

**COLORADO INTERGOVERNMENTAL
RISK SHARING AGENCY
Denver, Colorado**

**COMBINED STATUTORY FINANCIAL STATEMENTS
December 31, 2025 and 2024**



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Colorado Intergovernmental Risk Sharing Agency
Denver, Colorado

Report on the Audit of the Combined Financial Statements

Opinions

We have audited the combined financial statements of Colorado Intergovernmental Risk Sharing Agency, which comprise the combined statutory basis statements of admitted assets, liabilities, and members' surplus as of December 31, 2025 and 2024, and the related combined statutory basis statements of income, unassigned surplus, and cash flow for the years then ended, and the related notes to the combined financial statements.

Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the accompanying combined statutory financial statements present fairly, in all material respects, the statutory basis admitted assets, liabilities, and members' surplus of Colorado Intergovernmental Risk Sharing Agency as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by the Division of Insurance of the Department of Regulatory Agencies of the State of Colorado as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the combined financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Colorado Intergovernmental Risk Sharing Agency as of December 31, 2025 and 2024, or the results of its operations or its cash flows for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of Colorado Intergovernmental Risk Sharing Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the combined financial statements are prepared by Colorado Intergovernmental Risk Sharing Agency on the basis of the financial reporting provisions prescribed or permitted by the Division of Insurance of the Department of Regulatory Agencies of the State of Colorado, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division of Insurance of the Department of Regulatory Agencies of the State of Colorado. The effects on the combined financial statements of the variances between the statutory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with the financial reporting provisions prescribed or permitted by the Division of Insurance of the Department of Regulatory Agencies of the State of Colorado, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Colorado Intergovernmental Risk Sharing Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Colorado Intergovernmental Risk Sharing Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

In accordance with the financial reporting provisions prescribed or permitted by the Division of Insurance of the Department of Regulatory Agencies of the State of Colorado, the reconciliation of reserves for unpaid losses and loss adjustment expenses and the ten-year loss development information on pages 23 through 26, is required to be presented to supplement the combined statutory basis financial statements. We have applied certain limited procedures to the required supplementary information, 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 combined statutory basis financial statements, and other knowledge we obtained during our audit of the combined statutory basis 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined statutory basis financial statements as a whole. The accompanying supplementary statutory basis information is presented for purposes of additional analysis and is not a required part of the combined statutory basis financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined statutory basis financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined statutory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined statutory basis financial statements or to the combined statutory basis financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the combined statutory basis financial statements as a whole.



CliftonLarsonAllen LLP

Denver, Colorado
April 9, 2026

COMBINED STATUTORY FINANCIAL STATEMENTS

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
COMBINED STATUTORY STATEMENTS OF ADMITTED ASSETS,
LIABILITIES, AND SURPLUS**
December 31, 2025 and 2024

Admitted Assets	2025	2024
Cash and invested assets:		
Bonds, at amortized cost, fair value of \$66,557,132 in 2025 and \$62,675,311 in 2024	\$ 67,638,613	\$ 65,882,720
Cash, cash equivalents, and short term investments	52,641,685	33,694,668
Investment in NLC Mutual Insurance Company	1,072,425	1,072,425
Investment in Government Entities Mutual Inc.	1,128,601	752,300
Real estate, at cost, net of accumulated depreciation	2,595,911	2,781,494
Total cash and invested assets	125,077,235	104,183,607
Accrued investment income	359,955	302,047
Receivable from members	946,133	976,729
Excess insurance receivable	1,990,198	879,881
Electronic data processing equipment, at cost, net of accumulated depreciation	42,454	77,195
Prepaid excess insurance premiums	625,689	-
Other admitted assets	10,305	3,709
Total admitted assets	\$ 129,051,969	\$ 106,423,168
 Liabilities and Surplus 		
Reserves for unpaid losses and loss adjustment expenses, net of excess insurance recoverables	\$ 69,125,420	\$ 63,358,050
Accounts payable and accrued liabilities	2,026,370	1,606,423
Member credits payable	941,759	892,547
Special contribution plan deposits	25,000	25,000
Unearned member contributions	50,903	210,763
Total liabilities	72,169,452	66,092,783
Unassigned surplus	56,882,517	40,330,385
Total liabilities and surplus	\$ 129,051,969	\$ 106,423,168

The accompanying notes are an integral part of the combined statutory financial statements.

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
COMBINED STATUTORY STATEMENTS OF OPERATIONS**

Years ended December 31, 2025 and 2024

	2025	2024
Member contributions earned (net of excess insurance and reinsurance premiums and brokerage commissions of \$20,138,564 and \$18,114,923 in 2025 and 2024, respectively)	<u>\$ 58,707,697</u>	<u>\$ 52,206,819</u>
Deductions:		
Losses and loss adjustment expenses incurred	30,949,022	38,106,937
Other underwriting expenses incurred	<u>14,479,946</u>	<u>13,881,365</u>
Total underwriting deductions	<u>45,428,968</u>	<u>51,988,302</u>
Net underwriting income	13,278,729	218,517
Net investment income	<u>4,201,137</u>	<u>3,488,816</u>
Net income	<u><u>\$ 17,479,866</u></u>	<u><u>\$ 3,707,333</u></u>

The accompanying notes are an integral part of the combined statutory financial statements.

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
COMBINED STATUTORY STATEMENTS OF UNASSIGNED SURPLUS**

Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Unassigned surplus, beginning of year	\$ 40,330,385	\$ 37,355,521
Net income (loss)	17,479,866	3,707,333
Change in nonadmitted assets (Note 5)	(187,054)	(53,061)
Distributions and credits to members and withdrawn members	<u>(740,680)</u>	<u>(679,408)</u>
Unassigned surplus, end of year	<u>\$ 56,882,517</u>	<u>\$ 40,330,385</u>

The accompanying notes are an integral part of the combined statutory financial statements.

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
COMBINED STATUTORY STATEMENTS OF CASH FLOW**

Years ended December 31, 2025 and 2024

	2025	2024
Cash flow from operating activities:		
Contributions collected from members, net of excess insurance premiums and brokerage commissions paid	\$ 57,952,744	\$ 52,530,523
Losses and loss adjustment expenses	(26,291,969)	(33,380,858)
Underwriting expenses paid	(14,305,949)	(13,389,495)
Cash provided by underwriting operations	17,354,826	5,760,170
Net investment income received	4,407,029	3,776,360
Other amounts collected	314,686	-
Net cash provided by operating activities	22,076,541	9,536,530
Cash flow from investing activities:		
From investments sold, matured, or repaid:		
Bonds	23,087,924	12,873,132
For investments acquired:		
Cost of investments acquired	(376,301)	(7,498,436)
Cost of investment in Government Entities Mutual Inc.	(25,107,616)	-
Purchases of property and equipment, net	(42,063)	(37,036)
Investments acquired	(25,525,980)	(7,535,472)
Net cash provided by investing activities	(2,438,056)	5,337,660
Cash flow used in financing activities:		
Distributions and credits to members	(691,468)	(846,732)
Net cash used in financing activities	(691,468)	(846,732)
Net increase in cash and cash equivalents	18,947,017	14,027,458
Cash and cash equivalents, beginning of year	33,694,668	19,667,210
Cash and cash equivalents, end of year	\$ 52,641,685	\$ 33,694,668

The accompanying notes are an integral part of the combined statutory financial statements.

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Colorado Intergovernmental Risk Sharing Agency

Colorado Intergovernmental Risk Sharing Agency (CIRSA or the Agency) was formed January 1, 1991, by the combination of the Colorado Intergovernmental Risk Sharing Agency Property and Casualty Pool (Property and Casualty Pool or CIRSA/PC) and the Colorado Intergovernmental Risk Sharing Agency for Workers' Compensation Pool (Workers' Compensation Pool or CIRSA/WC). The Property and Casualty Pool was originally formed January 1, 1982 to provide property and liability coverages and related services for its member municipalities. The Workers' Compensation Pool was originally formed January 1, 1988 to provide workers' compensation coverages and related services for its member municipalities. The combination was made pursuant to authorization by the board of directors and by a vote of the membership, and accordingly, the statutory financial statements are presented on a combined basis.

Membership in CIRSA is evidenced by execution of the Bylaws and Intergovernmental Agreement. At December 31, 2025, CIRSA membership consisted of 239 municipalities and 55 special districts. There were 292 members of the Property and Casualty Pool and 137 members of the Workers' Compensation Pool with 135 being members of both pools. At December 31, 2025, 201 member municipalities have populations of less than 10,000; 29 member municipalities have populations between 10,000 and 40,000; and 12 member municipalities have populations between 40,000 and 154,061. Based on earned premium, approximately 81% relates to property and casualty and 19% relates to workers' compensation coverage. CIRSA's general objectives are to provide member municipalities and special districts defined property and liability and/or workers' compensation coverages through joint self-insurance and excess insurance. Any member may withdraw from CIRSA by giving written notice to the board of directors of the prospective effective date of its withdrawal. Members may be admitted by a vote of the board of directors absent a membership request to deny admittance. CIRSA's rate-setting policies are established by the board of directors, in consultation with independent actuaries. The board of directors may credit members' future contributions if the board considers total net position exceeds business needs. Although it has never occurred, CIRSA member municipalities and special districts are subject to a supplemental assessment in the event of a deficiency. In addition to the coverage described above, the board of directors has authorized CIRSA to provide claims administration and loss control services to Colorado nonmember public entities. At December 31, 2025 and 2024, the Agency was not providing this service to any other nonmember public entity.

