

**COUNTY REINSURANCE, LIMITED**  
**CRL BOARD OF DIRECTORS MEETING RECAP**  
**September 24, 2025**

The following recap is being provided for informational purposes. It is to provide highlights from Board of Directors Meeting to keep Members informed until the Minutes become available. This recap is not intended to replace the meeting minutes, which will remain the official record of the meeting.

Any questions regarding the content of this recap can be directed to Micheon Hollier, CRL Executive Director, at [micheon.hollier@countyre.org](mailto:micheon.hollier@countyre.org) or 336-354-4051.

## **REPORTS**

### **Board Report, Chair Sonny Brasfield (verbal report)**

- Board Chair Sonny Brasfield reflected on the transformational progress CRL has made over past 26-27 months, acknowledging both challenges and staff resilience.

### **CRL Property Plus Committee, Committee Vice-Chair Craig Nelson (verbal report)**

- Vice Chair Craig Nelson discussed the CRL Property Plus Committee Meeting on 9/23/25, highlighting that it was a strategic reset meeting with full participation, while addressing short and long-term priorities. Key outcomes included regulatory action planning and the election of Ms. Ashley Abercrombie as the new CRL Property Plus Committee Chair.

### **Committee Meeting Minutes**

- The Board of Directors received the Committee Meeting Minutes for review.

### **Executive Director's Report – Micheon Hollier, CRL**

- The Board was updated on a growing liability concern involving county agreements with Federal ICE operations. Preliminary discussions with Safety National and legal counsel do not appear that the intent was for coverage to apply to Federal operations. Additional review is necessary to understand the scope of the issue and next steps.

## **PROGRAM MATTERS**

### **Reinsurance Market and Renewal Update – Marsh**

- The Board received various reports from the Marsh team regarding Property, Liability, Workers' Compensation, and Cyber Liability markets.
- CRL saw a favorable renewal with a 26% premium decrease, driven by membership changes, improved analytics and disciplined underwriting, and some softening of the market. CAT modeling led to coverage adjustments, and additional stop-loss protection was secured within budget.
- The Casualty & Liability market conditions continue to see challenges due to legal trends and high-profile claims. Excess liability market is tightening, especially for law enforcement and ICE-related risks.
- The Cyber Liability market continues with stable capacity, but stricter terms. This is due to rising risks, like ransomware and data breaches. Marsh emphasized data discipline, Member

training, and relationship-building with reinsurers to maintain favorable terms and prepare for future market shifts.

## **FINANCIAL MATTERS**

### **6/30/2025 Actuarial Reserve Study – Pinnacle Actuarial Resources**

- The Board was presented the 6/30/2025 Reserve Study, showing net reserves of \$342.2M across all lines, with favorable development due to improvement in the Property line of coverage. There continues to be adverse development in the Liability line of coverage, due to law enforcement.
- Capital surplus growth in the CRL General Account exceeded the proforma projections prepared during the capital adequacy study at \$58M.
- CRL commissioned a Self-Insured Retention (SIR) Analysis. The analysis focused on Property and Liability coverage lines, and Members with current SIRs less than \$1M. The analysis demonstrated how an SIR that is too low impacts net written premium and the amount of capital that a Member is required to maintain in the capital account. CRL will distribute the individual Member SIR analysis within a few weeks following the meeting, to support discussions towards adjusting to more appropriate levels at the next renewal.
- The Board of Directors unanimously moved to receive and file the 6/30/2025 Actuarial Reserve Study.

### **6/30/2025 Interim Financial Statements**

- The Board was presented with the interim financials for the CRL General Account and Property Plus. The General Account included consolidated figures with a separate supplement for Property Plus.
- CRL shifted investments from cash to debt securities. This is improving returns, while maintaining stable overall assets. Liabilities decreased modestly, and Member surplus grew significantly. Total Member surplus increased to \$58M, driven by a \$14.7M net income in the first 6 months of the fiscal year. Premiums and investment income both increased, and solvency ratios are trending positively.
- Property Plus showed similar strength, with reduced reserves, a 21% increase in total Member surplus to \$137M, and solid underwriting and net income results. Financial indicators across both entities suggest movement towards more efficient operations and sound fiscal health.
- The Board of Directors unanimously approved a motion to receive and file the 6/30/2025 Interim Financial Statements.

### **Pass-Through of Property Panel Reinsurance Premium Payables**

- The Board reviewed the historical and current treatment of Property premiums noting that prior to 2023, Panel premiums (premiums above the CRL layers of coverage) were significantly higher, due to their \$5M attachment point above the CRL General Account.
- In 2023, the CRL Property Plus structure changed retaining the \$25M excess of \$5M layer, reducing panel premium obligations. The Panel carriers (above the \$30M attachment point) did not submit invoices for 2023 and 2024 and have agreed to no longer charge for additional premiums related to True-ups and Policy Year Audits above and beyond the

bound premiums. CRL currently has \$8.7M recorded as payables with no corresponding invoice.

