

**Enduris
Annual Members and Board of Directors
Meeting Minutes**

Thursday, November 13, 2025

CALL TO ORDER: Chair Mr. Matt Schanz called the meeting to order at **8:31 a.m.**

ROLL CALL

Board Members Present: Matt Schanz, Chair; BiJay Adams, Vice-Chair; Donna Watts, Secretary/Treasurer; Jennifer Boie, Board Member; Kelly Williquette, Board Member; Heather Yakely, Enduris General Counsel; and Sheryl Brandt, Executive Director.

Via Zoom: Noel Hardin, Board Member; Ryan Wilson, Enduris, Technology/Business Systems Coordinator

Absent: Sara Young, Board Member.

OTHERS PRESENT: Joe Linqidst, Commissioner for Skagit Public Facilities District, Douglas Wozniak, Senior Vice President, Alliant Insurance Services, Inc., Craig Scukas, Director, PricewaterhouseCoopers (**PwC**); Holly Nelson, Enduris Director of Claims; Kimberly Millikan, Enduris Director of Finance; Joe Davis, Enduris Director of Risk Management and Member Relations; Alric Balka, Enduris Director of Operations; Shawna Masterton, Enduris Executive Assistant.

Mr. Schanz started the meeting with introductions.

PUBLIC COMMENTS – RCW 42.30.340

➤ *No public was present. – No comments were made.*

ADOPT AGENDA

WILLIQUETTE/BOIE moved to adopt the agenda as presented. **Motion carried.**

BOARD CONSENT AGENDA

Board Policy GC-2.6 states that the Board will use a Consent Agenda as a means to expedite the disposition of routine matters and to dispose of other items of business it chooses not to discuss. All administrative matters delegated to the Executive Director that are required to be approved by the Board will be acted upon by the Board via the Consent Agenda. An item may be removed from the Consent Agenda upon approval by a majority of the Board.

- Board Meeting Minutes – August 21, 2025
- Special Board Meeting Minutes – September 25, 2025

WATTS/ADAMS moved to approve all items on the Board Consent Agenda. **Motion carried.**

EXECUTIVE DIRECTOR CONSENT AGENDA

Disbursements:

- August 2025, September 2025, and October 2025

WATTS/BOIE moved to approve all items on the Executive Director's *Consent Agenda*. **Motion carried.**

ANNUAL PROFESSIONAL PRESENTATIONS:

Board Policy OE-8 states that the Executive Director shall ensure that the Board is fully and adequately informed about matters relating to Board work and significant organizational concerns.

Presentations were given to the board by Doug Wozinak, Senior Vice President, Alliant Insurance Services, Inc., and Craig Scukas, Director, PricewaterhouseCoopers (*PwC*). Mr. Andrew Halsall, President & CEO of *GEM*, was unable to attend this year.

ACTUARY REPORT

Board Policy GC-3.14 states that the Board will contract independently with an actuary to provide the Board with an actuarial study.

Craig Scukas from PricewaterhouseCoopers (*PwC*) delivered a presentation on Enduris' actuarial review as of August 31, 2026. In summary, Mr. Scukas reported on key findings.

The Enduris Board engages PricewaterhouseCoopers (*PwC*) for an actuarial review at the end of each policy year. This report serves as evidence of compliance with various Board policies.

During the presentation, Mr. Scukas provided the board with several slides summarizing the actuarial update on the Pool's Capital Adequacy as of August 31, 2025. He noted that the Pool is making positive progress, and the Capital Adequacy Assessment will be monitored regularly to ensure the Pool's overall financial health. Each pool has unique capital requirements, which are determined by the specific financial uncertainties of its program. Different amounts of capital are necessary to manage varying risks, projections, and estimates based on previous studies and research.

Ms. Brandt and Mr. Scukas have acknowledged that the target range requires an annual review and adjustment. *PwC* and Enduris are committed to collaborating to ensure the pool's financial stability, and these studies will be ongoing.