Basis of Presentation

The Property and Casualty Pool and Workers' Compensation Pool are accounted for separately for the purpose of identifying economic funds and member interests but are presented on a combined basis in the accompanying statutory financial statements. All inter-pool accounts and transactions have been eliminated.

The Agency prepares its statutory financial statements in accordance with accounting practices prescribed or permitted by the Division of Insurance of the Department of Regulatory Agencies of the State of Colorado (the Division). Prescribed statutory accounting practices are those practices that are incorporated directly or by reference to state laws, regulations, and general administrative rules applicable to all insurance enterprises domiciled in a particular state.

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Effective January 1, 2001, Colorado adopted the National Association of Insurance Commissioners' (NAIC) statutory accounting practices, which are codified in the NAIC's *Accounting Practices and Procedures Manual* (the Manual). Therefore, compliance with the Manual is a prescribed accounting practice.

Statutory accounting practices contained in the Manual vary in some respects from accounting principles generally accepted in the United States of America. The more significant statutory practices include: (1) contributions are taken into earnings over the periods covered by the policies, whereas the related acquisition costs are expensed when incurred; (2) bonds are carried at amortized cost instead of at fair value; (3) reinsurance transactions relating to the combined statutory statement of admitted assets, liabilities, and surplus are reported on a net basis rather than a gross basis; and (4) assets are included in the combined statutory statements of admitted assets, liabilities, and surplus at "admitted asset value," and "nonadmitted assets" are excluded through a charge against unassigned surplus. The effects on the combined financial statements of the variances between statutory accounting practices and accounting principles generally accepted in the United States of America are as follows:

	2025	2024
Statutory income, net	\$ 17,479,866	\$ 3,707,333
Net increase in the fair value of investments	2,125,929	713,499
Distributions and credits to members and withdrawn members	(740,680)	(679,408)
GAAP change in net position	\$ 18,865,115	\$ 3,741,424
Statutory unassigned surplus	\$ 56,882,517	\$ 40,330,385
Unrealized investment losses	(1,081,481)	(3,207,409)
Non admitted assets (Note 5)	874,699	687,645
GAAP members' net position	\$ 56,675,735	\$ 37,810,621

Use of Estimates

The preparation of statutory financial statements in accordance with accounting practices prescribed by the Division requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statutory financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the reserves for unpaid losses and loss adjustment expenses. Actual results could differ from those estimates.

Investments

Investments in debt securities consist of United States government and corporate obligations and are carried at amortized cost. Investments whose maturities at the time of acquisition are one year or less are classified as short-term investments.

The amortization of bond premium or discount is calculated using the effective interest method taking into consideration specified interest and principal provisions over the life of the bond.

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Bonds containing call provisions are amortized to the call or maturity value or date, which produces the lowest asset value, in accordance with the Manual.

All investment income is recognized as revenue (or expense) in the combined statutory statements of income. Gains and losses on investments sold are realized in operations and are computed based on the specific-identification method.

Cash and Cash Equivalents

For purposes of the combined statutory statements of cash flow, cash and cash equivalents include cash on deposit, money market funds, and other investments with maturities of three months or less at the date of acquisition. The Agency's cash on deposit amounts are held in Colotrust and Wells Fargo accounts.

Cash deposits in non-interest bearing accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation for 2025 and 2024, respectively. At December 31, 2025 and 2024, the Agency's cash deposits in non-interest bearing accounts had balances of \$3,350,609 and \$5,667,224, respectively. Also, these amounts, in addition to cash deposits in interest bearing accounts, are collateralized by securities held by another institution or held in trust, as required by the provisions of the Public Deposit Protection Act.

Real Estate and Electronic Data Processing Equipment

Per the Agency's capitalization policy, expenditures greater than \$2,500 for items with a useful life in excess of a year, are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Depreciation expense is included in other underwriting expense incurred.

Real estate and electronic data processing equipment were reported as follows at December 31:

	2025			
	Cost	Accumulated Depreciation	Net	Depreciation Expense
Real estate	\$ 8,931,715	\$ 6,335,803	\$ 2,595,912	\$ 211,898
Electronic data processing equipment	420,632	378,178	42,454	50,488
Nonadmitted fixed assets	3,173,989	2,469,745	704,244	495,926
	2024			
	Cost	Accumulated Depreciation	Net	Depreciation Expense
Real estate	\$ 8,905,399	\$ 6,123,905	\$ 2,781,494	\$ 253,019
Electronic data processing equipment	410,765	333,570	77,195	72,278
Nonadmitted fixed assets	3,160,631	1,973,819	1,186,812	297,039

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Member Contributions

Member contributions are earned on a pro rata basis over the applicable contract periods. The period over which risk protection is provided is generally consistent with the contract period, and the contract periods are consistent with the Agency's fiscal year-end. The members' coverages are continuous until canceled. Contributions greater than 90 days past due are nonadmitted in accordance with the Manual. The Agency considers anticipated investment income in determining if a premium deficiency exists.

Excess Insurance and Reinsurance

The cost of excess insurance and reinsurance coverage is charged to income ratably over the period of coverage and is reported as a reduction of member contributions earned. Losses, loss adjustment expenses, and the reserves for loss and loss adjustment expenses are reported net of reinsured amounts in accordance with the Manual.

Reserve for Unpaid Losses and Loss Adjustment Expenses

The reserve for unpaid losses and loss adjustment expenses represents the estimated liability for claims reported, plus claims incurred and not reported and the related loss adjustment expenses, including the effects of inflation and other societal and economic factors. The Agency does not discount reserves for unpaid losses and loss adjustment expenses. The reserve for unpaid losses and loss adjustment expenses is estimated by an independent third-party actuary using individual case-basis valuations and statistical analysis. Those estimates are subject to inherent variability caused by the nature of the insurance process. The potentially long period of time between the occurrence of an insured event and the final settlement of a claim and the possible effects of changes in the legal, social, and economic environments contribute to this variability. Although considerable variability is inherent in the estimates of ultimate losses and loss adjustment expenses and the resulting reserves, management believes that the reserves for unpaid losses and loss adjustment expenses are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations.

Income Taxes

The Agency provides an essential governmental function to its members as described in Section 115 of the Internal Revenue Code, and accordingly, its revenue is exempt from federal and state income taxes. The Agency has received a determination letter regarding its tax status from the Internal Revenue Service. Therefore, the accompanying combined statutory financial statements do not include a provision for income taxes.

Administration Fee

Most general and administrative expenses of CIRSA are recorded by CIRSA/PC, which charges an administration fee to CIRSA/WC for its share of these expenses. Administration fees, which were \$3,639,827 and \$3,325,141 during 2025 and 2024, respectively, are eliminated in the accompanying combined statutory financial statements.

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Member Credits Payable

Each year, CIRSA's board of directors declares and allocates various credits to members. As of December 31, 2025, and 2024, member credits payable consisted of the following:

	<u>2025</u>	<u>2024</u>
Loss control credit accounts	\$ 919,918	\$ 870,707
Equity credits held for deductibles	21,840	21,840
	<u>\$ 941,758</u>	<u>\$ 892,547</u>

Loss Control Credit Accounts

The Loss Control Credit Accounts Program was designed to encourage members to establish and implement safety-related programs. During 2025 and 2024, the board of directors designated \$751,053 and \$708,207, respectively, to be allocated to members based on the results of an annual loss control audit performed by CIRSA. Members receive a "score" for loss control activities during the year and the total loss control credit is allocated to members based on this score. Members can apply their credit to future contributions, receive a cash payment, or receive loss control credits, which can be applied to the purchase of safety-related items. Undistributed amounts in loss control credit accounts were \$919,918 and \$870,707 at December 31, 2025 and 2024, respectively.

Equity Credits Held for Deductibles

In prior years, the CIRSA board awarded equity credits for members of the property and casualty pool when the net position of the pool was considered to have exceeded business needs. Members may retain these distributions in the pools so that the credits can be applied against future deductible payments and the credits earn interest. Interest of \$0 was credited in 2025 and 2024. The equity credits held for deductibles payable at December 31, 2025 and 2024 was \$21,840. The equity credits to be paid to members were \$0 at December 31, 2025 and 2024.

