

**NORTH BAY SCHOOLS INSURANCE AUTHORITY  
BOARD OF DIRECTORS MEETING  
April 20, 2022**

**MINUTES**

**CALL TO ORDER:** The meeting was called to order at 12:02 p.m. by President Henson.

**ATTENDANCE:** Board Members in attendance:  
Michelle Henson, Solano County Office of Education  
Matt Best, Davis Joint USD (joined at 12:03 p.m.)  
Dana Page, Napa Valley USD (left at 1:32 p.m.)  
Maureen Hester, Calistoga JUSD  
Trudy Barrington, Dixon USD (left at 1:36 p.m.)  
Laneia Grindle, Fairfield-Suisun USD (left at 1:42 p.m.)  
Gabe Moulaison, Travis USD (left at 1:46 p.m.)  
Chris Hulett, Vacaville USD  
Rosa Loza, Valley City USD

Via videoconference/Zoom:  
Tim Rahill, Benicia USD  
Andrea Stubbs, St. Helena USD (left at 1:30 p.m.)  
Sal Abbate, Solano Community College (left at 1:30 p.m.)

Absent:  
Josh Schultz, Napa County Office of Education

Staff and Guests in attendance  
Janet Selby, NBSIA  
Carrie Green, NBSIA  
Kami Liñan, NBSIA  
Mike Harrington, Bickmore Actuarial (presentation under Item 4)

Via videoconference/Zoom:  
Karen Antunes, NBSIA  
Brandon Schlenker, NBSIA  
Mike Minahen, Solano County Office of Education  
Tonja Kutz, Dixon USD (left at 1:30 p.m.)  
Robert Cutbirth, General Counsel (presentation under Item 7(C))  
Dan Shaw, Bickmore Actuarial (presentation under Item 4)

**APPROVAL OF AGENDA**

Motion was made by Hulett, seconded by Hester, and carried unanimously to approve the agenda as presented (*Ayes: Abbate, Best, Barrington, Grindle, Henson, Hester, Hulett, Loza, Moulaison, Page, Stubbs, Rahill; Noes: none; Abstained: none; Absent: Schultz, NCOE*)

**PUBLIC COMMENTS**

None.

**REPORTS TO BOARD OF DIRECTORS**

2022 Actuarial Reports, Mike Harrington, Bickmore Actuarial

Mike Harrington presented a slide deck on the 2022 actuarial reports for all self-funded programs and the captive. Overall, he reported that estimates in property/liability have caught up with trends, with favorable loss development and reduction in the self-funded rates for both liability and property. The program is now funded above the 90% confidence level. Workers' comp and the captive continue to outperform expectations. Loss rates are down, and funding is strong and well-positioned to meet future obligations. Lastly, the workers' compensation and general liability experience modification reports were presented, showing various changes by Member. There was brief discussion about the volatility of the workers' comp formula and the fact that there

are options available that provide more stability, which means less responsiveness to individual member changes in losses and more spread of costs between members.

## **MEMBER REPORTS AND COLLABORATION**

Dana Page reported that she attended the AGRiP conference and enjoyed learning more about pooling and risk management supports for districts. She encouraged board members to attend future conferences. Matt Best reported that Davis JUSD is interested in researching the development of a JPA for EAP and mental health services.

## **ACTION ITEMS**

### Approval of Consent Calendar

Motion was made by Page, seconded by Grindle, and carried unanimously to approve the Consent Calendar. Consent items: Minutes from Strategic Planning, January 27, 2022; Minutes from regular meeting January 28, 2022; Resolution No. 22-01 of Butte Schools Self-funded Programs (BSSP) to become a member of NBSIA; 2022 Actuarial Studies for all self-funded programs, Bickmore; 2021 Dental Actuarial Study, Turner Consulting. *(Ayes: Abbate, Best, Barrington, Grindle, Henson, Hester, Hulett, Loza, Moulaison, Page, Stubbs, Rahill; Noes: none; Abstained: none; Absent: Schultz, NCOE)*

### Finance and Administration

#### Revision to Board Investment Procedure

Selby provided background on NBSIA Board Investment Policy 3.2, which was updated in April 2021. During a routine review, it was discovered that conforming changes had not been made to the Board Investment Procedures. Additional updates to other areas of the procedure were also found. The proposed changes were presented.

