



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 Meeting of
Executive Committees of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust
Date: Monday, March 4, 2013**

1. Roll

Members Present: Michael Rebaleati, Alan Kalt, Cash Minor, Paul Johnson, Gerry Eick, Kevin Curnes, Dan Newell, Roger Mancebo, Steve West, Josh Foli

Members Absent: Lisa Jones, Bill Kohbarger, Pat Whitten

Others Present: Wayne Carlson, Doug Smith, Ann Wiswell, Debra Connally, Donna Squires, Mike Livermore, Bob Lombard, Jeanne Greene, Nikki Neilon

2. Public Comment

No public comment was received.

3. For Possible Action: Consent Agenda

- a. Approval of Minutes of Meeting of December 27, 2012
- b. Executive Director's Report
- c. Financial Reports of NPAIP and PACT

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

4. For Possible Action: Review Investment Guidelines for NPAIP and PACT

Wayne Carlson noted that this review was a requirement of the AGRiP Pooling standards. No changes were recommended to the current guidelines.

On motion and second to approve with no changes, the motion carried.

5. For Possible Action: Report by Lobbyist; Consideration of Legislation Strategies, Bills

Randy Waterman reviewed the bills he is tracking and commented on current status. Wayne Carlson added comments on various bills. Both responded to questions from committee members. No action was taken.

6. For Possible Action: Acceptance of Reports

- a. Large Loss Report
- b. Loss Control Committee Report
- c. Human Resources Oversight Committee Report

- a. Mike Livermore reviewed the PACT losses incurred valued over \$100,000; Donna Squires reviewed NPAIP losses incurred valued over \$100,000. They commented on major claims status and outstanding



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issues, Wayne Carlson asked Mike to comment on the Subsequent Injury Fund cases pending that may help offset some of the costs.

- b. Ann Wiswell provided an overview of the Loss Control Committee activities and plans. They will be preparing a strategic plan update soon. She noted several training programs that had been delivered and the status of the various grants.
- c. Jeanne Greene provided an overview of the current POOL/PACT HR services and training activity. She also highlighted the draft strategic plan. She then commented about the Subsequent Injury Fund issues and forms recently distributed to members. Another topic was the BenefitSolver service that recently had been quoted by Willis Pooling to the larger members. The program helps with benefits administration in an online format and is optional for members.

On motion and second to accept all of the reports, the motion carried.

The committee recessed for lunch.

7. For Possible Action: Approval of Prospective Members

a. Public Agency Compensation Trust – Incline Village General Improvement District

Wayne Carlson indicated that the basic information about Incline Village GID remained essentially the same as last year. He noted, however, that the estimated assessments were calculated using general government classifications rather than the split classifications used last year. The reasoning was that this merges the many operations that are similar to a city, except for police, plus ski operations as a general recreation risk that may offset the police exposure exclusion. Overall it was expected that the assessments amounts will be reasonable for the risks. Gerry Eick commented that he was weighing the options and will take PACT's along with a private carrier's and continuing self-insurance to his board for consideration.

On motion and second to approve offering PACT membership, the motion carried.

8. For Possible Action: Acceptance of Proposals for Broker/Loss Control Services Contract – Willis Pooling

Wayne Carlson commented that he discussed the renewal contract with Bob Lombard of Willis Pooling and Bob agreed to renew the contract on its present terms. Bob added his comments about the long-standing relationship and the services provided via the contract. He expressed his appreciation for the relationship.

On motion and second to approve the contract as is with appropriate date changes, the motion carried.

9. For Possible Action: Approval of Lease Agreement Terms for Public Agency Risk Management Services, Inc. and Grant Cost Allocation for Pooling Resources, Inc. Effective July 1, 2013

Wayne Carlson reviewed the status of the current lease and grant costs. He noted that the renewal lease was based upon the expiring monthly rental amount with a reduction in the escalator from 3% to 2% each anniversary.



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On motion and second to approve the lease with PARMS and cost allocation for PRI, the motion carried.

10. For Possible Action: Review of NPAIP and PACT Program Renewal Status and Action on Options

- a. Willis Pooling Report**
- b. Market Conditions and Status Overview**
- c. Review of NPAIP Coverage Form Changes for 2013-2014**
- d. Review of Reinsurance Coverage and Retention for NPAIP and PACT**

Bob Lombard addressed a, b and d as a whole noting that market conditions overall were hardening some in property, fairly flat in liability and going up for workers compensation due to medical inflation. He noted that Dave Ritch of Willis Pooling had reviewed the cyber liability potential coverage within the NPAIP form to assist with assessment of the existing coverage and gaps, then to see what the market may or may not offer. Wayne Carlson commented that County Reinsurance was also reviewed its reinsurance coverage form and had drafted some endorsements for consideration by their underwriting committee and board this week and next. Once we know the outcome of their potential changes, we may be able to look at some possible NPAIP form changes (item c), but otherwise no other form changes were contemplated at this time. Wayne also indicated that no retention changes were planned at this time since both pools and their captives had taken significant changes the present year. Once renewal quotes are obtained, this will be re-analyzed for consideration at the next meeting. No action was taken.