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 2 - INVESTMENTS

The Agency's investments at December 31 are summarized as follows:

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
2025:				
U.S. Treasury securities	\$ 10,798,363	\$ 62,913	\$ (57,597)	\$ 10,803,679
U.S. Government agency obligations	372,583	-	(41,725)	330,858
Corporate obligations	6,607,696	41,797	(63,012)	6,586,481
Mortgage backed securities	34,780,363	255,541	(1,033,355)	34,002,549
Municipal securities	15,079,608	40,488	(286,531)	14,833,565
Total	<u>\$ 67,638,613</u>	<u>\$ 400,739</u>	<u>\$ (1,482,220)</u>	<u>\$ 66,557,132</u>
2024:				
U.S. Treasury securities	\$ 11,657,320	\$ -	\$ (378,125)	\$ 11,279,195
U.S. Government agency obligations	7,756,528	505	(247,782)	7,509,251
Corporate obligations	4,161,861	-	(172,495)	3,989,366
Mortgage backed securities	28,159,234	2,102	(1,734,603)	26,426,733
Municipal securities	14,147,777	3,193	(680,204)	13,470,766
Total	<u>\$ 65,882,720</u>	<u>\$ 5,800</u>	<u>\$ (3,213,209)</u>	<u>\$ 62,675,311</u>

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 2 - INVESTMENTS (CONTINUED)

A summary of the amortized cost and fair value of the Agency's investments in bonds at December 31, 2025 and 2024, by contractual maturity, is as follows:

	2025	
	Amortized Cost	Fair Value
Maturity:		
Due in one year or less	\$ 3,900,021	\$ 3,894,520
Due after one through five years	35,321,658	34,881,414
Due after five through ten years	13,248,073	13,374,082
Due after ten years	15,168,861	14,407,116
	<u>\$ 67,638,613</u>	<u>\$ 66,557,132</u>
	2024	
	Amortized Cost	Fair Value
Maturity:		
Due in one year or less	\$ 14,011,173	\$ 13,772,806
Due after one through five years	31,797,509	30,239,009
Due after five through ten years	4,423,932	4,263,256
Due after ten years	15,650,106	14,400,240
	<u>\$ 65,882,720</u>	<u>\$ 62,675,311</u>

Proceeds from the sales, calls and maturities of debt securities during 2025 and 2024 were approximately \$12,088,000 and \$12,873,000 respectively. Gross gains of \$390 and \$0 were realized on those sales and calls for both 2025 and 2024, respectively. Gross losses of \$165,315 and \$0 were realized on sales and calls for both 2025 and 2024, respectively.

At December 31, 2025 and 2024, bonds with a carrying value of \$548,174 and \$514,956, respectively, were pledged to the Division of Insurance of the State of Colorado to satisfy regulatory requirements.

The carrying amounts of other financial instruments at December 31, 2025 and 2024, which includes cash and cash equivalents, short-term investments, premiums receivable, interest and dividends due, and accrued accounts payable and accrued other expenses, and payables to affiliates, approximate their fair values because of the short maturity of these instruments.

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 2 - INVESTMENTS (CONTINUED)

At December 31, 2025, the Agency had the following unrealized losses, which are considered temporary, and therefore the underlying securities were not impaired:

Description of securities	Less than 12 months		12 Months or Greater		Total	
	Fair Value	Unrealized losses	Fair Value	Unrealized losses	Fair Value	Unrealized losses
U.S. Government						
Agency Obligations	\$ 330,857	\$ (41,725)	\$ -	\$ -	\$ 330,857	\$ (41,725)
U.S. Treasury Securities	1,990,459	(8,662)	2,258,732	(48,935)	4,249,191	(57,597)
Municipal Obligations	520,267	(508)	10,669,514	(286,023)	11,189,781	(286,531)
Mortgage Backed Securities	1,670,712	(78,102)	12,491,295	(955,253)	14,162,007	(1,033,355)
Corporate Obligations	140,053	(112)	2,070,457	(62,900)	2,210,510	(63,012)
	<u>\$ 4,652,348</u>	<u>\$ (129,109)</u>	<u>\$ 27,489,998</u>	<u>\$ (1,353,111)</u>	<u>\$ 32,142,346</u>	<u>\$ (1,482,220)</u>

At December 31, 2024, the Agency had the following unrealized losses, which are considered temporary, and therefore the underlying securities were not impaired:

Description of securities	Less than 12 months		12 Months or Greater		Total	
	Fair Value	Unrealized losses	Fair Value	Unrealized losses	Fair Value	Unrealized losses
U.S. Government						
Agency Obligations	\$ -	\$ -	\$ 7,209,656	\$ (247,782)	\$ 7,209,656	\$ (247,782)
U.S. Treasury Securities	-	-	11,279,195	(378,125)	11,279,195	(378,125)
Municipal Obligations	1,389,402	(3,624)	11,758,318	(676,580)	13,147,720	(680,204)
Mortgage Backed Securities	2,702,546	(29,003)	22,971,807	(1,705,600)	25,674,353	(1,734,603)
Corporate Obligations	628,584	(13,394)	3,360,783	(159,101)	3,989,367	(172,495)
	<u>\$ 4,720,532</u>	<u>\$ (46,021)</u>	<u>\$ 56,579,759</u>	<u>\$ (3,167,188)</u>	<u>\$ 61,300,291</u>	<u>\$ (3,213,209)</u>

U.S. Government Agency Obligations

Any unrealized losses in government securities are due to interest rate fluctuations. Because of the ability to hold to maturity, plus the credit quality of government securities, government obligation unrealized losses are considered temporary.

Corporate and Municipal Obligations

At December 31, 2025 and 2024, investment grade bonds held in the portfolio all had an AA- rating or higher upon purchase. All of the Agency's corporate bonds, municipal bonds, and commercial paper remain at or above these criteria as of December 31, 2025 and 2024.

All investments held by the Agency at December 31, 2025 and 2024 had an NAIC rating of 1 upon purchase which includes investments that are insured and registered or which are held by the Agency or its agent in the Agency's name.

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 2 - INVESTMENTS (CONTINUED)

The Agency's net investment income is summarized as follows:

	Year Ended December 31	
	2025	2024
Debt securities	\$ 1,983,809	\$ 1,596,856
Cash and cash equivalents	1,827,520	1,319,658
Rental revenue	712,719	712,719
Net realized losses on sale of investments	(164,925)	-
Gross investment income	4,359,123	3,629,233
Investment expenses	(157,986)	(140,417)
Net investment income	\$ 4,201,137	\$ 3,488,816

Rental income related to Agency-owned buildings occupied by the Agency during 2025 and 2024 was \$712,719 and is included in rental revenue above. The related expense is included in other underwriting expenses incurred on the combined statements of income.

NLC Mutual Insurance Company provided workers' compensation reinsurance to the Agency from 2002 through 2006 and property reinsurance from 2003 through 2006. NLC Mutual Insurance Company is also a risk pool, as is the Agency. To obtain the reinsurance, the Agency, therefore, was required to make a capital contribution to become a member of the NLC Mutual Insurance Company pool, in addition to regular premiums paid. The related capital contributions associated with NLC Mutual Insurance Company are presented as a deposit at cost of \$1,072,425 as of December 31, 2025, and 2024, in accordance with the Manual.

Government Entities Mutual Inc. provided liability reinsurance to the Agency in 2022. Government Entities Mutual Inc. is also a risk pool, as is the Agency. To obtain the reinsurance, the Agency was required to make a capital contribution to become a member of the Government Entities Inc. pool, in addition to regular premiums. The related capital contribution associated with Government Entities Mutual Inc. is presented as a deposit at cost as of December 31, 2025, and 2024 for \$1,128,601 and \$752,300, respectively, in accordance with the Manual.

Concentration of Credit Risk

State law limits investments in corporate bonds of any single issuer to five percent of the Agency's portfolio. No single issuer of corporate bonds represents more than five percent of the Agency's portfolio. However, more than 5 percent of the Agency's investments were invested as follows as of December 31:

	2025		2024	
Federal National Mortgage Association	\$ 15,544,795	23.36%	\$ 16,419,681	26.20%
Federal Home Loan Mortgage Corporation	\$ 12,600,782	18.93%	\$ 12,141,956	19.37%
Government National Mortgage Association	\$ 5,596,122	8.41%	\$ 4,796,770	7.65%

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 3 - EXCESS INSURANCE AND REINSURANCE

The Agency has entered into various excess insurance and reinsurance contracts to limit large losses and minimize exposure on large risks. Coverage for policies is provided under the following terms:

Year(s) ended	Reinsurance coverage
1996 – 2005	100% of statutory limits in excess of \$400,000 for workers' compensation coverage.
2006 – 2012	100% of statutory limits in excess of \$500,000 for workers' compensation coverage.
2013	100% of statutory limits in excess of \$500,000 for workers' compensation coverage for all claims made by employees other than firefighters or police officers, \$750,000 for all claims made by firefighters or police officers except \$1,000,000 for all claims made by firefighters under Colorado HB 07-1008.
2014 -2015	100% of statutory limits in excess of \$500,000 for workers' compensation coverage for all claims made by employees other than firefighters or police officers, \$750,000 for all claims made by firefighters or police officers except \$1,250,000 for all claims made by firefighters under Colorado HB 07-1008.
2016 - 2021	100% of statutory limits in excess of \$500,000 for workers' compensation coverage for all claims made by employees other than firefighters or police officers, \$750,000 for all claims made by firefighters or police officers
2022	100% of statutory limits in excess of \$750,000 for workers' compensation coverage for all claims made by employees other than firefighters or police officers, \$1,000,000 for all claims made by firefighters or police officers
2023-2025	100% of statutory limits in excess of \$750,000 for workers' compensation coverage.