BROKER REPORT

Enduris' Broker, Mr. Doug Wozniak from Alliant Insurance Services, presented an Annual Study on the State of the Public Entity Insurance Marketplace, Including Trends, Industry Issues, and an outlook. Some noteworthy items are included.

Mr. Wozniak stated that the insurance industry's financial health is strong enough to meet its contractual commitments to policyholders, but it faces increasing challenges. These include rising claims costs, higher expenses, severe weather events, misuse of the legal system, and ongoing regulatory resistance to proper pricing in certain areas. All these factors have significantly adverse financial effects on insurers.

Key Takeaways ~ Market Conditions:

➤ Liability Capacity

- Social inflation and many Interrelated Causes; Continues to drive claims cost; verdicts and settlements
- Market “firmly stable.”
- Gaining (and losing) capacity – net gain
- Continued pressure on caps and immunity remains a concern
- The industry is fighting back against litigation financing.

➤ Property Capacity Reductions:

- Return to stability from incumbents, Coastal, Earthquake, and wildfire capacity continue to come under greater scrutiny. Targeted growth from new and incumbent
- Insurers returned to profitability in 2023– driven by increased rates rather than reduced loss activity.

➤ Cyber Capacity

- The cyber market remains stable with sufficient capacity.
- Systemic risk is a concern, as PowerSchool claims.
- Many public entities remain in their security posture.
- Privacy and security controls continue to improve.
- Nuclear verdicts continue to cause record-high losses. Thermonuclear hits exceeded 100 million, with at least 23 occurrences in 2023.
- Bad actors continue to find new ways of disruption

The American Tort Reform Association estimates the number of legal ads increased by 30% since 2017, with 14 million ads hitting the airwaves, billboards and websites in 2019.

Matching this massive advertising effort with people’s frustrations may create a subconscious desire for wealth redistribution, which manifests in the form of massive verdicts often unrelated to the injuries suffered.

- Cautiously optimistic about a sustained soft market into 2026.
- Valuations continue to rise—trending upward, and appraisals remain crucial for pools.
- The tipping point is still to be determined.
- It’s still a marketplace where relationships matter.
- Maintain a long memory—remember the recent hard market.
- Replacement Cost Valuation-Continues to Rise
 - Surge in construction material prices; tight labor market
 - Surge in overall inflation
 - Delay in rebuilding Materials

Mr. Wozniak reported that the severe weather market concentration of values and overall valuations increased. Since the 1980s, the U.S has faced more frequent climate disasters with every passing decade. Between 2020 and 2022, the average number of days between billion-dollar disaster events dropped to **just 18**.

Continued scrutiny of data (SOV, COPE, ITV with Increased Construction Cost); increased retentions and caps on certain types of exposure; Rate outcomes are highly dependent on the

remainder of the 2025 Wind Season and individual client losses; Underwriter submission activity remains high—imperative to engage early and access the global market.

Several unknowns, including the impact of climate change on loss costs, inflation, litigation funding, and geopolitical risk, continue to deter new investors from entering the reinsurance market.

REINSURER REPORT

Mr. Andrew Halsall from Government Entities Mutual (GEM) was unable to make it this year.

Mr. Schanz recessed the Board meeting at 10:28 a.m. for a break and reconvened it at 10:42 a.m.

EXECUTIVE DIRECTOR REPORT

Board Policy OE-8 states that the Executive Director shall ensure that the Board is fully and adequately informed about matters relating to Board work and significant organizational concerns.

Pooling and Membership Update

Ms. Brandt informed the board that third-party litigation financing is a nationwide problem. We are a member of the Liability Reform Coalition and have been meeting with them for the past couple of years. LRC will be looking to see if any legislators are interested in collaborating with us on some projects, and specifically, third-party litigation finance reform.

It is not effective to hit multiple targets at once. Four risk pools are actively involved. The focus this year is on third-party litigation finance reform. The plaintiffs' bar is incredibly powerful and have a significant amount of money, making it challenging to find a champion to support the legislation we will focus on.