- There are four distinct components of the total Property Program Premiums: CRL General Account, CRL Property Plus, Panel Reinsurance, and Admin/Surcharges.
- The proposal recognized the excess Panel Reinsurance premiums as earned income in the CRL General Account. Johnson Lambert LLP, CRL independent auditor, has previously accepted this accounting practice.
- The long-term goal is to improve real-time property schedule changes so that renewals are based on more current property schedules to move away from True-Up process.
- The Board of Directors unanimously approved the pass-through of Panel Property Reinsurance Premiums for the 2023-2024 and 2024-2025 policy years to the CRL General Account, and to continue this treatment for future excess premiums.

#### **Investment Review & Outlook as of 8/31/2025 – Strategic Asset Alliance**

- The Board was presented an overview of CRL's investment portfolio and market outlook. As of May 2025, all asset classes were performing well.
- CRL expects \$16.5M in investment income over the next 12 months, while Property Plus is projected to earn \$6.5M. Combined portfolios total \$600M, supporting long-term stability and Member goals.
- The investment outlook remains positive, with a focus on diversification and strategic asset allocation.

#### **CRL Portfolio Performance as of 8/31/2025 – Asset Allocation & Management Company, LLC**

- The Board presented updates regarding its portfolio performance.
- CRL had strong portfolio performance. The CRL General Account posted a 6.2% year-to-date, with high liquidity and a 50% increase in net investment income year-over-year. Duration and investment policy reviews are underway to align with market conditions.

#### **CRL Property Plus 114 Trust Agreement**

- The CRL Property Plus Committee recommended Board approval of a 114 Trust Agreement, which is required for certain Members, due to regulatory obligations.
- This trust structure ensures proper collateralization of losses within Property Plus and prevents commingling of funds with CRL or the General Account.
- The Committee affirmed both: a) the necessity of the trust, and b) the template document, which will be submitted to the VDFR for review.
- The Board of Directors unanimously approved to ratify the CRL Property Plus Committee's affirmation of the 114 Trust requirements, and receipt of the Property Plus 114 Trust template.

#### **Consideration of CRL Property Plus Policyholder Dividend**

- The Property Plus Committee reviewed the compliance related decisions needed for all Members receiving coverage under Property program to sign a Participation Agreement and contribute capital. To address how non-Participants or non-Owners would meet the capital requirement, three options were considered: 1) reclassifying dividends as capital, 2) requiring full upfront contributions, or 3) allowing contributions over time.

- The CRL Property Plus Committee approved a \$20M Policyholder Dividend to be distributed to active Policyholders including the three non-Participants. Dividends for the three non-Participants will be retained by CRL and reclassified as capital contributions to satisfy the participation requirements. The Policyholder Dividend will be paid from the current year's income and will allow CRL to move forward with finalizing the Participation Agreements for execution.
- The Board of Directors approved the Policyholder Dividend for active policyholders as of October 1, 2025, reclassifying the dividend for new Participants to satisfy the capital contribution requirement, pending final approval by the VDFR.

## **ADMINISTRATIVE MATTERS**

### **CRL Property Plus Owners Acknowledgement**

- The Board formally ratified the CRL Property Plus Committee's recognition of three non-owner Participants, for the 2025 policy year, in compliance with VDFR requirements. The non-owner Participants are Mississippi, Kentucky, and Arkansas.

### **AIG Insurance Management Services Management Fee Adjustment for 2026**

- The Board of Directors unanimously approved the increase in management fees with AIG to \$140,000 annually effective January 1, 2026, and the Management Agreement Addendum effectuating the increase in the fees.

### **Pinnacle Actuarial Resources Fee Adjustment for 2025-2026 and 2026-2027 Funding Analysis**

- The Board of Directors unanimously approved both the special billing of \$24,000 for the 2025-2026 Funding Analysis, and the increase in the fees of \$9,000 for the 2026-2027 Funding Analysis.

### **Proposed Revisions to Strategic Plan**

- The Board of Directors unanimously approved the revisions to the CRL Strategic Plan.

### **Proposed 2026 Board Meeting Schedule**

- The Board of Directors unanimously approved the 2026 Board Meeting Schedule.

## **ELECTIONS AND APPOINTMENTS**

### **CRL Board Officers Election**

- The Board of Directors elected the following Directors to Officer positions with a one-year term:
  - Chair, Sonny Brasfield
  - Vice Chair, Craig Nelson
  - Secretary, David Seivers
  - Treasurer, John Brownlee

### **REPORT FROM EXECUTIVE SESSION**

- The Board convened in Executive Session to receive information on various items. No action was taken.

**Next CRL Board of Directors Meeting, November 6, 2025 (virtual).**