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 3 - EXCESS INSURANCE AND REINSURANCE (CONTINUED)

Year(s) ended	Excess coverage
2003 – 2005	<p>Excess liability – 100% of \$4,000,000 in excess of \$1,000,000 per claim/occurrence (except auto liability, which is 100% of \$500,000 in excess of \$1,000,000 and Public Officials' Errors and Omissions, which is also 100% of \$4,000,000 in excess of \$10,000,000 annual aggregate per member).</p> <p>Excess property – 100% of \$500,000,000 in excess of \$1,000,000 per claim/occurrence.</p> <p>Property reinsurance – 100% of \$500,000 in excess of \$500,000 per claim/occurrence.</p>
2006	<p>Excess liability – 100% of \$4,000,000 in excess of \$1,000,000 per claim/occurrence (except auto liability, which is 100% of \$500,000 in excess of \$1,000,000 and Public Officials' Errors and omissions, which is also 100% of \$4,000,000 in excess of \$1,000,000 but has a \$10,000,000 annual aggregate per member).</p> <p>Liability reinsurance – 100% of \$500,000 in excess of \$500,000 per claim/occurrence.</p> <p>Excess property – 100% of \$500,000,000 in excess of \$1,000,000 per claim/occurrence.</p> <p>Property reinsurance – 100% of \$500,000 in excess of \$500,000 per claim/occurrence.</p>
2007 – 2013	<p>Liability reinsurance – 100% of \$4,400,000 in excess of \$600,000 per claim/occurrence (except auto liability, which is 100% of \$900,000 in excess of \$600,000 and Public Officials' Errors and Omissions, which is also 100% of \$4,400,000 in excess of \$600,000 but has a \$10,000,000 annual aggregate per member).</p> <p>Excess property – 100% of \$500,000,000 in excess of \$500,000 per claim/occurrence.</p>
2014 - 2015	<p>Liability reinsurance – 100% of \$4,000,000 in excess of \$1,000,000 per claim/occurrence for all liability losses. Public Officials' Errors and Omissions has a \$10,000,000 annual aggregate per member.</p> <p>Excess property – 100% of \$500,000,000 in excess of \$500,000 per claim/occurrence.</p>
2016 - 2017	<p>Liability reinsurance – 100% of \$4,000,000 in excess of \$1,000,000 per claim/occurrence for all auto liability losses. 100% of \$9,000,000 in excess of \$1,000,000 for all General Liability, Police Professional Liability and Public Officials' Errors and Omissions. Public Officials' Errors and Omissions has a \$10,000,000 annual aggregate per member.</p> <p>Excess property – 100% of \$500,000,000 in excess of \$500,000 per claim/occurrence.</p>
2018	<p>Liability reinsurance – 100% of \$4,000,000 in excess of \$1,000,000 per claim/occurrence for all auto liability losses. 100% of \$9,000,000 in excess of \$1,000,000 for all General Liability, Police Professional Liability and Public Officials' Errors and Omissions. Public Officials' Errors and Omissions has a \$10,000,000 annual aggregate per member.</p> <p>Excess property – 100% of \$500,000,000 in excess of \$1,000,000 per claim/occurrence.</p>

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 3 - EXCESS INSURANCE AND REINSURANCE (CONTINUED)

<u>Year(s) ended</u>	<u>Excess coverage</u>
2019	<p>Liability reinsurance – 100% of \$4,000,000 in excess of \$1,000,000 per claim/occurrence for all auto liability losses. 100% of \$9,000,000 in excess of \$1,000,000 for all General Liability, Police Professional Errors and Omissions has a \$10,000,000 annual aggregate per member. Excess property – 100% of \$500,000,000 in excess of \$1,000,000 per claim/occurrence, except for wind/hail. Wind/hail losses - 100% of \$500,000,000 in excess of \$5,000,000 per claim/occurrence with a buy-back of \$4,000,000 for events Liability and Public Officials' Errors and Omissions. Public Officials' Errors and Omissions has a \$10,000,000 annual aggregate per member. Excess property – 100% of \$500,000,000 in excess of \$1,000,000 per claim/occurrence, except for wind/hail. Wind/hail losses - 100% of \$500,000,000 in excess of \$5,000,000 per claim/occurrence with a buy-back of \$3,000,000 for events 2 through 4.</p>
2021	<p>Liability reinsurance – 100% of \$4,000,000 in excess of \$1,000,000 per claim/occurrence for all auto liability losses. 100% of \$9,000,000 in excess of \$1,000,000 for all General Liability, Police Professional Liability and Public Officials' Errors and Omissions. Public Officials' Errors and Omissions has a \$10,000,000 annual aggregate per member. Excess property – 100% of \$500,000,000 in excess of \$1,000,000 per claim/occurrence, except for wind/hail. Wind/hail losses - 100% of \$500,000,000 in excess of \$5,000,000 per claim/occurrence</p>
2022	<p>Liability reinsurance – 100% of \$4,000,000 in excess of \$1,000,000 per claim/occurrence for all auto liability losses. 100% of \$9,000,000 in excess of \$1,000,000 for all General Liability and Public Officials' Errors and Omissions losses . 100% of \$8,500,000 in excess of \$1,500,000 for all police professional liability. General Liability, Public Officials' Errors and Omissions and Police Professional has a \$10,000,000 annual aggregate per member. Excess property – 100% of \$500,000,000 in excess of \$1,000,000 per claim/occurrence, except for wind/hail. Wind/hail losses - 100% of \$500,000,000 in excess of \$5,000,000 per claim/occurrence.</p>
2023-2025	<p>Liability reinsurance – 100% of \$4,000,000 in excess of \$1,000,000 per claim/occurrence for all auto liability losses. 100% of \$9,000,000 in excess of \$1,000,000 for all General Liability, Public Officials' Errors and Omissions losses, and Police Professional liability. General Liability, Public Officials' Errors and Omissions and Police Professional has a \$10,000,000 annual aggregate per member. Excess property – 100% of \$500,000,000 in excess of \$1,000,000 per claim/occurrence, except for wind/hail. Wind/hail losses - 100% of \$500,000,000 in excess of \$5,000,000 per claim/occurrence.</p>

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 3 - EXCESS INSURANCE AND REINSURANCE (CONTINUED)

The Agency does not have a legal obligation to pay losses or loss adjustment expenses in excess of the annually established loss fund and amounts recoverable under excess specific and aggregate insurance contracts. Losses and loss adjustment expenses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. However, the excess agreements do not relieve the Agency of its obligations, and a failure of the excess insurer to honor its obligations could result in losses to the Agency. The Agency evaluates and monitors the financial condition of its excess insurers to minimize its exposure to loss from excess insurer insolvency. Management of the Agency believes its excess insurers and reinsurers are financially sound and will continue to meet their contractual obligations.

Excess insurance and reinsurance has reduced member contributions earned and losses and loss adjustment expenses by the following amounts:

	Year ended December 31,	
	2025	2024
Member contributions earned		
Premiums paid	\$ 19,839,415	\$ 17,815,747
Brokerage commissions	299,149	299,176
Loss and loss adjustment expenses paid	1,914,658	6,932,034
Loss and loss adjustment expenses unpaid	4,382,331	10,058,836

The Agency has the following excess insurance and reinsurance recoverables at December 31:

	2025	2024
Government Entities Mutual Inc	\$ 431,891	\$ 1,278,000
NLC Mutual Insurance Company	2,570,901	6,501,395
Lloyds Syndicates	1,301,401	1,314,309
Everest Indemnity Insurance Company	182,396	183,984
International General Insurance Company	110,700	68,018
Tokio Marine Kiln	186,409	68,018
Ironshore Speciality Insurance Company	127,046	115,965
Canopus Insurance Services	127,046	115,965
Starr Surplus	88,560	108,829
HDI Global Insurance Company	146,920	132,356
Zurich North America Commercial	127,046	115,965
Allied World	71,696	47,947
The Princeton Express and Surplus Lines Insurance Company	71,696	47,947
RSUI Indemnity Company	678	405
Old Republic	776,028	839,614
Safety National	52,025	-
	\$ 6,372,439	\$ 10,938,717

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 3 - EXCESS INSURANCE AND REINSURANCE (CONTINUED)

The above amounts are recorded as follows at December 31:

