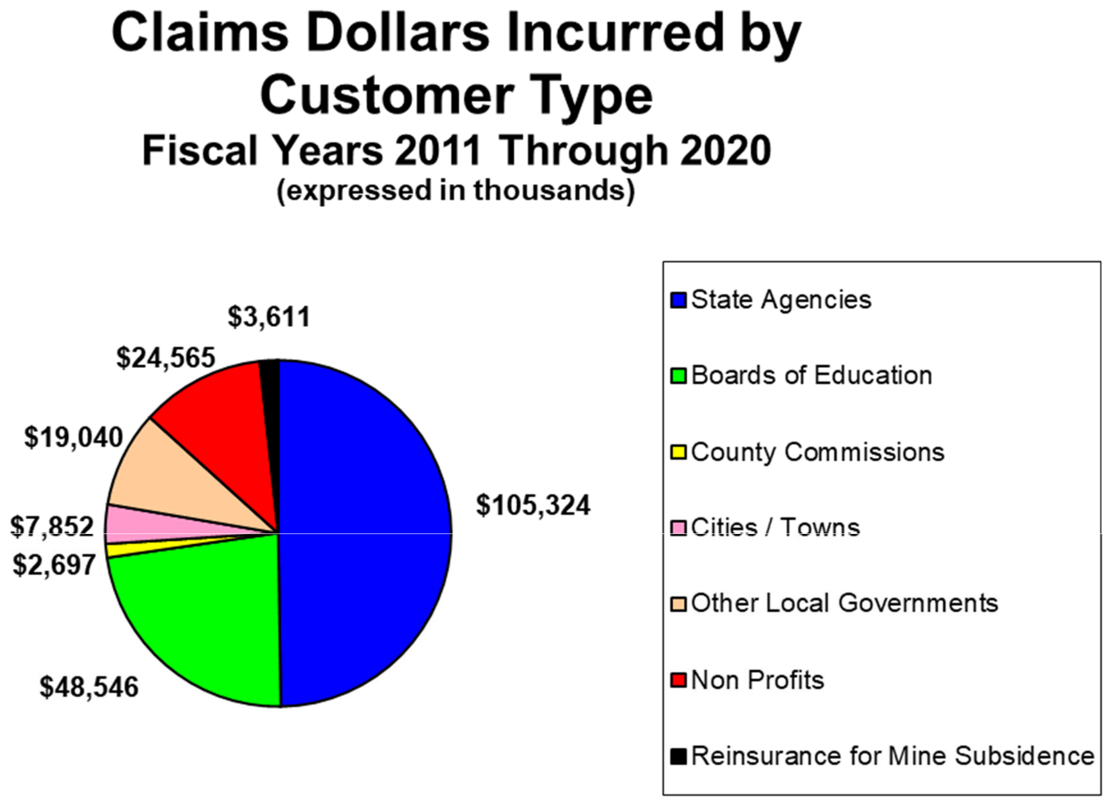
Full-time Equivalent Employees as of Fiscal Year-End*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Administration	2	2	2	1	1	1	2	2	2	2
Finance	4	4	4	4	4	4	3	3	3	3
Claims	7	8	7	7	4	5	5	5	5	5
Underwriting	5	4	5	5	5	5	5	5	5	6
Loss Control	5	4	4	4	4	4	3	3	4	6
Information Systems	0	0	0	0	4	3	2	2	2	2
Privacy	3	3	3	3	--	--	--	--	--	--
Total Employees	26	25	25	24	22	22	20	20	21	24

* A full time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full time equivalent employment is calculated by dividing total labor hours by 2,080.

Source: Information compiled from the West Virginia Board of Risk and Insurance Management's internal data.

