



**Nevada Public Agency Insurance Pool
Public Agency Compensation Trust**
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**Minutes of Joint Meeting of
Executive Committees of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust**

Date: Wednesday, November 8, 2017

Time: 9:00 A.M.

Place: at 201 S. Roop Street, Carson City, NV 89701

Conference Call-In Phone No: 1-800-593-9034; Passcode: 15042

1. Roll

Members Present: Alan Kalt, Cash Minor, Josh Foli, Lisa Jones, Paul Johnson, Chris Mulkerns, Cindy Hixenbaugh, Mike Giles, Beverly Conley, Ann Cyr. Gerry Eick

Members Absent: Steve West, Dan Corona

2. Public Comment

Chair Kalt opened public comment and hearing none, closed the public comment period.

3. For Possible Action: a. Approval of Minutes of Meeting of April 21, 2017

On motion and second to approve the minutes, the motion carried.

4. For Possible Action: Acceptance of 2017 Financial Audit of

a. NPAIP

Michael Bertrand, CPA reviewed his audit of NPAIP. He commented on key financial elements, the scope of his audit, his finding and recommendations. It was noted that the Audit Committee had reviewed and accepted the audit.

On motion and second to accept the audit, the motion carried.

b. PACT

Michael Bertrand, CPA reviewed his audit of PACT. He commented on key financial elements, the scope of his audit, his finding and recommendations. It was noted that the Audit Committee had reviewed and accepted the audit.

On motion and second to accept the audit, the motion carried.

5. For Possible Action: Acceptance of Reports:

a. Operations Manager Report

Mike Rebaleati highlighted his written report. He was elected to the GEM board (one of our reinsurers) this year. Marshal, Wayne and Mike will be attending the CRL training conference in Phoenix next week. Mike participated on a panel for the Montana Municipal Insurance Authority, a cities pool, to assist them with their decision regarding forming a captive. Mike and Stephen Romero went to the United Educators conference. He said they have several e-learning courses that we are in the process of licensing to place on our LMS system. He also is initiating a Sexual Assault Awareness campaign for April 2018. I will be coordinating this campaign with the Nevada Association of School Boards, the Nevada Department of Education, PRI, United Educators and other organizations. Through our educational grant program, over 24 Nevada educators attended Jeff Kaye's International School Safety Conference held in Carlsbad, CA in October.

b. NEAM and SAA Investment Update

NEAM representatives Kelly Sullivan and Patrick Scully and SAA representative Dan Smereck review the pools and captives investment performance and strategies. They noted that the funds authorized for transfer from the pools to the captives had been completed and were in the process of being reinvested under the captive's investment policy guidelines.

c. Willis Pooling

Mary Wray of Willis Pooling provided an overview of projects in process including beginning an enterprise risk management process to implement their Envision product for the captives. She also noted that the renewal application has been simplified and the timetable accelerated to facilitate earlier delivery of proposals. Mary noted the loss control activities her team had delivered to members of the pools.

Then she commented about the state of the reinsurance market. The recent hurricanes, earthquakes and wildfires impacted the worldwide insurance markets likely leading to rate increases and capacity reductions for property insurers. She noted that our long-term relationship with Lloyds would help moderate any rate or capacity impacts. We will have better indications for the market as a whole after the January renewals. Mary also noted the loss control activities her team had delivered to members of the pools.

d. Human Resources

Stacy Norbeck reviewed the progress under the strategic plan and the utilization of HR services. They have updated many training programs because of numerous legislative changes this last session. The HR Oversight committee will be meeting in December.

e. ASC – Claim status

Donna Squires commented on the staff changes in her office. One workers compensation senior adjuster went part-time, but other staff were promoted to take over that workload. A new claims assistant was hired and an additional senior workers compensation adjuster will be hired as part of a succession plan. On the property and liability side, a new senior adjuster was hired to replace the one that recently was hired, but then took a job offer back in the state he originally came from. She reviewed the large losses particularly for property this year due to the storms in January and February. She reviewed an exhibit showing a master history of the claims results over the last 20 plus years. Mike Livermore added additional insight into the adjuster workloads redistributions with the personal changes. He then discussed the large workers compensation claims noting the most significant large losses were public safety heart claims.

e. Executive Director's Report

Alan Kalt began with comments about his retirement from Churchill County resulting in his resignation from the PACT board and as Chair of the board. He enjoyed his time as a member representative to the pools and expressed that he had learned a lot. Committee members commented and thanked Alan for his service.

Wayne Carlson reviewed other changes on the executive committees with retirements. He noted that the governing documents allowed the Chair to appoint replacements to serve until the next annual meeting. Given Alan's retirement, PACT Vice Chair Paul Johnson will ascend to Chair upon the effective date of Alan's resignation December 22, 2017. The Chair can then appoint replacements and the executive committee can elect a new Vice Chair.

Wayne then reviewed the budgetary impacts of the changes in membership and the potential insurance market increases. He noted that he, Mike Rebaleati and Alan Kalt would be going to London for the property renewal negotiations. The reason Alan was going on this trip is that he will come on board as staff of PARMS in January 2018 as CFO which will strengthen our financial management capacity. Committee members congratulated Alan on this career change.