	2025	2024
Excess reinsurance receivable, net	\$ 1,990,198	\$ 879,881
Reserves for unpaid losses and loss adjustment expenses	4,382,331	10,058,836
	\$ 6,372,529	\$ 10,938,717

The Agency's reinsurers had the following AM Best rating at December 31, 2025:

Reinsurer	AM Best rating
NLC Mutual Insurance Company	N/A
Government Entities Mutual Inc	N/A
Great American E & S Insurance Company	A+
RSUI Indemnity Company	A++
Axis Surplus Insurance Company	A
HDI Global Insurance Company	A+
Ironshore Specialty Insurance Company	A
Everest Indemnity Insurance Company	A+
Canopus US Insurance, Inc	A-
Allied World Assurance Company	A+
The Princeton Excess and Surplus Lines Insurance Company	A+
Tokio Marine Kiln, Lloyds Syndicate	N/A
Unicorn, Lloyds Syndicate	N/A
Atrium Underwriters Limited, Lloyds Syndicate	N/A
Ki Insurance, Lloyds Syndicate	N/A
Fidelis, Lloyds Syndicate	A
Evanston Insurance Company	A
Steadfast Insurance Company	A+
Lloyds Syndicate	N/A
Lexington Insurance Company	A
Chubb European Group SE	A++
Mitsui Sumitomo Insurance Company of America	A+
Obsidian Specialty Insurance Company	A-
Liberty Surplus Insurance Corporation	A
Midwest Employers Casualty Company	A+
AXIS Specialty Insurance SE, Lloyds Syndicate	N/A
HCC International Insurance Company, Lloyds Syndicate	N/A
Rokstone Group Holdings, Lloyds Syndicate	N/A
CNA Hardy, Lloyds Syndicate	N/A
Convex Group, Lloyds Syndicate	A

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 3 - EXCESS INSURANCE AND REINSURANCE (CONTINUED)

<u>Reinsurer</u>	<u>AM Best rating</u>
Liberty Specialty Markets, Lloyds Syndicate	N/A
Royal and Sun Alliance Insurance, Lloyds Syndicate	N/A
Alchemy Underwriting, Lloyds Syndicate	N/A
Sompo International, Lloyds Syndicate	N/A
Inigo, Lloyds Syndicate	N/A
QBE European Company Operations, Lloyds Syndicate	N/A
Brit Insurance, Lloyds Syndicate	N/A
Dale Syndicate Services, Lloyds Syndicate	N/A
Ark Global Property, Lloyds Syndicate	N/A
Amwins Amplify, Lloyds Syndicate	N/A
Dale DUAL MGU, Lloyds Syndicate	N/A
Beazley Syndicates AFB, Lloyds Syndicate	N/A

The Agency's Executive Director serves on the board of directors of both NLC Mutual Insurance Company (NLC) and Government Entities Mutual Inc.

NOTE 4 - RESERVES FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Beginning January 1, 1986, the Agency's coverage to member municipalities for all lines except for property, auto physical damage, and workers' compensation is on a claims-made basis. Accordingly, claims incurred in one year but not reported until a subsequent year are accounted for in the year reported. Claims incurred prior to January 1, 1986 are accounted for in the year of the loss occurrence. The following table provides a reconciliation of the beginning and ending reserve balances, net of excess insurance recoverable:

	<u>Year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Reserves for unpaid losses and loss adjustment expenses, net of excess insurance recoverables, beginning of year	\$ 63,358,049	\$ 58,085,300
Add incurred loss and loss adjustment expenses, net of excess insurance:		
Provision for covered events of the current year	40,417,412	43,056,482
Decrease in provision for covered events of prior years	<u>(9,468,392)</u>	<u>(4,949,544)</u>
Total incurred losses and loss adjustment expenses, net of excess insurance	<u>30,949,020</u>	<u>38,106,938</u>
Deduct payments:		
For claims attributable to covered events of the current year	8,353,161	12,908,842
For claims attributable to covered events of prior years	<u>16,828,488</u>	<u>19,925,346</u>
Total payments	<u>25,181,649</u>	<u>32,834,188</u>
Reserves for unpaid losses and loss adjustment expenses, net of excess insurance recoverables, end of year	<u>\$ 69,125,420</u>	<u>\$ 63,358,050</u>

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

**NOTE 4 - RESERVES FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES
(CONTINUED)**

As a result of changes in estimates of insured events in prior years, the provision for loss and loss adjustment expenses decreased by \$9,468,392 and by \$4,949,544 in 2025 and 2024, respectively. The change in estimates resulted due to favorable development for losses incurred in years prior to 2025 and 2024, respectively.

The anticipated effect of inflation is implicitly considered when estimating liabilities for losses and loss adjustment expenses. While anticipated, price increases due to inflation are considered in estimating the ultimate claim costs, the increase in average severities of claims is caused by a number of factors that vary with the individual type of policy written. Future average severities are projected based on historical trends adjusted for implemented changes in underwriting standards, policy provisions, and general economic trends. Those anticipated trends are monitored based on actual development and are modified if necessary.

NOTE 5 - SURPLUS

Pursuant to the Agency's bylaws, the board of directors may, at their discretion, credit or distribute accumulated members' equity to member municipalities or transfer such accumulated excesses to a reserve fund that may be used to pay claims and expenses related thereto. Amounts credited or distributed to members are recorded as a charge to equity when they are declared.

The board of directors adopted a surplus policy, which sets forth a target formula for surplus. Surplus in excess of the computed target is considered by the Board for return to members. The target computation considers the amounts for the excess fund, a confidence level on the underlying loss funds, and an amount designated for purposes approved by the Board on an annual basis.

In 2025 and 2024, the board authorized the Agency to credit \$751,053 and \$708,207, respectively, to member municipalities and withdrawn members. At December 31, 2025 and 2024, \$941,758 and \$892,547 of credits remained undistributed, respectively. The undistributed amounts are included in member credits payable in the accompanying combined statutory statements of admitted assets, liabilities, and surplus. The surplus credits, and the related undistributed amounts, are applied to future deductibles, contributions, or loss control accounts in accordance with the requests of the member municipalities.

Pursuant to regulations of the Division of Insurance of the State of Colorado (the Division), the Agency is required to maintain minimum surplus of \$500,000. At December 31, 2025 and 2024, the Agency's statutory surplus was \$56,882,517 and \$40,330,385 respectively.

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 5 – SURPLUS (CONTINUED)

At December 31, 2025 and 2024, nonadmitted assets for statutory reporting purposes, which are shown as a reduction of unassigned surplus on the accompanying combined statutory statements of admitted assets, liabilities, and surplus, consisted of the following:

	2025	2024
Furniture, fixtures and equipment	\$ 3,173,989	\$ 3,160,631
Accumulated depreciation	(2,469,745)	(1,973,819)
Prepaid operating expenses	640,362	457,763
Receivable from members	19,860	6,560
Other Assets	47	-
Net Impact on GAAP Reporting Changes Due to GASB 96	(489,814)	(963,490)
	\$ 874,699	\$ 687,645

NOTE 6 - CONTINGENCIES

In the normal course of operations, the Agency is involved in litigation related principally to claims made under insurance contracts. Those actions are considered by the Agency in estimating the reserves for losses and loss adjustment expenses. In the opinion of management, the resolution of these matters will not have a material effect on the Agency's financial position, results of operations, or liquidity.

NOTE 7 - DEFINED CONTRIBUTION MONEY PURCHASE PENSION PLAN

The employees of the Agency participate in the Colorado Intergovernmental Risk Sharing Agency Retirement Plan, which is a defined contribution plan established by the Agency and is maintained and administered by Vanguard Fiduciary Trust Company. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees become plan members upon employment. Under this plan, 10% of the plan members' compensation is withheld and remitted to the Plan Administrator along with a matching payment of 10% from the Agency. The Agency's contributions, plus earnings, are 100% vested. There is no liability for benefits under the plan beyond the Agency's matching payments. Plan provisions and contribution requirements are established and may be amended by the Agency's board of directors.

Contributions actually made by plan members and the Agency for the years ended December 31, 2025 and 2024, which represents the 10% required contribution, are as follows:

	2025	2024
Plan members	\$ 644,509	\$ 583,227
Agency	\$ 644,509	\$ 583,227

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
NOTES TO COMBINED STATUTORY FINANCIAL STATEMENTS**

December 31, 2025 and 2024

NOTE 8 - SUBSEQUENT EVENTS

CIRSA has evaluated events subsequent to December 31, 2025 through **April 10, 2025**, which is the issuance date of this report.

