



**Nevada Public Agency Insurance Pool
Public Agency Compensation Trust**
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**Minutes of the Meeting of
the Board of Directors and of the Executive Committee of
Nevada Public Agency Insurance Pool
Place: Atlantis, Reno, Nevada
Time: 1:00 p.m. or
Upon adjournment of PACT Board Meeting
Date: April 27, 2017**

1. Introductions and Roll

A quorum being present, Chair Minor called the meeting to order.

2. Public Comment

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

**3. For Possible Action: Consent Agenda: Approve as a Whole Unless Moved From Consent
Agenda**

- a. Approval of Minutes of Board and Committee Meetings:**
 - Board Meeting April 29, 2016
- b. Acceptance of Interim Financial Statements**

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

4. For Possible Action: Acceptance of Audit for June 30, 2016

Chair Minor reviewed highlights of the audit. Gerry Eick, Chair of the Audit Committee, commented that because of the transfer of assets from POOL to PRM, it may be useful to use the popular reporting method to present a combined pool and captive report so members have a better appreciation of how the two organizations work together financially.

On motion and second to accept the audit, the motion carried.

5. For Possible Action: Acceptance of Reports

- a. Large Loss Report**
- b. Actuarial Update**
- c. Litigation Status Report: Virgin Valley Water District vs. NPAIP**

a. Donna Squires reviewed the large losses over \$300,000 noting the costliest cases were the errors and omissions cases. She commented that three fifths of the large claims were liability claims. Large property losses from the earthquake in 2008 and the floods currently going on in 2017 were significant. She responded to questions about attorney's fees noting that the POOL's strategy to defend strongly where appropriate contributed to higher costs, but also deterred frivolous claims.

On motion and second to accept the report, the motion carried.

b. Chair Minor asked Mike Rebaleati whether there was an update report, but Mike indicated there was not.

c. Wayne Carlson noted that he had reviewed this status under the Executive Director's report during the Joint Boards Meeting.

6. For Possible Action: Approval of POOL Form Effective July 1, 2017

a. Discussion regarding POOL Form and Possible Changes

b. Approve Changes to POOL Form 2017-2018

a. Wayne Carlson reviewed the proposed coverage changes and the rationale highlighting the written report. He responded to questions about the various changes. He noted particularly the removal of Attachments C & D for the POOL Form was done to remove confusion. Doing this does create potential additional risks to the POOL because older limits would no longer apply and only the current claims made limit would. He cited a couple of potential scenarios in which students have an extended period for the statute of limitations to apply and for post-conviction relief situations where the newly released inmate may have a claim under a prior period and limits or under the current period and limits. He clarified the intent under the proposed changes to the replacement cost on emergency response vehicles was done to improve understanding and to give three options to the members in the event of a total physical loss or a loss in which the vehicle could not be certified as safe to operate even if a partial physical loss. He noted that the current reinsurers are satisfied with the proposed changes.

b. On motion and second to approve the proposed changes to the POOL form, the motion carried.

7. For Possible Action: Acceptance of Renewal Reinsurance and Insurance Proposals and Options

a. Presentation by Steve Firman (Willis Re London) about Lloyds of London

b. Review of Renewal Reinsurance and Insurance Proposals and Options

a. Steve Firman, our guest from London, was introduced and presented his history as a London broker along with an overview of how the Lloyds market works. He noted the importance of the personal visits by the POOL staff and executive committee members to maintaining a long-term relationship with the Lloyds syndicates. He said this results in underwriters having greater interest in maintaining a stable program for the POOL. He gave anecdotes about his experience since 1968 in the market and with working with the POOL over the last 10 years.

b. Steven Romero presented the renewal proposal and options. He reviewed the reinsurance structure for the present year and the proposed options for the renewal. He reminded the board that the POOL had purchased two new products for the members in the current year and that they were being offered for renewal at the same price: Student Accident Medical for schools and Blanket Pollution Legal Liability for all members. The POOL did not allocate any of the costs to the Members. In addition, he noted that the Terrorism Property and Liability programs were purchased as two-year policies in the current year and that next year's pricing was reduced due to front-loading that occurred in the current year.

For CRL and GEM coverage, the renewal coverage limits will remain the same with a slight increase from CRL and a slight decrease from GEM. CRL has a quota share of 70% of \$2,500,000 excess of \$500,000 POOL retention for other than schools with PRM bearing 30% for other than schools. GEM will continue to take a 35% quota share of \$7,000,000 excess of \$3,000,000 along with Brit sharing

40% and PRM taking the remaining 25% share. For United Educators, PRM now will take a 25% quota share for the schools' limits, reducing UE's share to 75% of \$2,500,000 excess of \$500,000 POOL retention.

For the property reinsurance program, various Lloyds syndicates provide reinsurance up to \$300,000,000 per event other than earthquake and flood, and \$150,000,000 aggregate for earthquake and \$150,000,000 aggregate for flood except Flood Zone A is \$25,000,000 aggregate, all excess of the POOL \$500,000 retention. PRM bears \$300,000 of the POOL's \$500,000 retention.

It was noted by Gerry Eick that these changes reflected the POOL's strategy to utilize its own captive to extend our self-sufficiency between the POOL and PRM. Mike Rebaleati commented that PRM now is participating in all layers of coverage.

On motion and second to approve the proposed renewal, the motion carried.

8. For Possible Action: Acceptance of Budget for 2017-2018

Wayne Carlson reviewed key elements of the budget.

On motion and second to accept the budget, the motion carried.

9. For Possible Action: Action regarding these topics:

- a. Review of financial condition of each member and prompt notification to the Members of any Member determined to be operating in a hazardous financial condition**
- b. Review of the loss experience of each Member of the association - Claims Experience Report Summary**
- c. Review for removal of Members with excessive loss experience or Members determined by the Board to be operating in a hazardous condition**

Chair Minor opened discussion noting that Nye County is being provided assistance from the Department of Taxation, although not under fiscal watch.

On motion and second to note this review, the motion carried.

10. For Possible Action: Election of Executive Committee for Two Year Terms from 2017-2019

- a. One Representative from School Districts**
- b. One Representative from Counties and/or Cities with under 35,000 population**
- c. Two Representatives from Counties and/or Cities with 35,000 or more population**

Chair Minor reviewed the candidates for election noting that incumbents Lisa Jones for item a, and incumbents Cash Minor and Josh Foli for item d. As for item b, Wayne Carlson commented that after the board packet was distributed, he received a call from Pat Whitten expressing his desire to withdraw as a candidate considering his time commitments to large projects in Storey County. This creates an opening for a replacement candidate. Chair Minor opened nominations for this position. Daniel Corona from the City of West Wendover volunteered to serve under item b. Chair Minor called for any other nominations and hearing none, closed the nominations.

On motion and second to reelect Lisa Jones for item a, the elect Daniel Corona for item b and to reelect Cash Minor and Josh Foli for item c, the motion carried.

11. For Possible Action: Election of Chair and Vice Chair

Chair Minor indicated that both he and Josh Foli were willing to continue to serve as Chair and Vice Chair respectively. He opened the floor for any other nominations and hearing none, closed the nominations.

On motion and second to reelect Cash Minor as Chair and Josh Foli as Vice Chair, the motion carried.

12. Public Comment

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

13. For Possible Action: Adjournment

On motion and second to adjourn, the meeting adjourned.

The Agenda was posted at the following locations and on the State's Website:

**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**