

**NORTH BAY SCHOOLS INSURANCE AUTHORITY  
EXECUTIVE COMMITTEE**

**November 4, 2015**

**MINUTES**

- Call To Order** The meeting was called to order at 12:07 p.m. by President Rahill.
- Attendance** Those in attendance were:  
Bruce Colby, Davis Jt. Unified School District  
Cecile Nunley, Vallejo City Unified School District (exited 1:10 p.m.)  
Tim Rahill, Benicia Unified School District  
Wade Roach, Napa Valley Unified School District
- Staff and Guests** Jan DeGracia, NBSIA  
Janet Selby, NBSIA  
Kami Linan, NBSIA
- Approval of Agenda** Motion made by Colby, seconded by Nunley and carried unanimously to approve the agenda as presented. (Ayes: Colby, Nunley, Rahill, Roach; Noes: None)
- Reports to Committee:**  
Public Comments None.
- Reports/Announcements**  
**From Executive Committee:** None
- Communications /  
Executive Director's Report**  
DeGracia reviewed highlights of the report and attached informational articles. Selby presented a legislative update and additional information on SB 854 which passed last year.
- ACTION ITEMS:**  
**Approval of Consent  
Calendar** Motion to approve the consent calendar as presented, including the minutes of the August 26, 2015 Executive Committee and Investment Committee meetings, Financial Reports at September 30, 2015, Expenditure Reports for July – September, 2015, and personnel action report for August-October 2015, Motion was made by Colby, seconded by Nunley and carried unanimously. (Ayes: Colby, Nunley, Rahill, Roach; Noes: None)
- ACTION ITEMS**  
**Finance/Operations:**  
Monthly Investment Report DeGracia provided the September 30, 2015 Investment Report as prepared by Cantor Fitzgerald, noting a yield of 1.29%. Motion was made by Roach, seconded by Colby, and carried unanimously to accept and file the report. (Ayes: Colby, Nunley, Rahill, Roach; Noes: None)

**ACTION ITEMS, cont'd**

**Workers' Compensation:**

Status Report on Capital Target Funding at June 30, 2015

DeGracia presented the Status Report on Capital Target funding for the workers' compensation program, indicating that the program has met the three specific components of the capital target policy (85% confidence level, 6x max losses, and rate stabilization fund) and retains and additional \$7,709,330. It was noted that this balance also includes a charge for the GASB 68 pension liability allocated to the WC program. The reports will be presented to the Board at the January 2016 Board Meeting, at which time there will be an opportunity to discuss funding for additional risk management opportunities.

Motion was made by Colby, seconded by Nunley, and carried unanimously to accept and file the report. (Ayes: Colby, Nunley, Rahill, Roach; Noes: None)

2015 Claims Audit

Linan presented the claims audit report as prepared by Bickmore, noting an overall score of 95%. She noted that considering the amount of transition underway during the past 3 years, including a claims system conversion and new member, this was a very good score. In response to the findings, Linan did update the internal benchmarks and add a notepad prompt for Examiners, but otherwise the audit findings did not indicate a recommendation to change practices, so much as to conduct them in a more timely manner.

Motion was made by Colby, seconded by Nunley, and carried unanimously to accept and file the report. (Ayes: Colby, Nunley, Rahill, Roach; Noes: None) Linan exited at this time.

**Property/Liability:**

Status Report on Capital Target Funding at June 30, 2015

DeGracia presented the Status Report on Capital Target funding for the property/liability program, indicating that the program has met the three specific components of the capital target policy (85% confidence level, 10x max losses, and rate stabilization fund) and retains and additional \$95,868, even after a charge for the balance of the GASB 68 pension liability. DeGracia noted that this is the first time since NBSIA increased its liability SIR from \$150,000 to \$250,000 that the program has met the capital target policy.

Motion was made by Roach, seconded by Colby and carried unanimously to accept and file the report. (Ayes: Colby, Nunley, Rahill, Roach; Noes: None)

2015 Claims Audit

DeGracia presented the claims audit as prepared by Tim Farley & Associates in partnership with the Bay Area Schools Insurance Cooperative (BASIC). She reviewed the audit responses as provided by the Claims Manager, Colleen Abney, and noted that the overall audit results were very positive.

