

**NORTH BAY SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE MEETING
November 8, 2017**

MINUTES

- Call To Order** The meeting was called to order at 12:22 p.m. by President Welch.
- Attendance** Those in attendance were:
Matt Best, Davis Joint Unified School District
Michelle Henson, Fairfield-Suisun Unified School District
Tommy Welch, Solano County Office of Education
- Staff and Guests** Janet Selby, NBSIA
Shelby Van Orsow, NBSIA
Laura Lilley, Davis Joint Unified School District
Richard Huntington, The Huntington Group, LLC (left at 12:57 pm)
Mike Harrington, Bickmore (left at 12:57 pm)
Colleen Abney, NBSIA (1:07 pm - 1:10 pm)
Kami Linan, NBSIA (1:11 pm – 1:15 pm)
- Approval of Agenda** Motion made by Best, seconded by Henson, and carried unanimously to approve the agenda as presented. (*Ayes: Best, Henson, Welch; Noes: none; Absent: Schultz; Abstain: none*)
- Public Comments** None.
- Reports to Executive Committee**
Richard Huntington of The Huntington Group, LLC and Mike Harrington of Bickmore presented their captive feasibility study, commissioned by the committee. Mr. Huntington and Mr. Harrington shared that captives are now a common form of risk financing, and many public agencies and public risk pools utilize them. The main benefits of a captive insurance organization are increased flexibility in coverage and investing, and greater access to reinsurance markets. They concluded that forming a captive is feasible for NBSIA. After reviewing the results of the study, the committee supported the staff recommendation to move forward with the next steps in researching the establishment of a captive.
- Member Reports and Collaboration**
Director Best shared with the group that his district is evaluating insurance and risk management issues around district students who work as interns at local businesses. Suggestion was made to form a working group to discuss these issues, which are shared by other districts.
- Executive Director's Report and Communications**
Selby reviewed her Executive Director's Report. Development of the new NBSIA website continues and incorporates the new NBSIA logo and branding. She expects to deliver a demonstration at the Strategic Planning meeting in January. Selby also shared the numerous ways that NBSIA staff provided support to our members and neighbors in Napa and Sonoma Counties impacted by the wildfires.

ACTION ITEMS

Approval of Consent Calendar

Motion was made by Best, seconded by Henson, and carried unanimously to approve the consent calendar. Items included minutes from the Investment Committee and Executive Committee meetings August 22, 2017; expenditure reports July-September 2017; quarterly financial statements at September 30, 2017; personnel actions August-October 2017; and late payment penalty waiver request. *(Ayes: Best, Henson, Welch; Noes: none; Absent: Schultz; Abstain: none)*

Finance/Operations

September 2017 Investment Plan Report

Selby reported that all portfolio benchmarks for liquidity, safety, and return on investment are being managed according to NBSIA's investment policy and plan.

Motion was made by Henson, seconded by Best, and carried unanimously to accept and file the September 2017 Investment Plan Report. *(Ayes: Best, Henson, Welch; Noes: none; Absent: Schultz; Abstain: none)*

Property/Liability Program

Status of Property/Liability Capital Target Funding at 6/30/17

Selby reported that analysis of the Property/Liability Program identifies ultimate funding of (\$1,687,176) after application of the capital target policy. Program equity satisfies the 85% funding confidence level and rate stabilization fund, but does not fully cover the minimum catastrophic loss fund component. Selby recommended that the Board consider action to address the reduction in funding, including increasing contributions next year and possibly for the next few years.

Motion was made by Best, seconded by Henson, and carried unanimously to accept and file the Status of Property/Liability Capital Target Funding at 6/30/17 Report. *(Ayes: Best, Henson, Welch; Noes: none; Absent: Schultz; Abstain: none)*

Property/Liability Claims Audit Report

A bi-annual audit of the Property/Liability program was conducted this year by Farley Consulting Services. The auditor reviewed 17 open claims and five claims closed in the past year and interviewed claim handlers, noting only one finding. Selby commended Colleen Abney, Property/Liability Claims and Risk Manager, and Heather Davidson, Property/Liability Claims Examiner, for exceptional audit results, and recommended the report be accepted and filed by the Committee.

