

PO Box 960, 150 W. Milam St

Jasper, Texas 75951

July 1, 2020

**GASB Statement**

Contingent Liability of Members

Members purchase workers’ compensation coverage though Deep East Texas Self Insurance Fund, a public entity risk pool, which is self-sustained through member contributions. The Fund reinsures to statutory limits through commercial companies for claims in excess of $1,000,000 for years 2020-2021. The Fund contracts with independent actuaries to determine the adequacy of reserves and fully funds those reserves.

The members of Deep East Texas Self Insurance Fund have no known premium liabilities for workers’ compensation coverage excess of their contracted annual premium. However, if the assets of the Fund were to be exhausted, members would be liable for their portion of the Fund’s liabilities. This would indicate that members would be contingently liable for the portion of the liability applicable to their political entity. Independent auditors conduct a financial audit at the close of each plan year and as of the most recent audit, the Fund has adequate assets to more than cover more than 100% of all liabilities.

If any questions arise concerning this matter, please feel free to call us at (409)384-5444.