Motion was made by Best, seconded by Hester, and carried unanimously to approve the amendments to Board Procedure 3.2 as presented and recommended by the Executive Committee. *(Ayes: Abbate, Best, Barrington, Grindle, Henson, Hester, Hulett, Loza, Moulaison, Page, Stubbs, Rahill; Noes: none; Abstained: none; Absent: Schultz, NCOE)*

### Dental/Vision Programs

#### Dental Rates for 2022/23

Deputy Executive Director Santin presented the proposed dental rates for FY22-23. The actuary had recommended an increase in rates spread over three years, based on rising costs and industry trends. However, staff received more recent data suggesting smaller increases. Based on the strong financial position of the program and some expected increase in costs and inflation for the coming year, staff recommended a 2% increase in the current rates. Staff will continue to monitor cost trends as things stability post-pandemic and make future adjustments as appropriate.

Motion was made by Hulett, seconded by Best, and carried unanimously to approve the dental rates as presented. *(Ayes: Abbate, Best, Barrington, Grindle, Henson, Hester, Hulett, Loza, Moulaison, Page, Stubbs, Rahill; Noes: none; Abstained: none; Absent: Schultz, NCOE)*

#### Vision Rates for 2022/23

Santin presented the proposed vision rates for FY22-23. SIA provided renewal data and information that support a flat renewal.

Motion was made by Hester, seconded by Loza, and carried unanimously to approve the vision rates as presented. *(Ayes: Abbate, Best, Barrington, Grindle, Henson, Hester, Hulett, Loza, Moulaison, Page, Stubbs, Rahill; Noes: none; Abstained: none; Absent: Schultz, NCOE)*

### Workers' Compensation Program

#### Workers' Compensation Rates for FY2022/23 - NBSIA

Selby reported that the NBSIA program remains financially strong, with funding above the 95% confidence level and a healthy reserve for rate stabilization and catastrophic losses. Effective January 1, 2022, all claims occurring prior to July 1, 2019, have been transferred to NBIG (captive) by means of a loss portfolio transfer (LPT).

Liabilities have decreased just over \$1.8 million from the prior year based on favorable loss development. The projected loss rate is down from .97 to .94 at the discounted, expected level. The discount rate was increased from 2% to 3%, based on anticipated higher investment income in the captive. NBSIA has added additional members who share the program and administration expenses. As a result of the reduced losses, increased discount rate and addition of new members, the manual rate including losses and operational expenses decreased from \$1.88 to \$1.79. Since the manual rate has dropped below the capped rate, this effectively ends rate capping in place since 2011.

Motion was made by Page, seconded by Hulett, and carried unanimously to approve the workers' compensation contributions using a manual rate of \$1.79 as recommended and presented. (*Ayes: Abbate, Best, Barrington, Grindle, Henson, Hester, Hulett, Loza, Moulaison, Page, Stubbs, Rahill; Noes: none; Abstained: none; Absent: Schultz, NCOE*)

#### Workers' Compensation Rates for FY2022/23 – Vallejo City USD

Selby reported that the VCUSD self-insurance fund is healthy at above the 95% confidence level. Actuarial estimates for ultimate loss and loss adjustment expenses for 2022/23 decreased by \$184,000 due to favorable loss development since last year. While contributions are down, the loss rate increased from \$1.83 to 1.84 due to a sharp decrease in payroll from the prior year. At the 85% confidence level, the loss rate is \$2.73. With share of unallocated expenses, the final rate is \$3.33.

VCUSD has made significant progress in its losses since joining NBSIA, and recently hired a safety manager. NBSIA will continue to work closely with district leadership on risk management and prevention strategies. The common goal remains positioning VCUSD to join the financial risk pool.

Motion was made by Best, seconded by Grindle, and carried unanimously to approve the workers' compensation contribution rates for VCUSD as presented. (*Ayes: Abbate, Best, Barrington, Grindle, Henson, Hester, Hulett, Loza, Moulaison, Page, Stubbs, Rahill; Noes: none; Abstained: none; Absent: Schultz, NCOE*)

#### Workers' Compensation Rates for FY2022-2023 – Butte Schools Self-Funded Programs (BSSP)

Santin reported Butte Schools Self-Funded Programs will be joining NBSIA in July 2022. BSSP losses are financially independent of the pooled risk members. Rates for BSSP are determined separately, based on the results of an annual actuarial study.

NBSIA requested an actuarial study to project the 2022-23 claim expenses. These estimates are based on historical experience for the program since July 1, 2016 and evaluated as of December 31, 2021. The actuaries projected the ultimate cost of claims and expenses for FY2022-23 program year to be \$1,467,000 (rate of \$1.62) at the discounted, 75% confidence level. With share of unallocated expenses, the final manual rate is \$2.22.

We are working closely with BSSP and district leadership to implement the NBSIA risk management and prevention programs.

