



Nevada Public Agency Insurance Pool
Public Agency Compensation Trust
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**Minutes of Joint Meeting of the Executive Committees of
Nevada Public Agency Insurance Pool and for Public Agency Compensation Trust
Date: April 23, 2010
Time: 1:00 P.M.
Place: Conference Call and
201 S. Roop St., Conference Room 1
Carson City, Nevada 89701**

AGENDA

1. Roll

Present: Mike Rebaleati, Pat Whitten, Mike Pennacchio, Alan Kalt, Cash Minor, Roger Mancebo, Toni Inserra, Steve West

Absent: Claudette Springmeyer, Jeff Zander, Dan Newell, Bill Kohbarger, Paul Johnson, Lisa Jones

Others Present: Wayne Carlson, Ann Wiswell, Debbie Connally, Bob Lombard

**2. Action Item: Approval of Minutes of Meetings:
a. Joint Executive Committee of March 8, 2010**

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

3. Action Item: Select POOL and PACT Program Renewal Options

POOL: Bob Lombard reviewed the POOL renewal options spreadsheet, explaining each of the three options in addition to renewal with current program design and insurers. He noted that two potential alternatives for casualty coverage and one for property coverage were pricing indications without specifics of the coverage terms. Two other casualty coverage alternatives had quoted too high or declined to quote due to time frame. Bob noted that the casualty pricing from both CRL and Munich had increased substantially due to the Fernley canal break litigation. PRM's casualty price also rose, but the cost was offset by a decrease in the property program costs. Wayne Carlson reviewed the meetings in London with a dozen syndicates, indicating that there were positive views toward the POOL since the most recent two years had been loss free to their layer after the Wells earthquake presented losses of over \$5 million in 2007-2008. The Lloyds property program costs showed a net decrease even though values had increased about 6.5% overall. The overall program cost for the renewal per existing program would rise by about 7% and Option 1 would rise by about 4%. Option 1 would replace Munich with Chartis for high limits casualty coverage, but there were open questions regarding how their form will follow the POOL. Options were received from CRL for increased POOL retentions, but the credit was insufficient to offset the additional cost to fund the retention. Considerable discussion ensued regarding which options to present to the board.

On motion and second to present the renewal per existing program and Option 1, dropping options 2 and 3, and to have Wayne Carlson explain how the markets treat short term buyers in difficult market cycles, the motion carried.

PACT: Bob Lombard present the PACT renewal options spreadsheet, explaining each of the five options in addition to renewal with current program design and insurers. He commented that he had additional alternatives from three other markets, but one had such a high price that it was not pursued and the other two either were nonresponsive or declined to quote. The renewal per existing program revealed a 7% reduction and Option 1 a 5% reduction. Options 2 through 5 showed increases over the current program, largely because PCM would have to increase funding for the additional retention and the reinsurance premium offset was insufficient. Option 1 replaces Midwest with Safety National for a modest additional cost, confirming the reasonableness of the present program pricing.

On motion and second to present the renewal per existing program and Options 1, 2 and 3, dropping Options 4 and 5, but explaining these Options plus the alternatives in a footnote to the presentation, the motion carried.

4. Public Comment

None was received.

5. Action Item: Adjournment

This Agenda was posted at the following locations:

**N.P.A.I.P.; P.A.C.T.
201 S. Roop Street, Suite 102
Carson City, NV 89701**

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

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

**Churchill County Administrative Complex
155 North Taylor Street
Fallon, NV 89406**