**ACTION ITEMS**

**Property/Liability:**

2015 Claims Audit, cont'd      Motion was made by Colby, seconded by Nunley, and carried unanimously to accept and file the Claims Audit report as presented. (Ayes: Colby, Nunley, Rahill, Roach; Noes: None).

**Dental:**

Status Report on Capital Target Funding at June 30, 2015

DeGracia presented the Status Report on Capital Target funding for the dental program through June 30, 2015. The report indicated that the program meets the confidence level and rate stabilization reserve components of the policy with a remaining balance of \$1,466,841.

Motion was made by Colby, seconded by Nunley and carried unanimously to accept and file the report. (Ayes: Colby, Nunley, Rahill, Roach; Noes: None).

VCUSD Request to Participate in Dental Program

VCUSD has requested to participate in the Dental Program. They are currently in a Delta Program through Keenan, so the transition should be simple. In reviewing VCUSD's claims history and other underwriting materials, DeGracia noted that VCUSD's last three years reflect a stable enrollment of approximately 1500/mo. Loss ratios reflect average losses of 94.11%, 102.69%, and 91.55% for the past three years. She did note that Vallejo pays only about 69% of the monthly contribution and employees are responsible for the balance, and further, the plan is not mandatory as are the other members' plans. However, because the district contributes so much and does not compensate employees that opt out, the usual dynamic of adverse selection does not appear to be occurring.

Motion was made by Colby, seconded by Roach, and carried unanimously to recommend the approval of VCUSD request for participation in the Dental Program to the NBSIA Board contingent upon approval by VCUSD of a board resolution and signed Dental Addendum as provided by NBSIA. (Ayes: Colby, Nunley, Rahill, Roach; Noes: None).

DeGracia will schedule a special meeting of the board to allow for them to take action.

Nunley exited the meeting at this time (1:10 pm).

**Dental Actuarial Study**

DeGracia presented the 2015 Actuarial study of the Dental Program as prepared by Demsey Filliger, in which the actuary remarked that trend year over year has fallen to 3% (NBSIA is currently using 4%), and also that claims lag is now less than a month (.65 months) most likely due to updated claims administration systems.

Motion was made by Colby, seconded by Roach and carried unanimously to accept and file the Actuarial Study. (Ayes: Colby, Rahill, Roach; Noes: None; Absent: Nunley)

*At this time, NBSIA Workers' Compensation Claims Manager, Kami Linan, joined the meeting.*

**CLOSED SESSION**

The Committee entered into closed session at 1:20 p.m. to discuss matters in accordance with Government code Section 54956.95(a).

- *McGrew v. Benicia USD*
- *Wells v. Fairfield-Suisun USD*

**REPORT OF CLOSED SESSION**

The Committee returned to open session at 1:43 p.m. and the following was reported:

In *McGrew v. Benicia USD*, direction was given regarding further claims management and resolution. (Ayes: Colby, Rahill, Roach; Noes: None; Absent: Nunley)

In *Wells v. Fairfield-Suisun USD*, direction was given regarding further claims management and resolution. (Ayes: Colby, Rahill, Roach; Noes: None; Absent: Nunley)  
*Ms. Linan left the meeting.*

**Information/Discussion:**

Contingency Management / Breach

Response Plans / 2013 Strategic Planning Goals

DeGracia shared the updated written plans and completed 2013 Goals with the Committee for their information.

CAJPA Accreditation Report

Selby presented the 2015 CAJPA Accreditation Report, noting that NBSIA has only one item to resolve in order to maintain its Accreditation with Excellence. That item relates to adding language to two vendor contracts requiring that they affirmatively notify NBSIA of any conflicts of interest. Selby noted she has been in touch with the two vendors and expects modifications to be prepared shortly. There were a few suggestions, but no action is required.

Selby noted that the next step would be to complete the AGRIP Recognition Program, which must be completed within 30 days of the Accreditation.

WC MOC Update

Selby reported that she would be meeting with Counsel on November 5 to further discuss this topic.

Strategic Planning 2016 Agenda

DeGracia reviewed the proposed agenda and survey questions for the January 29 meeting. She and Selby plan to facilitate the discussion and will organize a team building opportunity around dinner.

**Adjournment**

There being no further business, the meeting was adjourned at 2:05 p.m.

Respectfully submitted by:

\_\_\_\_\_  
Janet K. DeGracia, Executive Director

\_\_\_\_\_  
Date

Approved by committee:

Date: \_\_\_\_\_