This information is an integral part of the accompanying combined statutory financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
SUPPLEMENTARY INFORMATION – RECONCILIATION OF RESERVES FOR
UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Years Ended December 31, 2025 and 2024

	2025			2024		
	WC Pool	PC Pool	Combined	WC Pool	PC Pool	Combined
Reserves for unpaid losses and loss adjustment expenses, net of excess insurance recoverables	\$ 14,262,316	\$ 49,095,733	\$ 63,358,049	\$ 12,196,863	\$ 45,888,437	\$ 58,085,300
Add incurred losses and loss adjustment expenses, net of excess insurance recoverables:						
Provision for covered events of the current year	5,999,535	34,417,877	40,417,412	6,984,265	36,072,217	43,056,482
Decrease in provision for covered events of prior years	(577,090)	(8,891,302)	(9,468,392)	(349,686)	(4,599,858)	(4,949,544)
Total incurred losses and loss adjustment expenses, net of excess insurance	5,422,445	25,526,575	30,949,020	6,634,579	31,472,359	38,106,938
Deduct payments, net of excess insurance recoverables:						
For claims attributable to covered events of the current year	1,183,262	7,169,899	8,353,161	1,259,172	11,649,670	12,908,842
For claims attributable to covered events of prior years	4,829,397	11,999,091	16,828,488	3,309,954	16,615,392	19,925,346
Total payments	6,012,659	19,168,990	25,181,649	4,569,126	28,265,062	32,834,188
Reserves for unpaid losses and loss adjustment expenses, net of excess insurance recoverables	\$ 13,672,102	\$ 55,453,318	\$ 69,125,420	\$ 14,262,316	\$ 49,095,734	\$ 63,358,050

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
SUPPLEMENTARY INFORMATION – WORKERS’ COMPENSATION POOL
TEN-YEAR LOSS DEVELOPMENT INFORMATION**

December 31, 2025
(In Thousands of Dollars)

The following table illustrates how the Workers’ Compensation Pool’s (Pool) earned revenue (net of excess insurance) and investment income compare to related costs of loss (net of loss assumed by excess insurers) and other expenses assumed by the Pool as of the end of each of the previous ten years. The rows of the table are defined as follows:

- (1) This line shows the total of each year’s gross earned member contributions and reported investment revenues, amounts of excess insurance\ premiums, and reported member contributions (net of excess insurance) and reported investment revenue.
- (2) This line shows each year’s other operating costs of the Pool including overhead and claims expense not allocable to individual claims.
- (3) This line shows the Pool’s gross incurred losses and allocated loss adjustment expense, losses assumed by excess insurers, and net incurred adjustment expenses (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage occurred (called coverage year).
- (4) This section of ten rows shows the cumulative net amounts paid as of the end of successive years, for each coverage year.
- (5) This line shows the latest reestimated amount of losses assumed by excess insurers for each coverage year.
- (6) This section of ten rows shows how each coverage year’s net incurred losses increased or decreased as of the end of successive years. (This annual reestimation results from new information received on known losses, reevaluation of existing information on known losses, and emergence of new losses not previously known.)
- (7) This line compares the latest reestimated net incurred losses amount to the amount originally established (line 3) and shows whether this latest estimate of losses is greater or less than originally thought.

original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred losses currently recognized in less mature coverage years. The columns of the table show data for successive coverage years.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
1. Member contributions and investment income:										
Earned	\$ 8,569	\$ 8,746	\$ 8,942	\$ 9,107	\$ 9,301	\$ 9,032	\$ 9,498	\$ 10,683	\$ 12,264	\$ 13,608
Excess/reinsurance premiums	1,193	1,302	1,504	1,635	1,472	1,541	1,544	1,012	968	1,102
Net earned	7,376	7,444	7,438	7,472	7,829	7,491	7,954	9,671	11,296	12,506
2. Unallocated expenses	752	1,272	1,757	2,082	2,590	3,144	2,918	3,172	3,523	3,864
3. Estimated incurred losses and expenses, end of coverage year:										
Incurred	5,430	5,807	5,696	5,978	5,123	6,028	6,296	6,397	6,984	6,000
Assumed by excess insurers	-	-	-	-	-	-	-	-	-	-
Net incurred	5,430	5,807	5,696	5,978	5,123	6,028	6,296	6,397	6,984	6,000
4. Net paid (cumulative) as of:										
End of accident year	1,036	1,288	1,303	1,235	1,068	1,205	1,555	1,368	1,259	1,183
One year later	2,269	2,980	2,833	3,065	2,505	3,250	3,128	3,401	2,890	-
Two years later	2,878	3,674	3,781	3,761	3,369	4,056	3,864	5,026	-	-
Three years later	3,135	4,068	4,282	4,409	3,824	4,601	4,308	-	-	-
Four years later	3,192	4,316	4,578	4,471	4,127	4,893	-	-	-	-
Five years later	3,262	4,387	5,045	4,520	4,476	-	-	-	-	-
Six years later	3,272	4,389	5,045	4,673	-	-	-	-	-	-
Seven years later	3,273	4,388	5,046	-	-	-	-	-	-	-
Eight years later	3,305	4,387	-	-	-	-	-	-	-	-
Nine years later	3,305	-	-	-	-	-	-	-	-	-
5. Reestimated losses and expenses assumed by excess insurers	-	-	-	-	-	-	-	-	-	-
6. Reestimated net incurred losses and expenses:										
End of accident year	5,430	5,807	5,696	5,978	5,123	6,028	6,296	6,397	6,984	6,000
One year later	5,113	5,906	5,516	5,850	5,565	6,388	5,292	6,885	6,400	-
Two years later	4,393	5,318	5,369	5,727	4,939	5,902	5,209	6,736	-	-
Three years later	4,020	4,950	5,491	5,475	4,627	5,709	5,119	-	-	-
Four years later	3,512	4,735	5,751	5,072	4,822	5,646	-	-	-	-
Five years later	3,470	4,715	5,534	4,973	4,663	-	-	-	-	-
Six years later	3,346	4,528	5,334	4,824	-	-	-	-	-	-
Seven years later	3,333	4,388	5,155	-	-	-	-	-	-	-
Eight years later	3,305	4,387	-	-	-	-	-	-	-	-
Nine years later	3,305	-	-	-	-	-	-	-	-	-
7. (Decrease) increase in estimated net incurred losses and expenses from end of coverage year	(2,125)	(1,420)	(541)	(1,154)	(460)	(382)	(1,177)	339	(584)	-

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
SUPPLEMENTARY INFORMATION – PROPERTY AND CASUALTY POOL
TEN-YEAR LOSS DEVELOPMENT INFORMATION**

December 31, 2025
(In Thousands of Dollars)

The following table illustrates how the Property and Casualty Pool's (Pool) earned revenue (net of excess insurance) and investment income compare to related costs of loss (net of loss assumed by excess insurers) and other expenses assumed by the Pool as of the end of each of the previous ten years. The rows of the table are defined as follows:

- (1) This line shows the total of each year's gross earned member contributions and reported investment revenues, amounts of excess insurance premiums, and reported member contributions (net of excess insurance) and reported investment revenue.
- (2) This line shows each year's other operating costs of the Pool including overhead and claims expense not allocable to individual claims.
- (3) This line shows the Pool's gross incurred losses and allocated loss adjustment expense, losses assumed by excess insurers, and net incurred losses and loss adjustment expenses (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage occurred (called coverage year).
- (4) This section of ten rows shows the cumulative net amounts paid as of the end of successive years, for each coverage year.
- (5) This line shows the latest reestimated amount of losses assumed by excess insurers for each coverage year.
- (6) This section of ten rows shows how each coverage year's net incurred losses increased or decreased as of the end of successive years. (This annual reestimation results from new information received on known losses, reevaluation of existing information on known losses, and emergence of new losses not previously known.)
- (7) This line compares the latest reestimated net incurred losses amount to the amount originally established (line 3) and shows whether this latest estimate of losses is greater or less than originally thought.

