Nevada Public Agency Insurance Pool
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Minutes of Joint Meeting and Agenda of
Executive Committees of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust
Date: Monday, March 31, 2025
2:30 PM or immediately following the captives' meetings.
Zoom Meeting

Minutes

1. **Roll**
The meeting was called to order by Chair Josh Foli at 3:07 pm. Board Members present Josh Foli, Gina Rackley, Ann Cyr, Paul Sikora, Joe Westerlund, Dan Murphy, and Amanda Osborne. Staff members present: Wayne Carlson, Stephen Romero, Alan Kalt, Debbie Connally, Marshall Smith, and Jarrod Hickman.

2. **Public Comment**
There were none.

3. **For Possible Action: Approval of Consent Agenda**

   a. **Approval of the minutes of Joint Executive Committee Meeting of March 12, 2025**
   b. **PACT and POOL February 28, 2025 Financial Statements**
   c. **NEAM Investment Report**

Chair Foli noted the minutes, financial and investment reports. Alan Kalt noted that the recent financial statements and investment report are provided in the packet. Ask if there are any questions. There were none**.** Dan Murphy made a motion to approve the consent agenda. Second by Gina Rackley. Motion carried.

4. **For Possible Action: Review of Risk Management Programs, Insurance/Reinsurance Coverage:**

   a. **Review of POOL/PACT insurance/reinsurance coverage and risk management programs to determine what coverage and programs to offer for 2025/2026:**
      i. **Review of POOL and PACT Rate Indications**
      ii. **Review of POOL and PACT Loss Fund Contribution Rate Indications**
      iii. **Selection of Options for NPAIP and PACT Renewal and Reinsurance Strategies for Recommendations to the Boards**

iv. **Review of Ancillary Programs Including Student Accident, Pollution Legal Liability, Employee Assistance Program and Airports Program.**

Stephen Romero reviewed the Year over Year comparison of the NPAIP and PACT renewal quotes and the structure graphs for the programs. He gave an overview of the renewal process to obtain the quotes and seek the most favorable terms from the marketplace. The team had several renewal meetings with the market at the AGRIP conference. He noted that the Lloyds of London property coverage is still being finalized but there is not exceed the amount of $6,200,000. He reviewed the various lines of coverage and the cost comparison with the current year. For NPAIP, it was noted that the reinsurance coverage amounts reflected a decrease from the expiring coverage. The NPAIP SIR coverage amount at the 75% confidence level would be $8,954,000 which is an increase from the current year amount of $8,644,000. On PACT's renewal quote coverage, a decrease was noted with CRL due to the projected decrease in estimated payroll for the year. PCM's renewal rate increased due to claims activities in that layer. The PCM quote is based on the 75% confidence level with the inclusion of the administrative expenses with PCM as traditionally calculated. It was noted that the PACT classification rates were previously approved in December 2024 for calendar year 2025 at a flat rate with a reduction of 9% in the hospital rate. The actuary computed the new experience modification rates (x-mods) for the members for the year. After a question-and-answer period, Dan Murphy made a motion to approve the reinsurance renewal coverage and related pricing for the upcoming year as presented. Noting this is the recommended Board action at the Annual Meeting in April. Ann Cyr seconded the motion which carried.

b. **Review Proposed 2025-2026 Draft Budgets for POOL and PACT for Recommendation to the POOL and PACT Boards**

Alan Kalt reviewed the budgets for POOL and PACT noting the amounts included in Stephen's updated Year-over-Year comparison were included in the budget. He reviewed the PRM and PCM renewal amounts. He commented on the implementation of the NRP cost allocation of 60/40 POOL and PACT with each captive allocated 9.8%, POOL at 50.2% and PACT at 30.2%. It was noted that the budgeted non-operating investment income exceeds the administrative expenses of the programs. Kalt review the pie chart allocation of the programs noting that the Loss Fund and insurance expenses were the largest portion of the total program cost and consistent with the prior years. After a brief discussion, Amanda Osborne made a motion to recommend approval of the PACT budget to the full board at the Annual Meeting as presented. Seconded by Dan Murphy. Motion carried. Dan Murphy made a motion to recommend the approval of the NPAIP/POOL as presented to the full board at the Annual Meeting. Second by Ann Cyr. Motion carried.

5. **<u>For Possible Action</u>: Review changes to Investment Policy POOL, PACT, PRM and PCM.**

Alan Kalt noted that the Board policy is to review the Investment Policy on an annual basis. He provided the policies to NEAM and SAA for their review and recommendations. He noted that Kelly Sullivan from NEAM noted that the United States credit was downgraded from AAA to AAA+ and what related impact that may have on the Nevada Revised Statutes on related government and corporate bond ratings within the NRS. Alan was unsure if the State Treasurer was proposing changes to NRS to reflect the new ratings and update the related ratings of allowed securities to reflect the downgrade. NEAM and SAA will work with us to make any recommendations to the policy to reflect any statutory changes to the NRS that need to be incorporated into the investment policy as a result of the legislative session. At this time, there are no recommended changes to the investment policy. Dan Murphy made a motion to make no changes to the Investment Policy. Amanda Osborne seconded the motion which carried.

6. **<u>For Information Only</u>: Staff Updates**

Wayne reviewed the legislative tracking information included in the packet. There are several bills being tracked and he has been testifying at various hearings during the session**.**

7. **Public Comment**

There were none.

8. **<u>For Possible Action</u>: Adjournment**

Meeting adjourned at 3:34 pm.