

**MARIN SCHOOLS INSURANCE AUTHORITY
MANAGEMENT COMMITTEE MEETING**

**Marin County Office of Education
1111 Las Gallinas Ave.
San Rafael, CA 94913
Thursday, August 6, 2009
9:00 a.m.**

MINUTES

1. CALL TO ORDER

The meeting was called to order by Board President, Ms. Chris Thomas, at 9:06 a.m.

MEMBERS PRESENT: Ms. Chris Thomas, President, *San Rafael City Schools*
Ms. Karen Maloney, Treasurer, *MCOE/Rurals*
Ms. Kathleen Clow, *Ross Valley Elementary*
Ms. Michele Rollins, *Mill Valley Elementary*
Mr. Robert Marical, *Dixie Elementary (exited at 11:02 a.m.)*
Ms. Lori Parrish, *Tamalpais Union High*

MEMBERS ABSENT: Mr. Larry Enos, *Bolinas Stinson/Lagunitas*

OTHERS PRESENT: Mr. Rick Brush, *Executive Director, Bickmore Risk Services & Consulting*
Ms. Rahnsha Keith, *Analyst, Bickmore Risk Services & Consulting*
Mr. Montgomery Stewart, *Keenan & Associates*
Mr. John Crooms, *Keenan & Associates*
Ms. Debra DeSpain, *Keenan & Associates*
Mr. Scott Jones, *Keenan & Associates*
Ms. Sandra Keyes, *Keenan & Associates*
Ms. Caitlin Baker, *Professional Dynamics Inc.*

2. INTRODUCTIONS

Those in attendance introduced themselves, and it was determined a quorum was present.

3. APPROVAL OF AGENDA

Mr. Robert Marical moved to approve the agenda as presented. Ms. Michele Rollins seconded the motion. The motion passed unanimously.

4. PUBLIC COMMENTS

None.

5. CONSENT CALENDAR

Ms. Karen Maloney moved to approve the consent calendar. Ms. Lori Parrish seconded the motion. The motion passed unanimously.

6. CLOSED SESSION

The Committee convened to closed session at 9:13 a.m.

The Committee convened to open session at 9:28 a.m.

7. REPORT FROM CLOSED SESSION

Ms. Chris Thomas, Board President, reported that during closed session, settlement authority was ratified for claim number 418168.

8. POOLED DENTAL PROGRAM

A. Discussion on Dental Program and Rate Renewal

Ms. Thomas stated she met with Bickmore Risk Services (BRS) and Keenan & Associates staff in July to discuss the dental renewal process as well as the true-up adjustment. Ms. Thomas noted previously the group did a re-rating every five years; three years ago it was decided to have the re-rating, or true-up rating, applied annually. This year many Districts received significantly higher rates although rebates were given at the end of the 07-08 program year. In the future the Board President will meet with BRS and Keenan to discuss the renewals prior to them being presented to the Board. Ms. Debra DeSpain noted it is the current practice for staff to present the rate and then provide a true-up rate of no more or less than 15%. Ms. DeSpain stated the Committee should discuss whether the true-up rate should still be applied annually or every five years as done in the past.

Ms. Thomas stated it was discovered that the true-up rate was being applied twice; at the JPA level and at the District level. Additionally, applying the district true-up every year will lead to large swings in rates; however, a 5-year or 3-year true-up adjustment would aid in stabilizing district and group rates.

Mr. Scott Jones, Keenan & Associates, presented a spreadsheet outlining the self-funded dental coalition renewal projection along with the funding re-alignment; the sheet shows the District rates with and without the true-up adjustment. Mr. Jones stated in order to balance the rate he applied an average Per Employee Per Month (PEPM) surplus credit of \$2.47 as of June 2009. This credit is given to the JPA for maintaining at least one month of claims funding. The funding calculations include funds held at the dental coalition, not the funds maintained by BRS. Ms. Thomas noted instead of providing the surplus credit Keenan should adjust or lower the 2.5% margin that was applied so that the calculated net funding would become 8.64%; instead of the 11.07% previously approved by the Board.

Mr. Jones noted he has reviewed each District claims experience in comparison to the JPA experience as a whole; groups with 200 or more employees are considered credible for their own experience level, this adjustment ensures a balance of 8.64% across the group. Mr. Rick Brush recommended approving the 8.55% increase, funding at the 0% margin as presented at the March 19, 2009, Board meeting instead of the 11.07% increase, funding at the 2.5% margin as presented on page 140 of the same meeting agenda. This will help utilize some of the \$1.3 million in reserves. The Committee gave direction to Keenan to apply the 0% margin and send the rates to Ms. Thomas and Mr. Brush who will review and send to the Board. Action on the new rate can be taken at the September 2009 Board meeting. Ms. Thomas requested a spreadsheet from Keenan comparing the rate with the 2.5% margin versus the 0% margin.

Ms. Thomas noted at the September 2009 meeting the Board should consider the development of a Sub-Committee to discuss how often the true-up rates should be applied. Staff will send an email for volunteers for the committee and a slate will be presented at the September meeting.

B. Dental Plan Eligibility

Ms. Michele Rollins noted the Delta Dental contract includes the State of California Family Code Section 297 for defining domestic partners. Ms. DeSpain noted that underwriting conditions can be changed on a District by District basis and does need to not include domestic partners; currently the carrier will cover same sex domestic partners and opposite sex partners over the age of 62. The partnership would need to be documented with the state of California. Ms. DeSpain noted she can research how each District handles domestic partners and stated this change would not affect the rate but rather the volume of “lives” in the program. Ms. Thomas noted once the District’s policies are reviewed staff should use the collective bargaining agreements to draft a policy.

Mr. Robert Marical stated currently his District requires retirees to keep paid benefits for five years. The District pays the retiree an allowance and the retiree pays their portion of the fee. The Committee noted it is done differently at each District; typically retirees have the option to continue benefits or to drop the coverage. If the coverage is dropped they cannot reinstate their coverage. Each District may set their own policy on retiree eligibility.

At this point, Ms. Thomas stated given the time and the fact that the quorum would soon be lost, she suggested conducting a special Management Committee meeting prior to the September 2009 Board meeting. Ms. Thomas stated the meeting can be held from 9:00am to 10:30am on September 3, 2009, and the Board meeting can be held 10:30am to 1:00pm.

Ms. Kathleen Clow moved to move all remaining agenda items to the September 3, 2009, special Management Committee meeting. Ms. Michele Rollins seconded the motion. The motion passed unanimously.

9. RISK CONTROL PROGRAM

A. Draft Proposal Re: Workers' Compensation Risk Control Plan

This item will be discussed at the September meeting.

B. Mandatory Trainings provided by Keenan & Associates

This item will be discussed at the September meeting.

10. JPA MANAGEMENT COMMITTEE MATTERS

A. President's Report – Chris Thomas

This item will be discussed at the September meeting.

B. Executive Director's Report – Rick Brush

This item will be discussed at the September meeting.

C. 2009/2010 Strategic Action Plan Discussion

This item will be discussed at the September meeting.

D. Bylaws Revisions

This item will be discussed at the September meeting.

E. MSIA Draft E-Brief

This item will be discussed at the September meeting.

F. Electronic Data Security and Disaster Recovery

This item will be discussed at the September meeting.

G. 2009 Vendor Evaluations

This item will be discussed at the September meeting.

11. CLOSING COMMENTS

A. Management Committee

None.

B. Staff

None.

12. ADJOURNMENT

There being no further business the meeting was adjourned at 11:07 a.m.