SCHEDULE 8

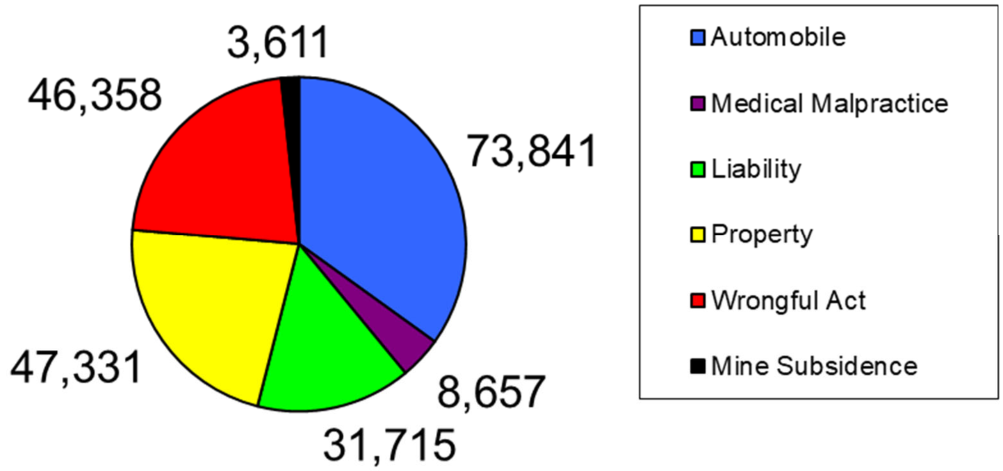


Source: Information compiled from the West Virginia Board of Risk and Insurance Management's internal data.

SCHEDULE 9

Type of Losses Incurred by Coverage

Fiscal Year 2011 to 2020
(expressed in thousands)



Loss Category

Automobile refers to injuries and physical damage claims resulting from the use of automobiles.

Medical Malpractice refers to claims arising out of professional medical encounters.

Liability refers to incidents such as slips and falls, highway maintenance, alleged negligence in the oversight of property and programs.

Property refers to damage to dwellings and structures covered under the policy.

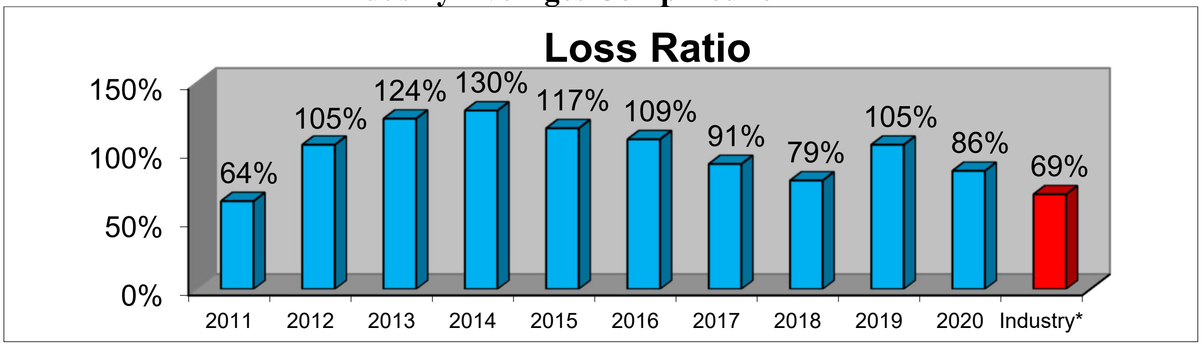
Wrongful acts generally fall in the personal injury area and refer to things such as alleged employment discrimination, defamation, and civil rights' violations.

Mine subsidence is dwelling insurance up to a specified maximum for damage caused by the collapse of underground coal mines.

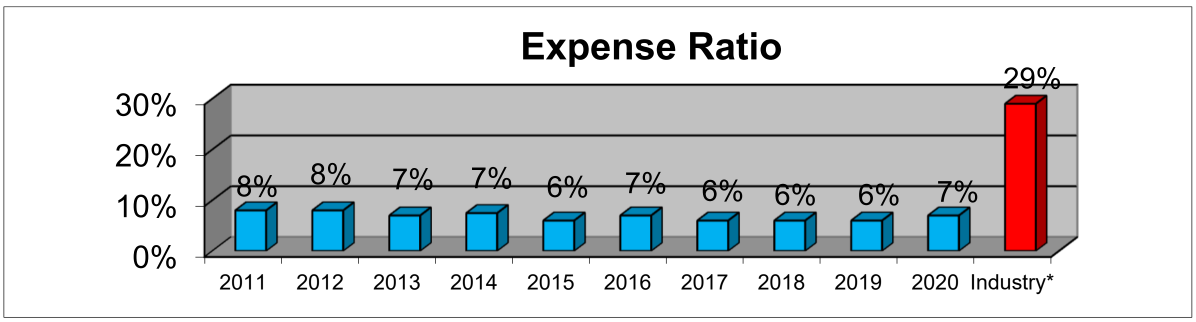
Source: Information compiled from the West Virginia Board of Risk and Insurance Management's internal data.