As data for individual coverage years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred losses currently recognized in less mature coverage years. The columns of the table show data for successive coverage years.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
1. Member contributions and investment income:										
Earned	\$ 25,516	\$ 26,024	\$ 27,404	\$ 30,258	\$ 35,275	\$ 37,595	\$ 42,461	\$ 47,703	\$ 61,546	\$ 69,439
Excess/reinsurance premiums	5,563	5,874	7,410	9,926	10,134	10,543	11,234	14,085	17,147	19,036
Net earned	19,953	20,150	19,994	20,332	25,141	27,052	31,227	33,618	44,399	50,403
2. Unallocated expenses	7,801	7,947	7,838	7,562	6,578	6,654	7,985	8,296	10,358	10,616
3. Estimated incurred losses and expenses, end of coverage year:										
Incurred	15,801	24,518	32,006	23,759	14,551	20,170	26,815	40,129	36,072	34,418
Assumed by excess/reinsurers	1,069	9,893	13,743	6,620	-	-	-	-	-	-
Net incurred	14,732	14,625	18,263	17,139	14,551	20,170	26,815	40,129	36,072	34,418
4. Net paid (cumulative) as of:										
End of accident year	5,479	5,579	7,477	4,941	3,973	6,332	6,736	15,185	11,650	7,170
One year later	7,644	9,259	11,423	8,742	6,433	13,207	13,348	20,519	18,943	-
Two years later	10,840	9,891	13,913	11,987	8,583	16,963	18,368	22,732	-	-
Three years later	11,871	10,552	14,702	12,577	10,755	20,618	19,210	-	-	-
Four years later	11,915	10,639	15,269	12,791	12,879	21,814	-	-	-	-
Five years later	11,887	10,724	15,623	12,947	13,261	-	-	-	-	-
Six years later	12,246	10,775	15,779	12,958	-	-	-	-	-	-
Seven years later	12,254	10,778	15,819	-	-	-	-	-	-	-
Eight years later	12,261	10,780	-	-	-	-	-	-	-	-
Nine years later	12,300	-	-	-	-	-	-	-	-	-
5. Reestimated losses and expenses assumed by excess/reinsurers	1,539	7,374	17,186	-	-	-	-	-	-	-
6. Reestimated net incurred losses and expenses:										
End of accident year	14,732	14,625	18,263	17,139	14,551	20,170	26,815	40,129	36,072	34,418
One year later	13,065	13,242	17,520	15,780	11,454	21,004	22,295	34,726	32,905	-
Two years later	12,623	11,409	16,286	15,195	12,675	22,746	22,517	30,321	-	-
Three years later	12,756	10,873	15,888	14,208	13,189	23,234	20,826	-	-	-
Four years later	12,614	11,921	15,973	13,675	13,621	23,082	-	-	-	-
Five years later	12,409	10,950	16,387	13,111	13,790	-	-	-	-	-
Six years later	12,331	10,822	12,266	12,968	-	-	-	-	-	-
Seven years later	12,364	10,819	16,606	-	-	-	-	-	-	-
Eight years later	12,362	10,780	-	-	-	-	-	-	-	-
Nine years later	12,386	-	-	-	-	-	-	-	-	-
7. (Decrease) increase in estimated net incurred losses and expenses from end of coverage year	(2,346)	(3,845)	(1,657)	(4,171)	(761)	2,912	(5,989)	(9,808)	(3,167)	-

SUPPLEMENTARY INFORMATION

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
SUPPLEMENTAL INVESTMENT INFORMATION**

December 31, 2025

CIRSA's total admitted assets as of December 31, 2025 are \$129,051,969

The Agency's ten largest exposures to a single issuer/borrower/investment excluding: (i) U.S. government, U.S. government agency securities, and those U.S. government money market funds listed in the appendix to the *SVO Purposes and Procedures Manual* as exempt, and (ii) property occupied by the Agency are:

Issuer	Description	Amortized Cost	Percentage of Total Admitted Assets
Exxon Mobil Corp	Corporate Note	\$ 325,000	0.25%
VISA Inc	Corporate Note	704,584	0.55%
Walmart	Corporate Note	695,407	0.54%
Procter & Gamble Company	Corporate Note	690,727	0.54%
Apple Inc	Corporate Note	653,428	0.51%
Chevron Corp	Corporate Note	402,859	0.31%
Chevron USA	Corporate Note	300,000	0.23%
Automatic Data Processing	Corporate Note	721,478	0.56%
Johnson & Johnson Corp	Corporate Note	340,612	0.26%
Amazon.com Inc	Corporate Note	266,030	0.21%
Bank of New York Mellon	Corporate Note	707,860	0.55%
CME Group Inc	Corporate Note	799,711	0.62%

Amounts and percentages of the Agency's total

Bonds - NAIC - 1	67,638,613	52.41%
Bonds - NAIC - 2	0	0.00%

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
SUMMARY INVESTMENT SCHEDULE**

December 31, 2025

<u>Investment categories</u>	<u>Gross investment holdings</u>		<u>Admitted assets as reported in the annual statement</u>	
1. Bonds:				
1.1 U.S. Treasury Securities	\$ 10,798,363	9%	\$ 10,798,363	9%
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities)				
1.21 Issued by U.S. Government Agencies	372,583	0%	372,583	0%
1.4 Securities issued by states, territories and possessions and political subdivisions in the US				
1.5 Mortgage-backed securities				
1.51 Pass-through securities				
1.512 Issued or guaranteed by FNMA and FHLMC	5,928,509	5%	5,928,509	5%
1.52 CMOs and REMICs				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	28,851,853	23%	28,851,853	23%
2. Other debt and fixed income securities				
2.1 Unaffiliated domestic securities	21,687,304	17%	21,687,304	17%
5. Real Estate Investments				
5.1 Property occupied by company	2,595,912	2%	2,595,912	2%
10. Cash and short-term investments	52,641,685	42%	52,641,685	42%
11. Other invested assets	2,201,026	2%	2,201,026	2%
12. Total invested assets	<u>\$ 125,077,235</u>	<u>100%</u>	<u>\$ 125,077,235</u>	<u>100%</u>

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
COMBINING STATUTORY SCHEDULE –
ADMITTED ASSETS, LIABILITIES, AND SURPLUS INFORMATION
December 31, 2025**

Admitted Assets	CIRSA/PC	CIRSA/WC	Combining adjustments	Combined
Cash and invested assets:				
Bonds	\$ 38,710,785	\$ 28,927,828	\$ -	\$ 67,638,613
Cash and cash equivalents	41,647,867	10,993,818	-	52,641,685
Investment in NLC Mutual Insurance Company	678,073	394,352	-	1,072,425
Investment in Government Entities Mutual Inc.	1,128,601	-	-	1,128,601
Real estate, net of accumulated depreciation	2,230,114	365,797	-	2,595,911
Total cash and invested assets	84,395,440	40,681,795	-	125,077,235
Accrued investment income	204,786	155,169	-	359,955
Receivable from members	728,359	217,774	-	946,133
Excess insurance receivable	1,420,264	569,934	-	1,990,198
Electronic data processing equipment, net of accumulated depreciation	42,454	-	-	42,454
Prepaid excess insurance premiums	-	625,689	-	625,689
Interpool accounts receivable and other admitted assets	14,134	82,823	(86,652)	10,305
Total admitted assets	<u>\$ 86,805,437</u>	<u>\$ 42,333,184</u>	<u>\$ (86,652)</u>	<u>\$ 129,051,969</u>
Liabilities and Surplus				
Reserves for unpaid losses and loss adjustment expenses	\$ 55,453,318	\$ 13,672,102	\$ -	\$ 69,125,420
Interpool payable	82,823	3,829	(86,652)	-
Accounts payable and accrued liabilities	1,835,765	190,605	-	2,026,370
Member credits payable	234,348	707,411	-	941,759
Special contribution plan deposits	-	25,000	-	25,000
Unearned member contributions	-	50,903	-	50,903
Total liabilities	57,606,254	14,649,850	(86,652)	72,169,452
Unassigned surplus	29,199,183	27,683,334	-	56,882,517
Total liabilities and surplus	<u>\$ 86,805,437</u>	<u>\$ 42,333,184</u>	<u>\$ (86,652)</u>	<u>\$ 129,051,969</u>

COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
COMBINING STATUTORY SCHEDULE –
ADMITTED ASSETS, LIABILITIES, AND SURPLUS INFORMATION
December 31, 2024

Admitted Assets	CIRSA/PC	CIRSA/WC	Combining adjustments	Combined
Cash and invested assets:				
Bonds	\$ 38,697,939	\$ 27,184,781	\$ -	\$ 65,882,720
Cash and cash equivalents	22,713,362	10,981,306	-	33,694,668
Investment in NLC Mutual Insurance Company	678,073	394,352	-	1,072,425
Investment in Government Entities Mutual Inc.	752,300	-	-	752,300
Real estate, net of accumulated depreciation	<u>2,349,155</u>	<u>432,339</u>	-	<u>2,781,494</u>
Total cash and invested assets	65,190,829	38,992,778	-	104,183,607
Accrued investment income	160,470	141,577	-	302,047
Receivable from members	802,537	174,192	-	976,729
Excess insurance receivable	-	879,881	-	879,881
Electronic data processing equipment, net of accumulated depreciation	77,195	-	-	77,195
Interpool accounts receivable and other admitted assets	<u>35,618</u>	<u>98,028</u>	<u>(129,937)</u>	<u>3,709</u>
Total admitted assets	<u>\$ 66,266,649</u>	<u>\$ 40,286,456</u>	<u>\$ (129,937)</u>	<u>\$ 106,423,168</u>
Liabilities and Surplus				
Reserves for unpaid losses and loss adjustment expenses	\$ 49,095,734	\$ 14,262,316	\$ -	\$ 63,358,050
Interpool payable	98,028	31,909	(129,937)	-
Accounts payable and accrued liabilities	1,447,134	159,289	-	1,606,423
Member credits payable	179,669	712,878	-	892,547
Special contribution plan deposits	-	25,000	-	25,000
Unearned member contributions	<u>207,508</u>	<u>3,255</u>	-	<u>210,763</u>
Total liabilities	51,028,073	15,194,647	(129,937)	66,092,783
Unassigned surplus	<u>15,238,576</u>	<u>25,091,809</u>	-	<u>40,330,385</u>
Total liabilities and surplus	<u>\$ 66,266,649</u>	<u>\$ 40,286,456</u>	<u>\$ (129,937)</u>	<u>\$ 106,423,168</u>

COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
COMBINING STATUTORY SCHEDULE –
OPERATIONS AND CHANGES IN SURPLUS INFORMATION
December 31, 2025

	<u>CIRSA/PC</u>	<u>CIRSA/WC</u>	<u>Combining adjustments</u>	<u>Combined</u>
Underwriting income:				
Member contributions earned	\$ 66,379,456	\$ 12,466,805	\$ -	\$ 78,846,261
Excess/reinsurance premiums	(18,786,997)	(1,052,418)	-	(19,839,415)
Brokerage fees	(249,149)	(50,000)	-	(299,149)
Net member contributions earned	<u>47,343,310</u>	<u>11,364,387</u>	<u>-</u>	<u>58,707,697</u>
Deductions:				
Losses and loss adjustment expenses incurred	25,526,577	5,422,445	-	30,949,022
Other underwriting expenses incurred	<u>14,255,901</u>	<u>3,863,872</u>	<u>(3,639,827)</u>	<u>14,479,946</u>
Total underwriting deductions	<u>39,782,478</u>	<u>9,286,317</u>	<u>(3,639,827)</u>	<u>45,428,968</u>
Net underwriting income	7,560,832	2,078,070	3,639,827	13,278,729
Net investment income	3,060,007	1,141,130	-	4,201,137
Management fee	<u>3,639,827</u>	<u>-</u>	<u>(3,639,827)</u>	<u>-</u>
Net income	14,260,666	3,219,200	-	17,479,866
Unassigned surplus, beginning of year	15,238,575	25,091,810	-	40,330,385
Change in nonadmitted assets	(185,836)	(1,218)	-	(187,054)
Distributions and credits to members	<u>(114,223)</u>	<u>(626,457)</u>	<u>-</u>	<u>(740,680)</u>
Unassigned surplus, end of year	<u>\$ 29,199,182</u>	<u>\$ 27,683,335</u>	<u>\$ -</u>	<u>\$ 56,882,517</u>

**COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
COMBINING STATUTORY SCHEDULE –
OPERATIONS AND CHANGES IN SURPLUS INFORMATION**
December 31, 2024

	<u>CIRSA/PC</u>	<u>CIRSA/WC</u>	<u>Combining adjustments</u>	<u>Combined</u>
Underwriting income:				
Member contributions earned	\$ 59,070,599	\$ 11,251,143	\$ -	\$ 70,321,742
Excess/reinsurance premiums	(16,897,365)	(918,382)	-	(17,815,747)
Brokerage fees	(249,176)	(50,000)	-	(299,176)
Net member contributions earned	<u>41,924,058</u>	<u>10,282,761</u>	<u>-</u>	<u>52,206,819</u>
Deductions:				
Losses and loss adjustment expenses incurred	31,472,358	6,634,579	-	38,106,937
Other underwriting expenses incurred	<u>13,683,516</u>	<u>3,522,990</u>	<u>(3,325,141)</u>	<u>13,881,365</u>
Total underwriting deductions	<u>45,155,874</u>	<u>10,157,569</u>	<u>(3,325,141)</u>	<u>51,988,302</u>
Net underwriting (loss) income	(3,231,816)	125,192	3,325,141	218,517
Net investment income	2,475,848	1,012,968	-	3,488,816
Management fee	<u>3,325,141</u>	<u>-</u>	<u>(3,325,141)</u>	<u>-</u>
Net income	2,569,173	1,138,160	-	3,707,333
Unassigned surplus, beginning of year	12,778,811	24,576,710	-	37,355,521
Change in nonadmitted assets	(49,836)	(3,225)	-	(53,061)
Distributions and credits to members	<u>(59,573)</u>	<u>(619,835)</u>	<u>-</u>	<u>(679,408)</u>
Unassigned surplus, end of year	<u>\$ 15,238,575</u>	<u>\$ 25,091,810</u>	<u>\$ -</u>	<u>\$ 40,330,385</u>

COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
COMBINING STATUTORY SCHEDULE –
CASH FLOW INFORMATION
Year ended December 31, 2025

	<u>CIRSA/PC</u>	<u>CIRSA/WC</u>	<u>Combining adjustments</u>	<u>Combined</u>
Cash flow from operating activities:				
Contributions collected from members, net of excess insurance premiums and brokerage commissions paid	\$ 47,209,980	\$ 10,742,764	\$ -	\$ 57,952,744
Losses and loss adjustment expenses paid	(20,589,257)	(5,702,712)	-	(26,291,969)
Underwriting expenses paid	<u>(13,850,984)</u>	<u>(3,780,106)</u>	<u>3,325,141</u>	<u>(14,305,949)</u>
Cash provided by				
underwriting operations	12,769,739	1,259,946	3,325,141	17,354,826
Net investment income received	3,152,402	1,254,627	-	4,407,029
Other amounts received	<u>3,639,827</u>	<u>-</u>	<u>(3,325,141)</u>	<u>314,686</u>
Net cash provided by operating activities	<u>19,561,968</u>	<u>2,514,573</u>	<u>-</u>	<u>22,076,541</u>
Cash flow from investing activities:				
Proceeds from investments sold, matured, or called	13,283,144	9,804,780	-	23,087,924
Investment in Government Entities Mutual Inc.	(376,301)	-	-	(376,301)
Cost of investments acquired	(13,432,700)	(11,674,916)	-	(25,107,616)
Purchase of property and equipment, net	<u>(42,063)</u>	<u>-</u>	<u>-</u>	<u>(42,063)</u>
Net cash used by investing activities	<u>(567,920)</u>	<u>(1,870,136)</u>	<u>-</u>	<u>(2,438,056)</u>
Cash flow used in financing activities:				
Distributions and credits to members	<u>(59,544)</u>	<u>(631,924)</u>	<u>-</u>	<u>(691,468)</u>
Net cash used in financing activities	<u>(59,544)</u>	<u>(631,924)</u>	<u>-</u>	<u>(691,468)</u>
Net increase in cash and cash equivalents	18,934,504	12,513	-	18,947,017
Cash and cash equivalents, beginning of year	<u>22,713,363</u>	<u>10,981,305</u>	<u>-</u>	<u>33,694,668</u>
Cash and cash equivalents, end of year	<u>\$ 41,647,867</u>	<u>\$ 10,993,818</u>	<u>\$ -</u>	<u>\$ 52,641,685</u>

COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY
COMBINING STATUTORY SCHEDULE –
CASH FLOW INFORMATION
Year ended December 31, 2024

	<u>CIRSA/PC</u>	<u>CIRSA/WC</u>	<u>Combining adjustments</u>	<u>Combined</u>
Cash flow from operating activities:				
Contributions collected from members, net of excess insurance premiums and brokerage commissions paid	\$ 42,262,850	\$ 10,267,673	\$ -	\$ 52,530,523
Losses and loss adjustment expenses paid	(28,262,447)	(5,118,411)	-	(33,380,858)
Underwriting expenses paid	<u>(13,337,363)</u>	<u>(3,377,273)</u>	<u>3,325,141</u>	<u>(13,389,495)</u>
Cash provided by underwriting operations	663,040	1,771,989	3,325,141	5,760,170
Net investment income received	2,698,757	1,077,603	-	3,776,360
Other amounts received	<u>3,325,141</u>	<u>-</u>	<u>(3,325,141)</u>	<u>-</u>
Net cash provided by operating activities	<u>6,686,938</u>	<u>2,849,592</u>	<u>-</u>	<u>9,536,530</u>
Cash flow from investing activities:				
Proceeds from investments sold, matured, or called	7,558,966	5,314,166	-	12,873,132
Cost of investments acquired	(4,015,275)	(3,483,161)	-	(7,498,436)
Purchase of property and equipment, net	<u>(37,036)</u>	<u>-</u>	<u>-</u>	<u>(37,036)</u>
Net cash provided by investing activities	<u>3,506,655</u>	<u>1,831,005</u>	<u>-</u>	<u>5,337,660</u>
Cash flow used in financing activities:				
Distributions and credits to members	<u>(411,662)</u>	<u>(435,070)</u>	<u>-</u>	<u>(846,732)</u>
Net cash used in financing activities	<u>(411,662)</u>	<u>(435,070)</u>	<u>-</u>	<u>(846,732)</u>
Net increase in cash and cash equivalents	9,781,931	4,245,527	-	14,027,458
Cash and cash equivalents, beginning of year	<u>12,931,432</u>	<u>6,735,778</u>	<u>-</u>	<u>19,667,210</u>
Cash and cash equivalents, end of year	<u><u>\$ 22,713,363</u></u>	<u><u>\$ 10,981,305</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,694,668</u></u>



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