



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 27, 2009

Time: 2:00 P.M.

**Place: Conference Call and
201 S. Roop St., Conference Room 1
Carson City, Nevada 89701**

AGENDA

1. Roll

Members Present: Mike Rebaleati, Alan Kalt, Claudette Springmeyer, Marilou Walling, Dan Newell, Lisa Jones, Mike Pennacchio, Toni Inserra, Roger Mancebo, Paul Johnson, Jeff Zander, Steve West
Members Absent: None
Other Present: Wayne Carlson, Doug Smith, Debra Connally

**2. Action Item: Approval of Minutes of Meetings:
a. Joint Executive Committee of March 16, 2009**

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

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

Bob Lombard reviewed the POOL renewal options noting the increase in property values and that the property rate was negotiated at the same level as in 2007, thus increasing the program costs. He showed a comparison using the current program rates and the 2009-10 property values with the new program rates and the 2009-10 property values. PRM's property premiums likewise increased. Bob noted that several other property insurers were asked to quote, but none came through with firm quotes. Estimates were higher than Lloyds and ranged from \$2.7 million to \$3.5 million with lower earthquake and flood sublimits.

Bob then reviewed the liability changes commenting that Munich was asked to quote an option to reduce their attachment point from \$2,250,000 to \$2,000,000 in lieu of PRM taking \$250,000 excess of \$2,000,000. That option cost about \$100,000 versus PRM's charge of \$121,000. CRL's quote came down. Doug commented that he had requested this option so that he could see the pricing difference and noted that since it was positive, he recommended that the committee approve it. PRM thus would be in a position in the future to take a greater quota share with CRL in lieu of this layer.

On motion and second to present the renewal with the expiring structure and the option and to recommend to the board to select the option with Munich attaching at \$2,000,000 (eliminating PRM's layer of \$250,000 excess \$2,000,000), the motion carried.

Bob Lombard then reviewed PACT's renewal options. He compared the expiring year's payroll with the 2009-2010 payroll noting a \$58 million reduction due to the withdrawal of Nye County School District and Carson Tahoe Hospital. The reduced payroll was used with 2008-09 rates to create a baseline for comparison. The renewal quotes for 2009-2010 showed a substantial increase from CRL, a decrease from PCM and a slight increase from MECC. An option from MECC to eliminate its layer of aggregate excess for a reduction of about \$24,000 was noted. In discussion, it was noted that the CRL increase resulted from its overall base rate increase as a result of its adverse experience and substantial reduction of surplus due to investment losses. Wayne Carlson noted that the additional surplus and special surplus charges occurred in order to rebuild CRL's surplus. In response to a question about the pools' equity interest in CRL, Doug Smith advised the committee that for both POOL and PACT, the present equity was about \$200,000. Bob

then explained the options that were estimates if PACT dropped the \$500,000 corridor and replaced it with a \$750,000 specific retention. Doug noted that PCM did not offer to take the additional \$250,000 excess of \$500,000 in lieu of the corridor, but did provide an estimate for discussion purposes only. He noted that the substantial increase to PCM would be offset in part by a decrease in the loss fund PACT charges for a net additional cost of about \$200,000. Doug commented that eliminated the MECC \$3,000,000 aggregate excess for a savings of only \$24,000 was not cost effective.

On motion and second to present the renewal with the expiring structure and the option without the MECC aggregate excess only and to recommend to the board to select the renewal with the expiring structure, the motion carried.

4. Public Comment

None was received.

5. Action Item: Adjournment

On motion and second to adjourn, the meeting adjourned at 2:45 p.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**

NOTICE TO PERSONS WITH DISABILITIES

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Nevada Public Agency Insurance Pool or Public Agency Compensation Trust in writing at 201 S. Roop Street, Suite 102, Carson City, NV 89701, or by calling (775) 885-7475 at least three working days prior to the meeting.