SCHEDULE 10

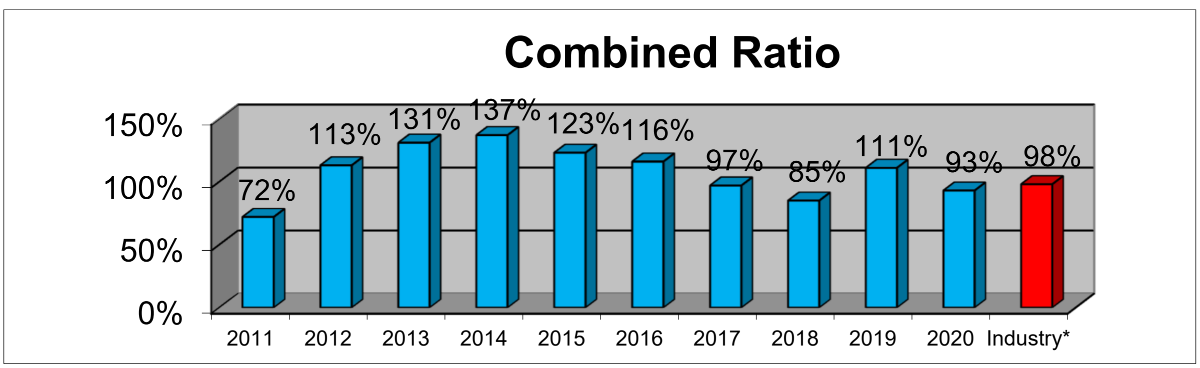
Industry Averages Compared to BRIM



The loss ratio expresses the relationship between losses and premiums in percentage terms.



The expense ratio expresses the relationship between total general and administrative expenses and premiums in percentage terms.

