

**MARIN SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING**

**Marin County Office of Education
1111 Las Gallinas Ave.
San Rafael, CA 94913
Thursday, September 3, 2009
10:30 a.m.**

MINUTES

MEMBERS PRESENT: Ms. Chris Thomas, President, *San Rafael City Schools*
Mr. Larry Enos, Vice President, *Bolinas Stinson/Lagunitas*
Ms. Karen Maloney, Treasurer, *MCOE/Rurals*
Ms. Kathleen Clow, *Ross Valley Elementary*
Ms. Michele Rollins, *Mill Valley Elementary*
Mr. Robert Marical, *Dixie Elementary*
Ms. Lori Parrish, *Tamalpais Union High*
Ms. Becky White, *Larkspur Elementary*
Ms. Barbara Johnson, *Kentfield Elementary*
Ms. Daria Carrillo, *Ross Elementary*
Ms. Kathy Bennett, *Tamalpais Union High*

MEMBERS ABSENT: Ms. Connie Lehua, *College of Marin*
Mr. Dennis Petri, *Marin Pupil Transportation Agency*
Ms. Marla Blackledge, *Novato Unified*
Mr. John Frick, *Reed Union*

OTHERS PRESENT: Mr. Rick Brush, *Executive Director, Bickmore Risk Services & Consulting*
Ms. Rahnisha Keith, *Analyst, Bickmore Risk Services & Consulting*
Ms. Gail Gibson, *Accounting Manager, Bickmore Risk Services & Consulting*
Ms. Sandra Keyes, *Keenan & Associates*
Ms. Debra DeSpain, *Keenan & Associates*
Mr. John Crooms, *Keenan & Associates*
Ms. Gail Taybron, *Keenan & Associates*
Mr. Ryan Neese, *Delta Dental*
Ms. Caitlin Baker, *Professional Dynamics Inc.*

1. CALL TO ORDER

The meeting was called to order by Board President, Ms. Chris Thomas, at 10:39 a.m.

2. INTRODUCTIONS

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

3. APPROVAL OF AGENDA

Ms. Michele Rollins moved to approve the agenda as presented. Ms. Lori Parrish seconded the motion. The motion passed unanimously.

4. PUBLIC COMMENTS

None.

5. CONSENT CALENDAR

Mr. Larry Enos moved to approve the consent calendar, as presented. Ms. Becky White seconded the motion. The motion passed unanimously.

6. CLOSED SESSION

The Board convened to closed session, pursuant to Government Code section 54957.1 at 10:42 a.m. to discuss claims numbers 07226350087395, 07226380079574, 2007061146, and 2007060997.

The Board reconvened to open session at 11:03 a.m.

7. REPORT FROM CLOSED SESSION

Ms. Chris Thomas, Board President, reported that during closed session, settlement authority was granted for claim numbers 07226350087395, 07226380079574, 2007061146, and 2007060997.

8. POOLED DENTAL PROGRAM

A. Dental Program Rate Renewal – Debra DeSpain, Keenan & Associates

Ms. Debra DeSpain stated that on August 6, 2009, the Management Committee discussed cash flow kept by Keenan versus the overall reserves for the dental program. This discussion led to the group recommending a 0% margin which will reduce the previously approved 2.5% margin dental rate from 11% to 8.55%. At that meeting the Board also agreed to form a dental subcommittee to discuss the true-up process going forward.

Mr. Robert Marical moved to approve the revised Dental rates at the 0% margin. Ms. Becky White seconded the motion. The motion passed unanimously.

B. Subcommittee Membership on Dental Re-rating

Ms. Chris Thomas stated that currently underwriters conduct a re-rating in the group dental program, and then a second re-rating is done for the individual Districts when the Board sets the rates. In order to review this process, as well as the timing of the true up, the Board should appoint a subcommittee. Ms. Michele Rollins, Ms. Barbara Johnson, Ms. Karen Maloney, and Ms. Chris Thomas volunteered for the committee. Ms. Margie Bonardi will be contacted by staff as she had previously volunteered to serve on the subcommittee. Ms. Gail Gibson, Mr. Brush, and Ms. DeSpain will staff the subcommittee to discuss the process for re-rating.

9. POOLED WORKERS' COMPENSATION PROGRAM

A. Workers' Compensation Quarterly Claims Review – Lynn Cavalcanti, York Insurance Services

Ms. Lynn Cavalcanti presented the year end workers' compensation report. Incurred losses continue to be reserved at one third of 2001/2002 and 2002/2003 fiscal year amounts. The JPA has received nine fewer claims than last year at this time. Ms. Cavalcanti noted overall frequency has dropped by 20% since year ending June 2005. Temporary disability (TD) reserves have dropped from 12% to 8% of the total reserves; currently, the group has incurred TD reserves of \$75,350, with paid to date of \$51,146. This year medical incurred reserves have reduced to 74% of the total reserves, compared to 80% last year; this reduction is credited to the Return-To-Work program. The group has also experienced a \$1,367,361 reduction in future liabilities this year. Ms. Cavalcanti discussed the most frequent injuries (nature of injury, causes of injury, and body part injured), and noted that she can provide these frequencies to individual Districts if desired.