GEM October 2025 Board Meeting Recap

Ms. Brandt provided a comprehensive overview of the key discussions and decisions made during the GEM Board Meeting and Member Sessions held in Richmond, VA. Ms. Brandt referenced that the GEM Meeting recap is in your board packets.

Members of the 2025 work group presented their theme, "***Harnessing AI: Identifying Opportunities.***" The group established the scope by defining and modernizing strategies to expand and retain member entity commitments to pool membership.

Association of Governmental Risk Pools (AGRiP) Updates

Ms. Brandt provided updates on the Association of Government Risk Pools (AGRIP). She highlighted that four staff members attended the ***Staff Fall Forum in Austin, TX, October 5-7, 2025.*** The conference attracted a large audience and featured excellent speakers. There was a significant focus on Artificial Intelligence (***AI***) and its relationship to risk pooling, a topic expected to remain trending in the future.

Ms. Brandt encouraged the board to attend the upcoming ***AGRIP Governance Conference, scheduled for March 1-4, 2026, in Nashville, TN.*** She emphasized the importance of board members attending at least once every three years to further their education in pooling. Ms. Masterton will inform the board when registration for the conference will open.

2025 Claims Satisfaction Survey

Ms. Brandt presented the results of the PY 2025 claims satisfaction survey to the Board, praising Holly Nelson and the claims team for their hard work, which is reflected in the excellent survey results. The overall goal of conducting a claims survey is to gather feedback from Enduris members and gauge and improve Enduris' claims handling processes. The survey assesses the performance of the claims staff in service, knowledge, technical competency, explanation of the process, and responsiveness.

Strategic Plan Dashboard Update

Ms. Brandt noted that fiscal year 2025 is the final year of our three-year Strategic Plan.

Ms. Brandt introduced the new three-year Strategic Plan Dashboard, which we will start updating as we complete projects and add information as we finish action items. We will focus on strategies and objectives to meet our targets and reach our goals over the next three years. Ms. Brandt also mentioned that the dashboard will be thoroughly reviewed during discussions at the Generative Thinking Workshop, scheduled for February 2026.

Year in Review for PY 2025

Ms. Brandt and Ms. Millikan presented the "Year in Review" for PY 2025. They highlighted the following key achievements and operational highlights for the Fiscal Year.

- **Policy/Reinsurance:** We continue to work to ensure that our members' properties are insured to value for the 2025 policy year. Base rate changes budgeted for the property were set between 5% and 10% in the budget. The property M&S inflation factor was established at 5%, with liability rates up 5-10% and up exposures rising by 3%.
- **Financial Results and Outlook:** Enduris' net position (\$51.4M) has increased and is now just below the mid-point of the "green" target capital level (Minimum = 2× 1-in-200-year capital event). This represents continued growth from \$43.2M in 2024, reflecting strong reserve adequacy and capital resilience.
- **Stable Property and Liability Rates,** Member rate increases for Policy Year 2026 were minimal, and many members saw slight decreases. Budgeted Policy year 2025 base rate increases were 5%-10% to cover operating costs and target a zero net operating profit.
- **Member Engagement:** Completed 103 in-person visits, participated in 21 conferences, and conducted 31 webinars with 863 participants.
- **Claims Processing and Audit:** Processed 232 new claims with \$4.3 million expected cost; completed an internal claims audit to ensure accuracy. Looking ahead, Ms. Brandt shared with the board some essential goals Enduris will focus on in Policy Year 2026.
 - Begin work on the new 3-year strategic plan
 - Transition in leadership
 - Finalize pending property appraisals with Alliant
 - Explore Artificial Intelligence Applications in our Business
 - Obtain Member Signatures for Revised Intergovernmental Contract (IGC)
 - Rate study with PwC

EXECUTIVE SESSION

*The Board entered an Executive Session at **9:44 a.m.** to review the status of open claims. The meeting is back in Open Session at **10:49 a.m.***

*Mr. Schanz recessed the Board meeting for lunch at **12:05 p.m.** and reconvened it at **12:44 p.m.***

DISCUSSION/ACTION ITEMS

CLAIM PAYMENT APPROVALS

Board Policy OE-6.10 states that the Executive Director will not settle any claim of \$300,000 or more indemnity per claimant without authorization by the Board. Claims over \$300,000 are brought to the Board for ratification.