On motion and second to accept all the reports, the motion carried.

Chair Minor recessed the meeting for lunch.

Following a lunch break, Chair Minor reconvened the meeting.

6. For Possible Action: Risk Management and Loss Control

a. Risk Manager Report

Marshall Smith gave his report highlighting the Loss Control Excellence Program review and revisions, changes to the risk management grant program and upgrades and additions to the e-learning program. He touted the loss control representatives' efforts working to improve members safety.

b. Approval of Loss Control committee's recommendation of setting the new grant cycle of \$500,000 from PACT and \$500,000 from POOL plus the amended grant criteria.

Marshall then noted that the Loss Control Committee recommended setting a grant amount for risk management grants of \$500,000 each pool.

On motion and second to approve the risk management grant amounts as recommended and to approve the policy changes (item 6c below), the motion carried.

c. Adopt revisions to the respective POOL and PACT Risk Management Grants policies

d. Update from Michael Van Houten on the POOL/PACT LMS programs.

Mike Van Houten provided a report on the status e-learning course additions he has been implementing including over 200 law enforcement courses. He also noted the enhancements to the Torch LMS from the Pro to the Enterprise version. He was implementing the changes with several members. In addition, he reviewed the enhancements to the MSDSONline program and which members would benefit from the new program. He was working with those members to convert them to the new program. Mike Rebaleati commented about the addition of Target Solutions as a provider of e-learning for fire and EMT training which would help this sector of our membership. He said that while they have their own LMS, the pools would create a portal that shows the pools own e-learning courses along with Target Solutions co-branded training.

e. IIA (Tony Rucci) update report.

Tony Rucci reviewed the passive network assessments process he has been conducting for several of the members. He noted that the reports were designed to assist members with understanding vulnerabilities and ways to secure their computer systems against potential hacking. Mike Rebaleati added comments about the effectiveness and the budget for continuing to work on these assessments.

7. For Possible Action: Approval of POOL Form Amendments/Endorsements for Fiscal Year 2017-2018

Wayne Carlson reviewed the proposed extension 13 to the property coverage section which would provide Security Threat Expense including ransom ware coverage. Mike Rebaleati commented that he had suggested this amendment so that members were protected in the event of a ransomware problem and would get immediate assistance from our cyber security experts to minimize the loss potential.

Wayne then highlighted one change to the liability section of the form to add PCI fines and penalties.

On motion and second to approve both changes effective July 1, 2017, the motion carried.

8. For Possible Action: Future direction of Learning Management System and support of other Risk Management System tools.

a. Possible support of adding member access to Target Solutions to enhance LMS programs. This includes a possible cooperation from PCM.

This item was discussed under item 6.d. above and with the possibility of PCM funding this program, no action was taken.

9. For Possible Action: Consideration of Joining Consortium for Possible Federal Grant Funding of Advanced Mobile Technology Safety Program

Wayne Carlson and Mike Rebaleati noted that Jerry Spears of the Montana counties pool was seeking our participation in a consortium of pools and insurers to seek a federal grant to research use of aftermarket mobile collision avoidance technology particularly for police and buses. It was noted that the initial commitment would be for the grant writer, then a share of the research project which could be about \$2,500,000 for the consortium to fund on a 50% match basis allocated to the consortium members. Jerry contacted pools in Idaho, Ohio, Georgia and Nevada along with major insurers and brokers for potential participation. There will be a conference call soon to discuss further.

Under discussion, members questioned the need for this technology given developments with new vehicles having similar technology.

On motion and second not to join the consortium at this time considering the pools own grant capabilities to consider funding retrofit devices for this, without prejudice, the motion carried.

10. For Possible Action: Succession Plan for NPAIP and PACT

a. General briefing

Mike Rebaleati led discussion about the need for succession planning not only for staff, but also for the board members. He indicated that in the long term, forming a nonprofit to replace PARMS made sense. He said that there was no indication that Wayne Carlson would be retiring soon, but it was best to have a retreat to prepare for the future when that occurs as well as for the board to consider its own succession as well.

b. Selecting a date in the fall of 2018 for a Board succession planning retreat.

Committees expressed sentiment to hold the retreat in Eureka possibly in September 2018 and asked staff to seek possible firm dates.

11. For Discussion: Annual Meeting will be held on April 19-20, 2018 at the Atlantis Hotel

Wayne Carlson commented that the annual meeting was being moved up a week due to a hotel conflict with a volleyball tournament.

12. Public Comment

Mike Rebaleati mentioned the Safer Schools Together program he was working on with the Department of Education.

13. For Possible Action: Adjournment

On motion and second to adjourn, the meeting adjourned.

The Agenda was posted at the following locations and linked to the Official State Website <https://notice.nv.gov>:

**N.P.A.I.P.
201 S. Roop Street
Carson City, NV 89701**

**Eureka County Courthouse
10 S. Main Street
Eureka, NV 89316**

**Carson City Courthouse
885 E. Musser Street
Carson City, NV 89701**

**Churchill County Courthouse
155 North Taylor Street
Fallon, NV 89406**