Motion was made by Hester, seconded by Moulaison, and carried unanimously to approve the workers' compensation contribution rates for BSSP as presented. (*Ayes: Abbate, Best, Barrington, Grindle, Henson, Hester, Hulett, Loza, Moulaison, Page, Stubbs, Rahill; Noes: none; Abstained: none; Absent: Schultz, NCOE*)

#### Property/Liability Program

##### Renewal and Updating of Endorsements to Memorandum of Liability Coverage (MOLC)

Selby reported that the Board previously approved Endorsements #3 (Limited COVID Coverage) and #4 (Class Action Defense Coverage) to the FY2020-21 MOLC. These coverages were added in response to pandemic-related exposures, and later renewed for FY2021-22.

For the FY2022-23 renewal process, there is, again, the option to keep these coverages or eliminate them. Selby reported that neither coverage has been utilized to date and recommended continuing coverage since the exposures still exist. PL program funding has strengthened and liability under both coverages is limited.

There was discussion about what circumstances could trigger the coverage in Endorsement #4, particularly situations other than pandemic related. Selby and General Counsel Rob Cutbirth both responded that the intent is to provide defense for either single or serial claims alleging the same or similar wrongful act against members. The example given was the letters that several individual school districts have received threatening legal action based solely on district compliance with state and public health mask mandates. The same or similar claim could be made against any of our members simply because they were following the law. There is a commonality of interest in NBSIA responding to these otherwise uncovered injunctive or declaratory relief claims, to provide a consistent response that reduces risk and coordinate legal work to save defense costs.

The Board asked whether staff would continue bringing these Endorsements forward each year for discussion, since the exposures may end at some point. Staff will do so.

Motion was made by Grindle, seconded by Best, and carried unanimously to approve renewal of MOLC Endorsement #3 with no changes and updated Endorsement #4 for FY2022-23, as presented and recommended by the Executive Committee. (*Ayes: Abbate, Best, Barrington, Grindle, Henson, Hester, Hulett, Loza, Moulaison, Page, Stubbs, Rahill; Noes: none; Abstained: none; Absent: Schultz, NCOE*)

#### **NON-ACTION DISCUSSION ITEMS**

##### PL Program Rates

Santin reported that staff is continuing to work on developing rates for FY2022-23 and are waiting on final premiums from excess carriers. Estimated excess rate changes were provided for all coverages. These are subject to change as renewals are finalized. The Board may also choose to fund at 90% confidence or move back to 85% with some assurance that actuarial estimates are closer to current loss trends. At 85%, overall contribution increases would be in the 3-5% range. At 90%, overall increase would be closer to 7-9%. Staff will have both options available at the June meeting.

The Board discussed developing cyber "best practices" incentives, which would tie member deductibles to level of compliance with cyber safety practices. This will be part of the discussion under the "Protect Member Digital Assets" strategic focus area.

Rate estimates will be distributed following the meeting to assist members with budgeting, with the caveat that they are subject to change. Final rates will be brought to the Board for approval in June.

2022-2027 Strategic Plan Framework

Santin and the NBSIA Leadership Team presented the draft five-year strategic plan with specific measurable goals over the next 6 months to 5 years. Consensus from the board was positive in terms of direction.

Ad Hoc Committee on Work Experience Programs Update

Property/Liability Manager Brandon Schlenker and General Counsel Rob Cutbirth provided an update on the Ad Hoc Committee on Work Experience Programs. The committee included representatives from Napa Valley USD, Fairfield-Suisun USD, and the Solano County Office of Education.

The committee met three times. Out of those conversations, a form was developed that covers 90+% of programs, including student paid work and adult education. There is also a supporting checklist to assist members in taking the right steps to administer these programs legally and safely. Staff has received feedback on the form, mostly related to formatting and structure. Members also asked that the Board support the use of this form across membership, not necessarily mandated. Staff will continue gathering any remaining feedback and look to finalize the form soon.

Teacher Housing Coverage

Due to time constraints, this item will be brought back to the Board for information and discussion at the June meeting.

Program Reports

Property/Liability Manager, Brandon Schlenker, thanked the members and their staff for their time and attention to the cyber application and property appraisals.

Executive Director's Report

Selby provided an update on the Deputy Executive Director transition. The Executive Committee will be conducting a closed session evaluation at its May 4 meeting. The employment contract will be brought before the Board for approval at its June meeting.

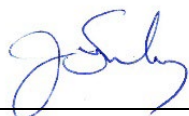
**NON-ACTION DISCUSSION ITEMS**

Board Briefing

The Board was provided with a briefing including articles of interest, recent Member Alerts, legislative updates, and upcoming training and meetings. No discussion.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 1:56 p.m.

Respectfully submitted by:  (signature on file) Date: 4/20/2022

Approved by Board of Directors: 6/15/22