The employee alleges sexual harassment, discrimination, and a hostile work environment, forcing her to separate from employment.

An Indemnity payment has been issued in the amount of \$375,000.00

ADAMS/WILLIQUETTE To authorize indemnity payment of \$375,000.00 for **Claim #C10966**.
Motion carries.

Approval of Monitoring Reports for Operational Expectation Policies 1-10

Board Policy OE-8.1 Board Policy OE-8.1 states that the Executive Director will submit required monitoring data (see policy B/EDR-5–Monitoring Executive Director Performance) in a thorough, accurate, and understandable fashion, according to the Board’s annual work plan schedule, and including both Executive Director interpretations and relevant data to substantiate compliance or reasonable progress.

Mr. Balka and Ms. Brandt presented the Operational Expectations Monitoring Dashboard (**OEs Policies 1-10**). The administration adheres to these policies and reports annually to the Board, demonstrating compliance. Ms. Brandt confirmed that the administration has consistently met all expectations.

BOIE/WILLIQUETTE Moved to approve the Operational Expectations Monitoring Dashboard for Policy Year 2025 as evidence of compliance. **Motion carries.**

Approval of Goal Monitoring Report for PY 2025

Board Policy OE-8.1 states that the Executive Director will submit required monitoring data (see policy **B/EDR-5–Monitoring Executive Director Performance**) in a thorough, accurate, and understandable fashion, according to the Board’s annual work plan schedule, and including both Executive Director interpretations and relevant data to substantiate compliance or reasonable progress.

Ms. Brandt presented the Goal monitoring report, showing that the organization had made reasonable progress towards the Goal defined in the policy.

ADAMS/WILLIQUETTE Moved to approve the Goal Policy Monitoring Report for Policy Year 2025 as evidence that reasonable progress has been achieved. **Motion carries.**

Approval of proposed changes to Intergovernmental Contract

Board Policy OE-10.2 states that the Executive Director will provide members with an annual Memorandum of Coverage detailing the coverages and requirements for membership, including member rights and responsibilities, as well as an intergovernmental contract between members and the Pool.

Ms. Brandt has proposed revisions to the Intergovernmental Contract (IGC), which serves as the primary foundational document for the pool. A *redlined* version of the IGC is attached for review.

Below is a summary of the intended changes:

- Adjusted the name ‘Enduris’ to ‘Enduris Washington’ to be consistent with the business license.
- Minor grammatical corrections.
- Updated references from ‘year’ to ‘coverage period’ where appropriate.
- Removed reference to payment plan. Details of payment plans will be included in the payment plan agreement.
- Added wording that the pool may require reimbursement for prepaid costs when a member does not provide sufficient notice of withdrawal.
- Updated language to clarify intent regarding failure to make payments.
- Added wording regarding assignment.
- Clarified wording regarding notice, allowing for electronic communications in some instances, while member withdrawal/termination requires certified mail.

The membership received a thirty-day notice of these changes on October 13, 2025, as required by policy.

WATTS/BOIE moved to approve the recommended changes to the Intergovernmental Contract. **Motion carries.**

Financial Report and Financial Statements/SCIP Report

Board Policy OE-6 states that the Executive Director shall not cause or allow any financial activity or condition that materially deviates from the budget adopted by the Board; cause or allow any fiscal condition that is inconsistent with achieving the Board’s *Goal* or meeting any *Operational Expectations* goals; or place the long-term financial health of the Pool in jeopardy.