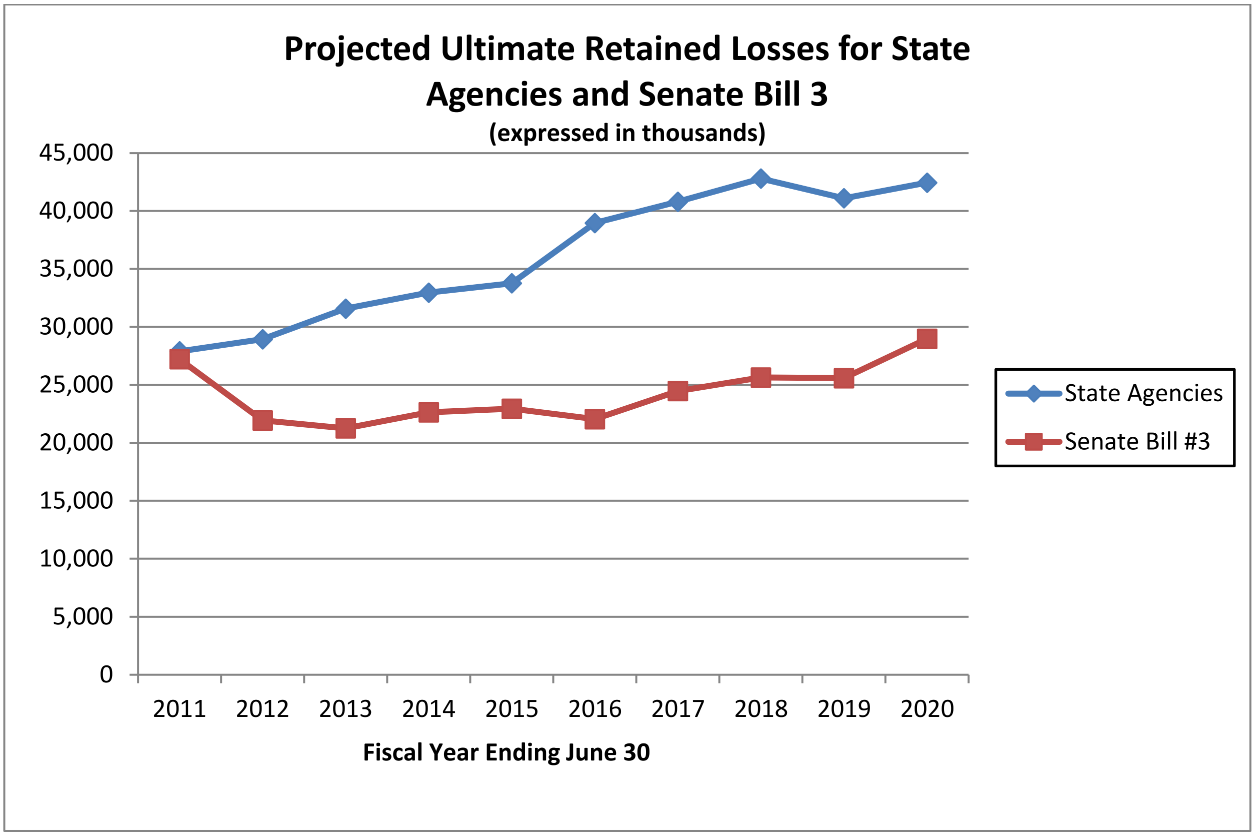


The combined ratio is used to measure underwriting performance. It is derived by adding the loss and expense ratio. A combined ratio below 100% indicates an underwriting profit and one above 100% indicates an underwriting loss.

BRIM's ratios are shown in blue and the industry ratios are shown in red.

*** Source: Insurance Services Office**

SCHEDULE 11



Fiscal Year	State Agencies	Senate Bill 3
2011	$ 27,894	$ 27,216
2012	$ 28,937	$ 21,932
2013	$ 31,571	$ 21,250
2014	$ 32,952	$ 22,631
2015	$ 33,762	$ 22,943
2016	$ 38,960	$ 22,046
2017	$ 40,796	$ 24,468
2018	$ 42,802	$ 25,639
2019	$ 41,097	$ 25,582
2020	$ 42,441	$ 28,981

The projections for fiscal years 2011, 2012, 2013, 2014, 2015 and 2016 show State Agencies increasing while Senate Bill 3 decreases further in 2011, 2012, and 2013, with slight increases in 2014 and 2015 and a slight decrease in 2016 and increases again in 2017 and 2018 due to current development estimates in the actuarial model. In 2019 there were slight decreases for both the State and SB3 programs. 2020 saw increases for both the state and SB3 programs. Projections are listed at their nominal value, expressed in thousands of dollars.

Source: Taken from each of the corresponding independent actuarial reports from AON that provide the estimates for each fiscal year's projected losses as shown.

SCHEDULE 12

Listing of Coverages in Effect for Fiscal Year 2020

LIABILITY	LIMIT OF LIABILITY
Automobile Liability Policy No.: CA 299-19-06 & 299-19-05 Company: National Union Fire Insurance Co.	$1,000,000 per occurrence
Cyber Liability Policy No.: UMR B1262F10687318 Company: Arthur J. Gallagher International	$25,000,000 per occurrence
General Liability Policy No.: CA 299-19-06 & 299-19-05 Company: National Union Fire Insurance Co.	$1,000,000 per occurrence
Aircraft Liability Policy No.: AV003380147-17 Company: National Union Fire Insurance Co.	$1,000,000 per occurrence
Excess Liability-Bd. of Education Policy No.: 48409866 Company: The Insurance Company of the State of Penn	$5,000,000 per occurrence or claim

PROPERTY	LIMIT OF LIABILITY
Blanket Property Policy No.: MAF760728-19 Company: Axis Insurance Company	$25,000,000 primary layer $1,000,000 deductible
Policy No.: NHD909076 Company: RSUI	$100,000,000 in excess of $25,000,000
Policy No.: 795010188 Company: Atlantic Specialty	$75,000,000 in excess of $125,000,000
Policy No.: MAF733355-19 Company: Axis Insurance Company	$200,000,000 in excess of $200,000,000
Policy No.: MAF760729-19 Company: Axis Insurance Company	$10,000,000 flood with $1,000,000 deductible
Boiler and Machinery Policy No.: YB2L9L469170019 Company: Liberty Mutual Insurance	$5,000,000 per equipment covered in excess of $1,000,000
Public Insurance Official Position Schedule Bond Bond No.: 106128156 Company: Travelers	Variable amounts as set by Statute

Source: Information compiled from the West Virginia Board of Risk and Insurance Management's internal data.


STATE OF WEST VIRGINIA
JUNE 20 1863
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