



**Nevada Public Agency Insurance Pool
Public Agency Compensation Trust**
201 S. Roop Street, Suite 102
Carson City, NV 89701-4779
Toll Free Phone (877) 883-7665
Telephone (775) 885-7475
Facsimile (775) 883-7398

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

Date: April 28, 2016

Time: 10:00 A.M.

Place: Atlantis Hotel, Reno, NV

1. Roll

Members present: Josh Foli, Holly Luna, Lisa Jones, Roger Mancebo, Gerry Eick, Cash Minor, Pat Irwin, Alan Kalt, Steve West, Bev Conley

Members absent: Paul Johnson

Others present: Wayne Carlson, Mike Rebaleati, Debra Connally, Stephen Romero, Mary Wray, Melissa Mack, Doug Smith

2. Public Comment

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

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 21, 2016

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

4. 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 Options for Board Decisions

c. Blanket Student Accident Insurance Program

d. Pollution Legal Liability Insurance Program

a. Mary Wray of Willis Re Pooling reviewed the options spreadsheet. She compared the expiring rates to the current exposure bases as a baseline, then showed the renewal based upon the using the same retentions and structure as at present. She then reviewed the effect of options 1 and 2 that involved additional liability quota shares with CRL and/or Brit. She noted that the property program showed a reduction in rate coupled with an increase in Flood Zone A from \$10,000,000 to \$25,000,000. Alan Kalt commented that the full board should be made aware of these enhancements. Mike Rebaleati noted that the POOL's higher confidence level enabled us to take more risk over time while holding the pricing stable.

Stephen Romero reviewed the proposed changes to the terrorism property and liability coverage and pricing. He noted that he negotiated for inclusion of a cyber terrorism extension which the market normally reserves for its large energy group clients. There was a slight increase in the property, but a decrease in the liability pricing. The cyber terrorism option cost more, but we also could select a two year option, thus reducing the costs as well as having a plus or minus 15% property value change with no adjustment in costs. He responded to questions regarding the cyber extension effect on Members. Mike Rebaleati argued for inclusion of the cyber coverage due to the increasing cyber threats. Mary Wray reminded the board that the current policy was broader than most policies in the market because it includes nuclear, biological and other extensions that other forms do not. The cyber extension takes this further. Stephen indicated he would seek an answer regarding whether or not ransom ware incidents fit within the cyber coverages.

Stephen then reviewed the proposed student accident policy to offer blanket coverage for all activities including sports in lieu of the current transit only coverage. He noted that presently Members require students to sign up for athletics coverage or prove they have medical insurance and this would replace the need to do that. Twelve of the 15 school districts presently purchase the transit only so going to the blanket coverage would eliminate those requirements. Wayne Carlson suggested that the POOL absorb the costs of the blanket coverage and not allocate it to the Members as an additional savings to the members. Holly Luna commented that this would make a big difference to the school districts to not have this cost passed on. In response to a question about the long term price stability, Stephen noted that another pool client of theirs has had a similar program and the rates have remained flat over the last four years.

Stephen Romero then described the efforts he was making to secure blanket pollution legal liability coverage to replace the existing matrix of options. Wayne Carlson noted that the current carrier was AIG and they had non-renewed the matrix coverage since they were making a corporate strategic shift to exit that line of business. There have been no losses in the current matrix program in 15 years. Stephen said that Ironshore had given him an indication of \$350,000 for a blanket policy, but because of AIG's exist, they were swamped and could not give us a final price prior to this meeting. He sought direction to continue to pursue this option. Wayne Carlson suggested that the POOL absorb the costs of this coverage since all members currently have some exposure to pollution liability. Doug Smith noted that there are some pollution coverage extensions within the current POOL Form. He indicated that replacing the current coverage or providing the blanket coverage was important and that if no market came through, the POOL could develop its own coverage for these risks.

b. Alan Kalt reviewed the various options for recommendations to the board including the ones that could be absorbed by the POOL. Mike Rebaleati mentioned that the POOL could if necessary reduce the risk management grant allocation to absorbed come of the option costs if necessary. Alan Kalt emphasized the importance of educating members on both the cyber and the pollution risk controls.

On motion and second to recommend to the board to take options 1 and 2 (additional 10% quota shares) and to include terrorism with the cyber two-year option, to accept the student accident blanket policy with the cost to be absorbed by POOL and to pursue the blanket pollution liability coverage targeting the estimated pricing to be absorbed by POOL, the motion carried.

Mary Wray then reviewed the PACT renewal proposals which had no options per se other than changing the quota share percentages between PCM and CRL. Doug Smith added comments about the underlying PACT rates noting that the prior year the indicated loss fund was a reduction of 9.5%, but the board approved a 5% reduction to maintain stability. He stated that current a 3% reduction in the loss fund could occur. Several board members commented about the importance of maintaining stability over time and suggested a 3% reduction would be in order. The committee suggest they confirm the staff recommended loss fund reduction of 3% at the board meeting.

On motion and second to recommend the quota share with CRL from 25% to 50%, the motion carried.

5. For Possible Action: Approval of Voting Status for Special District Members:

- a. Tahoe Douglas Fire Protection District (effective immediately)**
- b. East Fork Fire Protection District (effective July 1, 2016)**

a. and b. Wayne Carlson noted that under the Interlocal Cooperation Agreement, special districts must apply for voting status. Tahoe Douglas FPD has been active with the HR Oversight Committee. East Fork has been part of Douglas County and now were being established as a separate member.

On motion and second to approve voting status for Tahoe Douglas FPD effectively immediately and East Fork FPD effective July 1, 2016, the motion carried.

6. For Possible Action: Approval of Prospective PACT Members:

- a. Regional Transportation Commission of Washoe County**
- b. Indian Hills General Improvement District**

a. Wayne Carlson reviewed the exposures and claims for the Regional Transportation Commission and introduced their representative and their broker. He reviewed the experience rating modification factor.

On motion and second to approve membership of the Regional Transportation Commission of Washoe County, the motion carried.

b. Wayne Carlson commented that Indian Hills GID presently was a member of the POOL. He noted that EiCON was their current insurer and was exiting public entity business.

On motion and second to approve membership of Indian Hills GID, the motion carried.

7. Public Comment

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

8. For Possible Action: Adjournment

On motion and second to adjourn, the meeting adjourned.

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**

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

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

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