The Board of Directors formally monitors the pool's financial position quarterly. Ms. Brandt and Ms. Millikan presented the financial reports. The Board received the financial reports for July 31, August 31, 2025, and September 30, 2025.

The performance of the Spokane County Investment (**SPIF**) report dated September 30, 2025, and the Local Government Monthly Investment Pool (**LGIP**) report dated September 30, 2025.

WATTS/WILLIQUETTE moved to approve the July 31, 2025, August 31, 2025, and September 30, 2025, Financial Reports as presented. **Motion carries.**

BOIE/WATTS Moved to accept the September 30, 2025, activity report from the Spokane County Monthly Investment Pool (**SPIF**) Report and the Local Government Monthly Investment Pool (**LGIP**) Report as presented. **Motion carries.**

Actuarial Review

Board Policy GC-3.14 states that the Board will contract independently with an actuary to provide the Board with an actuarial study.

The Enduris Board contracts PricewaterhouseCoopers (**PwC**) to perform an actuarial review after each policy year. This report acts as evidence of compliance with various Board policies. The Board formally acknowledges receipt of the actuarial review, which is documented annually through a Board motion.

Ms. Brandt stated that Enduris' actuary, Craig Scukas, Director at PricewaterhouseCoopers (**PwC**), presented the actuarial review to the board earlier in the meeting.

ADAMS/WATTS *Moved to recognize the receipt of the Actuarial Review as of August 31, 2025.*
Motion carries.

EXECUTIVE SESSION

At 1:04 p.m., the Board entered an Executive Session to review discuss the Executive Director's evaluation. Mr. Schanz continued the Executive Session at 1:47 p.m. to finalize the review and compensation of the Executive Director.

The Executive Session concluded, and the open meeting resumed at 2:27 p.m.

DISCUSSION ACTION ITEMS

Executive Director Evaluation

Board Policy B/EDR-5 states that the Board considers Executive Director performance on the *Goal and Operational Expectations* identical to organizational performance. Organizational accomplishment of the Board's *Goal* policy and operation according to the values expressed in the Board's *Operational Expectations* policies will be considered successful Executive Director performance. Additionally, the Board will evaluate the Executive Director on core competencies and performance, based on individual goals and objectives.

Board Policy B/EDR-5.7 The Board conducts a formal summative evaluation of the Executive Director each November. The written evaluation is based on data collected during the year.

During the executive session, the Board chair dedicated time to the executive director's evaluation to ensure a thorough review. Before the meeting, Mr. Schanz distributed the Executive Director Evaluation form for PY2025 to the Board and shared the summarized results from the completed Staff Satisfaction Survey. As noted, further discussion took place during the executive session.

WATTS/WILLIQUETTE *Moved to accept the results from the Executive Director Evaluation and authorize an adjustment in compensation of 6.5% (a GWI increase of 3.5% and merit of 3%). The effective date shall be retroactive to the same date as the rest of the staff's compensation adjustments (October 10, 2025, Payroll). Motion carries.*

DEBRIEF BY BOARD

Board Policy GC-2.4 states that, as a means to assure continuous improvement, the Board will regularly and systematically monitor all policies and assess the quality of each meeting by debriefing the meeting following its conclusion.

The Board members appreciated the informative presentations delivered during the meeting. Their positive feedback indicated that the information presented was well-received and helpful. The members valued the insightful content, and their overall response was encouraging.

ADJOURNMENT

Mr. Schanz adjourned the Board meeting at 2:35 p.m.

ADAMS/WILLIQUETTE moved to adjourn the meeting. **Motion carried.**

A handwritten signature in cursive script that reads "Matt Schanz". The signature is written in black ink and is positioned above a horizontal line.

Matt Schanz, Chair

The Enduris Board meeting minutes are intended to be a reasonable summary of the Board's deliberations and actions. They are not a verbatim record of everything said at the meeting, but they include all actions taken by the Board.