



**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 24, 2012**

**Time: 10:00 A.M.**

**Place: 201 S. Roop St.,  
Carson City, Nevada 89701**

**Conference Call: 1-800-593-9034 Passcode: Wayne C.**

**Notices:**

- 1. Items on the agenda may be taken out of order;**
- 2. Two or more items on the agenda may be combined for consideration**
- 3. Any item on the agenda may be removed or discussion may be delayed at any time**
- 4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken.**
- 5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.**

**1. Roll**

Members Present: Alan Kalt, Cash Minor, Toni Inserra, Roger Mancebo, Joshn Foli, Steve West, Pat Whitten, Mike Rebaleati, Dan Newell, Lisa Jones, Paul Johnson, Gerry Eick, Jeff Zander

Members Absent: Bill Kohbarger

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

Alan Kalt, Chair, called the meeting to order.

**2. Public Comment**

Alan Kalt, Chair, called for public comment. None was received.

**3. For Possible Action: Consent Agenda - Approve as a Whole Unless Moved From Consent Agenda**

**a. Approval of Minutes of Meeting of Joint Executive Committee March 16, 2012**

On motion and second to approve the consent agenda, the motion carried.



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## Applications for AGRiP Advisory Standards

Wayne Carlson explained that each of these applications was for a renewal of the present AGRiP Recognition Award that each pool has received continuously since 1996 with renewals every three years. The standards require that the governing body approves the application.

Discussion ensued in which members commented on the thoroughness and detailed responses required in meeting the standards. Several members made positive comments about the pools.

On motion and second to approve both applications and the authorize the chairs to sign, the motion carried.

Prior to consideration of Item 5, the Joint Executive Committee declared a recess at 10:15 a.m. to enable the captives boards to convene their respective meetings to determine which renewal options they would present to the pools. Upon conclusion of the two captives meetings, the Joint Executive Committee was reconvened by Chair Mike Rebaleati at 11:00 a.m. for Item 5 and the remainder of the agenda.

### 5. For Possible Action: Review of POOL and PACT Program Renewal Status and Action on Options

#### a. Willis Pooling Report

#### b. Select POOL and PACT Program Renewal Options

#### c. Consider Granting Renewal Credits

- a. Bob Lombard commented on the overall market conditions and the renewal options process.
- b. **PACT renewal:** Bob Lombard reviewed a spreadsheet with several options for higher retentions from PACT and/or PCM. Doug reviewed the loss history provided by CRL about the losses that historically would exceed PACT retention and the effect on PCM and CRL attachment points. Bob showed that renewal with current retentions for PACT would rise significantly (about 53%) in part due to CRL increasing its limit, some general rate base increase, but mostly from PACT's own loss experience over the previous nine year period. PCM likewise had a substantial increase. Safety National Casualty Company is excess of CRL, attaching on renewal at \$3,000,000 retention, and their premium remained nearly flat, but at a \$500,000 higher attachment point. Wayne noted that the underlying PACT actuarial projections plus these reinsurance proposals would result in an overall increase of about 10% subject to individual members experience rating and payroll changes. Considerable discussion ensued regarding each of the four options:
  - 1) Renewal at current \$500,000 retention plus \$500,000 corridor deductible
  - 2) Option 1: \$750,000 retention plus \$500,000 corridor deductible; PCM would take the layer from \$500,000 retention to \$750,000 retention and a 25% quota share of CRL's layer to \$3,000,000
  - 3) Option 2: \$1,000,000 retention with no corridor deductible; PCM would take the layer from \$500,000 retention to \$1,000,000 retention and a 25% quota share of CRL's layer to \$3,000,000

000 retention with no corridor deductible; PCM would take 500,000 retention to \$750,000 retention and a 25% quota layer to \$3,000,000

On motion and second to offer the renewal as is plus options 1 and 2, with the Executive Committee recommending Option 1, the motion carried.

**POOL renewal:** Bob Lombard reviewed the market conditions learned in particular at Lloyds of London during the renewal negotiations trip at which he, Executive Committee Member Lisa Jones, Wayne Carlson and Ann Wiswell attended. Property rates for those not consistently visiting Lloyds underwriters and remaining with the Lloyds market went up substantially more (25% or more) than the NPAIP property rates, which increased about 7.5% on a rate basis. While we had requested an option for increased retentions up to \$1,000,000 on property, the pricing offset was insufficient to warrant taking that level of risk in light of the modest rate increase. Bob then reviewed the liability program, noting that the County Reinsurance, Ltd. rates decreased some, the Public Risk Mutual (NPAIP's captive) rates decreased significantly, Government Entities Mutual (GEM) rates remained flat, United Educators rates remained flat and Brit's rates remained flat. Bob indicated that the overall reinsurance costs for property and casualty coverage resulted in about a 1.2% increase. Wayne Carlson added that adding the loss fund and administrative costs to the reinsurance pricing would result in an overall flat renewal program cost. Individual members would vary based upon exposure changes and experience. Wayne also commented that the cost allocation formula he had been using was being developed by the actuary this year.

On motion and second to present to the board the renewal program as proposed, the motion carried.

- c. Wayne explained that since renewal credits had been voted on at past annual meetings, the committee may want to discuss whether or not to do so at this meeting. Gerry Eick commented that it is important for the stability and security of POOL and PACT that they maintain their surplus in case of adversity and recommended no credits. Ala Kalt concurred with those comments and added that surplus growth is essential. He also said that there are risk management grants and the Loss Control Excellence Program that are better forms of credit in that members do things to reduce risks.

On motion and second to not grant renewal credits, the motion carried.

## 6. **For Possible Action: Update on Annual Meeting Activities**

Wayne advised the committee that Kevin Curnes of Carson City School District volunteered as a candidate to replace Jeff Zander as school district member of the Executive Committee. Also, a local Reno band called Burning Peace has been hired for the 25<sup>th</sup> celebration event.

## 7. **Public Comment**

Chair Rebaleati called for Public Comment. No comments were received.



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the meeting was adjourned at about 12:15 a.m.

**The 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**