B. Workers' Compensation TPA Personnel Changes – Lynn Cavalcanti, York Insurance Services

Ms. Cavalcanti reported that Bragg has been purchased by York Insurance Services and will now acquire that name. Additionally, a new claims supervisor, Ms. Barbie Minton, will be assigned to MSIA. She will be in attendance at the next Board meeting.

10. JPA FINANCIAL MATTERS

A. Un-audited Financial Statements of the Fiscal Year Ended June 30, 2009

Ms. Gail Gibson stated the auditors have completed all field work, and staff expects there will be no changes to the presented financials. Currently, the group has approximately \$18 million in LAIF; many groups choose to diversify investments once they reach \$20-\$25 million. Staff recommends the group discuss the option of investing elsewhere sometime during this fiscal year. The Board directed the Management Committee to discuss this option and bring forth recommendations to the Board.

Ms. Gibson stated assets have grown by \$20 million, mainly due to the ESIS settlement. Overall the group is in good shape for all programs, and all programs are at or below budget.

Ms. Becky White moved to approve the Un-audited Financial Statements of the Fiscal Year Ended June 30, 2009. Mr. Larry Enos seconded the motion. The motion passed unanimously.

11. JPA ADMINISTRATIVE MATTERS

A. President's Report – Chris Thomas

Ms. Thomas stated that her report was covered during the Management Committee meeting.

B. Executive Director's Report – Rick Brush

Mr. Rick Brush noted Mr. James Marta, Financial Auditor, will be in attendance at the next full Board meeting to present the audit. Mr. Brush stated the action plan was reviewed during the Management Committee meeting and staff will begin to move forward with the discussed items.

Mr. Brush reported Ms. Adrienne Beatty will be joining the MSIA staff team to assist in some of the day-to-day tasks which; will allow him to focus more attention on the groups Strategic Action Plan, including CAJPA accreditation and the creation of the Policy & Procedures manual. Mr. Brush noted he would like to have Board members volunteer for a subcommittee which will assist him in the development of the Policy & Procedures manual. Ms. Becky White, Ms. Karen Maloney, and Ms. Chris Thomas volunteered to serve on the Policy & Procedures manual subcommittee.

C. Bylaws Revisions

Mr. Brush reported the Management Committee has reviewed the latest revisions to the Bylaws. Mr. Brush noted the following changes to the Bylaws:

- Article 1, Membership (2A): Now notes potential members should submit a completed application for membership to the program administrator 90 days before the start of the fiscal year. The application will be accompanied by the Board of Directors' approved fee, if one is developed, which shall be returned if membership is approved.
- Article 1, Membership, Approval of Membership (3): Notes the administrator shall inspect each applicant, including its most recent audited financial statements and associated management letter, five years of loss runs, and may schedule a coordinate a safety inspection of the facilities of the applicant. The Administrator shall report the results of these inspections to the Management Committee who shall provide a recommendation to the Board of Directors. A two-thirds vote of all the members of the Board of

Directors is required to approve the application. The Board decision will be based on the Management Committee's recommendation, the application, and any inspections, reports, or other materials pertinent to the decision.

- Article 1, Membership, Fully Funded Program: Now notes a member who voluntarily withdraws from a Self-Funded or Fully Funded Program will not be allowed to re-apply to the Program until two complete program years have elapsed, The two year period may be reduced or waived at the discretion of the Board by majority of all members of the Board.
- Article 1, Membership, Continued Liability upon Termination: Notes termination of participation, whether voluntary or involuntary in future program years does not relieve the terminated member of any obligations of those program years in which it participated. These obligations include payment of assessments, retrospective adjustments, or any other amounts due and payable.

The Board questioned if a member withdrew from programs at different times of the year, would they be able to rejoin all programs at one time, or would they need to wait two years from each withdrawal date. Ms. Chris Thomas clarified that they would need to wait two full years for each withdrawal date, and would need to submit an application by April 1st, 90 days prior to the fiscal year.

Ms. Kathleen Clow moved to approve the revised Bylaws. Ms. Becky White seconded the motion. The motion passed unanimously.

D. 2009 Vendor Evaluations

Mr. Brush reported there weren't many responses to the vendor evaluations, but those that were received were positive. Mr. Brush stated there were some comments regarding Professional Dynamics Inc. (PDI), which is still a new program for which review will continue. The Board noted that in the future evaluations should be sent in April so that there is more time to complete them, and include ARM Tech, the provider for actuarial services. Ms. Thomas noted that she personally received the evaluations for Bickmore Risk Services which were positive.

Ms. Caitlin Baker, PDI, provided a response to the issue in their evaluation of timely reporting; PDI staff does not report first aid claims, however some people seek treatment weeks after the first contact. PDI has developed a solution for this issue which is to create a first aid claim for every call that is received and note whether or not it is being recommended as a claim or information only. This change in process will not increase the fees to MSIA by either PDI or York Insurance Services.

11. CLOSING COMMENTS

A. Management Committee

None.

B. Staff

None.

12. ADJOURNMENT

There being no further business the meeting was adjourned at 12:00 p.m.