



June 25, 2024

To the Board of Directors
Moore County Hospital District dba
Memorial Hospital

Subject: Professional Liability Self-insurance Opinion

Following our examination of the appropriate records of Moore County Hospital District dba Memorial Hospital concerning the maintenance and compliance of the hospital's professional liability self-insurance program established September 1, 2005 in accordance with the current standards and principles, we offer the following opinion. Our opinion is based upon the information provided by management of the hospital. We have not verified or tested the information to determine its validity.

The purpose of rendering such opinion is to assess compliance with the prevailing standards of similar programs as governed by Centers for Medicare/Medicaid Services (CMS), Generally Accepted Auditing Standards, Casualty Actuarial Society and various risk and insurance customary practices. We have relied upon outside legal, accounting and actuarial advice provided by other unrelated firms. Rendering of an opinion is to provide a sense of comfort to the board of the hospital in its' fiduciary duty to maintain and protect the assets of the hospital against liability claims from Torts.

As a result of the aforementioned purpose, sources and reliance, we have reviewed the information and recommend the continuance of the professional liability self-insurance program for the hospital for the period from July 1, 2024 to July 1, 2025.

The board of the hospital should deem the program compliant with the aforementioned standards. The board should reaffirm their desire to continue with the program in a resolution of the members of the board at a duly constituted meeting of the directors.

Respectfully Submitted,

A handwritten signature in black ink that reads "Barry Couch". The signature is written in a cursive style with a large, looped "C" at the end.

Barry Couch, CIC, ARM
Chairman of the Board

**RESOLUTION OF THE BOARD OF DIRECTORS OF
MOORE COUNTY HOSPITAL DISTRICT**

WHEREAS, on September 1, 2005, the Board of Directors established a self-insurance plan as an alternative to purchasing professional insurance coverage from an insurance carrier; and

WHEREAS, the Board of Directors finds that the past claims experience and actuarial studies of the Hospital support the continuation of the self-insurance plan; and

WHEREAS, the Board of Directors finds that the continuation of the self-insurance plan is not an unreasonable business risk and, when compared to the amounts required to purchase commercial professional and general liability insurance, the cost savings to the District justify the risk of not carrying such commercial insurance; and

WHEREAS, the Board of Directors finds that the Hospital's ongoing risk management program is an effective measure to assist in the prevention of claims against the Hospital which serves to decrease the risk of not carrying commercial professional and general liability insurance; and

WHEREAS, the Board of Directors has determined that it is in the best interest of the Hospital at this time to continue the self-insurance plan and trust to provide the Hospital, its employees and certain Medical Staff Members with liability indemnity from and against hospital and medical liability claims;

IT IS THEREFORE NOW:

RESOLVED that the Hospital shall continue the self-insurance plan to provide the Hospital, its employees and certain Medical Staff Members with liability indemnity from and against hospital and medical liability claims for the period of July 1, 2024, to June 30, 2025.

Adopted by the Board of Directors of the Moore County Hospital District on July 17, 2024.

Secretary, Board of Directors