



**Nevada Public Agency Insurance Pool**  
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**Minutes of Meeting of  
the Board of Directors and of the Executive Committee of  
Nevada Public Agency Insurance Pool  
Date: November 15, 2004**

1. **Roll**

A quorum was present and Chairman Rebaleati convened the meeting at about 5:11 p.m.

2. **Action Item: Approval of Minutes of Board and Acceptance of Committee Minutes:**

- a. **Board Meeting of April 30, 2004**
- b. **Executive Committee Meetings of May 26, 2004, and July 20, 2004**

On motion and second to approve the minutes of the board and to accept the committee minutes, the motion carried.

3. **Action Item: Adopt Modified Loss Control Excellence Program**

Chairman Rebaleati referred the board to the discussions under the Joint Board and PACT Board meetings and called for a motion.

On motion and second to adopt the modified Loss Control Excellence Program as recommended by the Loss Control Committee, the motion carried.

4. **Action Item: Status of Pending Litigation: Lyon County vs. Nevada Public Agency Insurance Pool**

Wayne Carlson commented that a copy of the lawsuit was provided to the board as information. It seeks judicial review of the previous decisions of the Board and the Claims Committee regarding the reservation of rights in the underlying litigation between Advanced Specialty Gases and Lyon County. Wayne noted that Jack Angaran, coverage counsel for the POOL, was defending the POOL and that Steve Balkenbush, General Counsel to the POOL, had been provided a copy of the complaint but was not involved directly in the defense. No action was taken on this item.

5. **Action Item: Acceptance of Annual Audit**

Wayne Carlson noted that this audit was not yet completed but the preliminary net income was estimated to be around \$500,000; however, due to reserve increases in prior years, there likely would be a slight reduction in net income once those increases are posted.

On motion and second to authorize the Executive Committee and Audit Committee to review and accept the audit on behalf of the board, the motion carried.

6. **Action Item: Public Risk Mutual (NPAIP's Captive Insurance Company) Program Update**

Wayne Carlson commented that effective July 25, 2004, the Insurance Division granted a Certificate of Authority to Public Risk Mutual (PRM) and that effective September 1, 2004, PRM became the excess property insurer for POOL and the property excess program with Lloyds was converted to a reinsurance arrangement with PRM. As a consequence of this change, PRM could not offer the full TRIA property coverage since the reinsurance could not support it. However, POOL staff arranged for alternative terrorism coverage as a separate POOL policy. No action was taken on this item.

7. **Action Item: Terrorism Insurance Policy Purchase**  
**a. Property program**  
**b. Liability program**

Wayne Carlson explained that with the PRM creation and the loss of TRIA property coverage for POOL as a consequence, staff and Willis Pooling worked to find an alternative coverage. They were able to obtain both TRIA and domestic terrorism property coverage (previously not provided) with a \$100,000,000 limit for all terrorism. The pricing was such that the modest additional premium that was incurred from the conversion to PRM and the purchase of a separate policy was absorbed by the POOL and offset in part by other savings in taxes and fees.

Wayne commented that the board previously had approved the liability program with County Reinsurance, Ltd., which provided only \$500,000 of TRIA liability coverage.

On motion and second to ratify the purchase of a separate terrorism property coverage policy, the motion carried.

8. **Public Comment**

Chairman Rebaleati opened public comment. Alan Kalt suggested that an article prepared by Eagle Asset Management on the fiduciary duties of board members should be distributed to all board members as part of the annual meeting packet because of the importance of the topic. Staff agreed to do so.

9. **Action Item: Adjournment**

On motion and second to adjourn, which motion carried, the meeting adjourned at about 5:25 p.m.