Motion was made by Henson, seconded by Best, and carried unanimously to accept and file the Property/Liability Claims Audit Report. *(Ayes: Best, Henson, Welch; Noes: none; Absent: Schultz; Abstain: none)*

Workers' Compensation Program

Status of Workers' Compensation Capital Target Funding at 6/30/17

Selby reported that analysis of the Workers' Compensation Program identifies ultimate funding of \$8.9 million after application of the capital target policy. This amount fully satisfies the confidence level, catastrophic loss reserve, and rate stabilization components of the policy. Equity is down approximately \$900,000 from this time last year, the expected result of capping the WC rate for the past several years.

Selby noted that equity enables rate capping and stability, and presents opportunities for the Board, and recommended the Committee accept and file the report.

Motion was made by Best, seconded by Henson, and carried unanimously to accept and file the Status of Workers' Compensation Capital Target Funding at 6/30/17 Report. (*Ayes: Best, Henson, Welch; Noes: none; Absent: Schultz; Abstain: none*)

Workers' Compensation Claims Audit Report

A bi-annual audit of the Workers' Compensation program was conducted this year by Bickmore. The audit looks at a random sample of claims and focuses on several components of claims administration. Overall performance was rated at 98%, Superior. This reflects a "well-managed claims administration program." Selby commended Kami Linan, Workers' Compensation Claims Manager, and her team, for excellent audit results, and recommended the Committee accept and file the report.

Motion was made by Henson, seconded by Best, and carried unanimously to accept and file the Workers' Compensation Claims Audit Report. (*Ayes: Best, Henson, Welch; Noes: none; Absent: Schultz; Abstain: none*)

Dental/Vision Programs

Status of Dental Program Capital Target Funding at 6/30/17

Selby reported that analysis of the Dental Program identifies ultimate funding of \$2.3 million after application of the capital target policy, an increase of around \$500,000 from the previous reporting period. This amount fully satisfies the confidence level and rate stabilization components of the policy.

Selby reported that NBSIA is currently using program equity to fund the addition of implants to the program effective 7/1/17 and that equity may be used to continue the rate discount in the coming year.

Motion was made by Best, seconded by Henson, and carried unanimously to accept and file the Status of Dental Program Capital Target Funding at 6/30/17 Report. (*Ayes: Best, Henson, Welch; Noes: none; Absent: Schultz; Abstain: none*)

Release of Benicia USD Dental Equity

Benicia USD has been out of NBSIA's dental program for two full years. All of their dental claims are effectively closed. Last year, the Board approved release of partial equity for the years in which Benicia participated. Selby recommended approval of the release of the balance of Benicia USD's dental equity, for recommendation to the Board of Directors.

Motion was made by Henson, seconded by Best, and carried unanimously to recommend approval of distribution of the remaining dental program equity to the Board of Directors. (*Ayes: Best, Henson, Welch; Noes: none; Absent: Schultz; Abstain: none*)

NON-ACTION DISCUSSION ITEMS

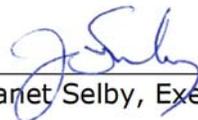
Napa/Solano Fire Damage Update

Selby reported that to date, three districts have submitted or reported intent to submit damage claims related to the wildfires that struck the area in mid-October. Travelers has not yet determined the number of occurrences it will apply to the disaster. The Committee discussed the allocation of the per-occurrence property deductible among members.

Adjournment

There being no further business, the meeting was adjourned at 1:23 p.m.

Respectfully submitted by:



Janet Selby, Executive Director

11/08/17
Date

Approved by Committee:

February 21, 2018
Date