11. For Possible Action: Review of Services and Approval of

- a. Strategies for Mitigation of Program Costs NPAIP and PACT**
- b. PACT Budget for 2013-2014**
- c. NPAIP Budget for 2013-2014**

- a. Mike Rebaleati commented that this issue was raised for discussion in consideration of the present economic strain on members in light of the gains in NPAIP, although PACT had no gain this past audit, and in light of national debates on how much surplus is reasonable. Various committee members discussed that it was important to contain to maintain strong financial position so that the pools were able to adjust retentions as necessary in the future. Bob Lombard commented that another pool his works with did do subsidies for several years until their surplus drained down to their minimum requirements and now must raise rates by 18%, which they are spreading over four years. He cautioned about surplus maintenance. Wayne Carlson said he was facilitating a panel of actuaries at the next AGRiP conference on the subject of measuring and valuing surplus as a policy tool with five different actuarial firms presenting their approaches. Staff was directed to place this item for further discussion at a meeting to be scheduled for April 23rd prior to the annual board meeting.



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- b. Wayne reviewed the highlights of the PACT Budget, noting the loss of two members reduced revenue growth some even though some payroll increases will offset a portion of that loss. Gerry Eick suggested a change in the revenue forecast formula, which when made reduced the revenue resulting in a minimal net income loss instead of a minimal net income gain. In addition, he suggested adding a commentary on the major changes to the board summary section. On motion and second to approve the budget as changed and to add the commentary, the motion carried.
- c. Wayne reviewed the highlights of the POOL Budget, noting that the rental income would be up since all suites in the POOL Building now were rented. He indicated no loss of NPAIP members had occurred nor was expected, thus revenues were expected to increase slightly due to exposure changes and modest rate increases based upon renewal negotiations and actuarial results. He also commented that there was a question from a member regarding inclusion of volunteers in the Employee Assistance Program. There was discussion about the cost impact and how many volunteers could become eligible. Wayne indicated that he had a call in to the provider to discuss this, but estimated it would be the same as for current employees. It appeared that the requestor primarily was concerned with critical incident response, not individual counseling. Staff was directed to explore expanded critical incident response, but not regular EAP services. On motion and second to approve the budget, the motion carried.

12. For Possible Action: Review of Financial Performance of

- a. Public Risk Mutual
- b. Public Compensation Mutual

Since these two captive boards held a meeting and reviewed these results with the committee members in attendance, no action was deemed necessary.

13. For Possible Action: Review and Revise Drafts of Annual Meeting Agendas Including:

- a. Executive Committee and Officers Up for Election at the Annual Meeting, Candidates and Conduct of the Elections
- b. Joint Board Agenda, NPAIP Board Agenda, PACT Board Agenda
- c. PRM and PCM Annual Meeting Agendas

a. Wayne Carlson noted that there was a vacancy on the PACT Executive Committee as a result of the withdrawal of that Member. There also was an issue resulting from the ballot measure that passed in Nye County to change the Town of Pahrump from a Town Board form of government to a Town Advisory Board, thus potentially requiring a change in the items under number 14 below and a possible vacancy, although the measure does not go into effect until 2015 and the matter may be appealed to the Nevada Supreme Court.



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b. and c. Wayne asked for any changes to the proposed agendas. It was suggested that the board member panel discussion also include a review of the various captives with which we have relationships and capital contributions. Alan Kalt, Mike Rebaleati, Cash Minor and Roger Mancebo offered to serve on the panel.

14. For Possible Action: Consideration of Changes to Propose to the Boards

a. Interlocal Cooperation Agreements for NPAIP and PACT

b. Bylaws of NPAIP and PACT

Wayne Carlson reviewed the potential changes to the Interlocal Cooperation Agreements and Bylaws for both pools, noting the some were minor corrections and clarifications, others involved addressing what should change should the Town of Pahrump status go into effect in 2015 and a change to clarify vacancies.

On motion and second to approve placing the proposed changes to the Interlocal Cooperation Agreements for board action at the annual meeting, the motion carried.

On motion and second to approve placing the proposed changes to the Bylaws for board action at the annual meeting, the motion carried.

15. Public Comment

Donna Squires noted that Robert Bennett no longer was CEO of ASC and that they were recruiting a new CEO; otherwise, no changes in operations.

Wayne Carlson asked members to comment on the effects of the federal sequester on their budgets. Several estimated negative impacts on funds available to support current programs.

16. For Possible Action: Adjournment

On motion and second to adjourn, the meeting adjourned at 3:40 p.m.

The Agenda was posted at the following locations:

**N.P.A.I.P.
201 S. Roop
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 Courthouse
155 North Taylor Street
Fallon, NV 89406**