

**NORTH BAY SCHOOLS INSURANCE AUTHORITY  
BOARD OF DIRECTORS MEETING  
January 28, 2022**

**MINUTES**

**CALL TO ORDER:** The meeting was called to order at 9:00 a.m. by President Henson.

**ATTENDANCE: Board Members (voting)**

In person:

Tim Rahill, Benicia USD  
Maureen Hester, Calistoga JUSD  
Matt Best, Davis Joint USD  
Tonja Kutz, Dixon USD  
Laneia Grindle, Fairfield-Suisun USD  
Josh Schultz, Napa County Office of Education  
Dana Page, Napa Valley USD  
Michelle Henson, Solano County Office of Education  
Andrea Stubbs, St. Helena USD  
Trudy Barrington, Travis USD  
Chris Hulett, Vacaville USD

**Board Alternates and Member Guests**

Amari Watkins, Davis Joint USD  
Mike Minahen, Solano County Office of Education

**Board Alternates and Member Guests**

Via videoconference/Zoom:

Khushwinder Gill, Benicia USD

**Absent Members (voting)**

Solano Community College District  
Vallejo City Unified School District

**Staff and Guests**

In person:

Janet Selby, NBSIA  
Kim Santin, NBSIA  
Carrie Green, NBSIA  
Karen Antunes, NBSIA  
Kami Liñan, NBSIA  
Brandon Schlenker, NBSIA  
Kimberly Dennis, CAJPA (presentation under Item 4)  
Daniel Howell, Alliant Insurance Services (presentation under Item 4)  
Jim Wilkey (presentation under Item 4)  
Mark Stokes, ABD (presentation under Item 4)  
Kevin Webb, RW Baird (presentation under Item 7(A))

Via videoconference/Zoom:

Suzanne Dillman, NBSIA  
Vahé Hovakimian, NBSIA  
Kevin Bibler, Alliant Insurance Services (presentation under Item 4)  
Kevin Wong, Gilbert CPA (presentation under Item 6(B))

**APPROVAL OF AGENDA**

Motion was made by Page, seconded by Best, and carried unanimously to approve the agenda as presented. (*Ayes: Barrington, Best, Grindle, Henson, Hester, Hulett, Kutz, Page, Rahill, Schultz, Stubbs; Noes: none; Abstained: none; Absent: Solano Community College District, Vallejo City USD*)

**PUBLIC COMMENTS**

None.

## **REPORTS TO BOARD OF DIRECTORS AND RENEWAL PREVIEW**

### CAJPA Accreditation (Kimberly Dennis, CAJPA)

Ms. Dennis presented the NBSIA Certificate of Accreditation with Excellence. She congratulated the board and staff on maintaining this accreditation since 1991. Selby acknowledged staff members Liñan and Green for their good work on the accreditation process.

### Property Excess (Daniel Howell, Alliant Insurance Services)

Mr. Howell presented information on the status of property excess renewals and the excess marketplace. Underwriting capacity has stabilized, but the markets continue to be challenged by COVID-19, low interest rates, and increased catastrophes over the past few years. Carriers are reducing coverage in some areas to limit exposure. Rate increases are expected but less than prior years. The formation of the Schools Program Alliance (SPA) JPA, of which NBSIA is a founding member, has helped with renewal terms and spread of costs for shared services.

Mr. Howell provided a timeline for the renewal process. Not-to-exceed rates are expected in May.

### General Liability Excess (Jim Wilkey, ABD)

Mr. Wilkey presented information on general liability excess renewals and the state of the market. Markets continue to be hard for California public entities, including schools. Some long-term carriers have left CA and capacity is limited. There are signs of stability, including areas like coverage limits, aggregates, and rate increases. Increases are expected but less than prior years. The new SPA excess liability program is helping to stabilize rates.

Early rates are expected in May.

### Workers' Compensation Excess (Mark Stokes, ABD)

Mr. Stokes reported on the current excess workers' compensation market, including the effects of COVID on claims and renewals. The biggest challenge for carriers is reduced investment earnings. Capacity and competition are still there, and school exposures are not as worrisome as other types of entities. He expects the renewal for the coming fiscal year to go well.

### Cyber Insurance (Kevin Bibler, Alliant Insurance Services)

Mr. Bibler reported that the cyber market continues to deteriorate, following large increases in cyber incidents and a projection of continued increases in the coming years. Ransomware is the fastest growing area, and carriers are moving to limit coverage. Many markets are no longer writing new public entity cyber. The result is lower capacity, less coverage and more limits, and higher premiums. The underwriting process is also tougher, with carriers requesting more information and potentially limiting or refusing coverage.

NBSIA is expected to get a quote from our existing carrier, which will likely include decreased coverage in some areas and a significant price increase. Mr. Bibler again provided information on the cyber security standards that are critical to underwriters. These have been shared previously with members.

## **MEMBER REPORTS AND COLLABORATION**

None.

## **ACTION ITEMS**

### Approval of Consent Calendar

Motion was made by Schultz, seconded by Rahill, and carried unanimously to approve the Consent Calendar. Consent items: Minutes of Regular Meeting of September 29, 2021; Minutes of the Special Meeting of December 15, 2021; Quarterly Financial Statements at September 30, 2021 (unaudited); Investment Plan Report, January 2022. (*Ayes: Barrington, Best, Grindle, Henson, Hester, Hulett, Kutz, Page, Rahill, Schultz, Stubbs; Noes: none; Abstained: none; Absent: Solano Community College District, Vallejo City USD*)

### Finance/Administration

Financial Audit for FY end June 30, 2021 (Kevin Wong, Gilbert CPA)

Kevin Wong, CPA, of Gilbert, presented the Financial Audit Report and recommendations for fiscal year end June 30, 2021. Mr. Wong reported that all aspects of the audit process went well, and that they issued an unmodified opinion, the best possible. There was one suggestion related to the financial closure process, and management has issued a response. There were no material weaknesses, significant findings, or issues of noncompliance.

Motion made by Hulett, seconded by Grindle, and carried unanimously to accept and file the Financial Audit as presented. (*Ayes: Barrington, Best, Grindle, Henson, Hester, Hulett, Kutz, Page, Rahill, Schultz, Stubbs; Noes: none; Abstained: none; Absent: Solano Community College District, Vallejo City USD*)

### Property/Liability Program

Status of Property/Liability Capital Target Funding at 6/30/2021

Selby reported that the Property/Liability Program net position increased almost \$3 million over the prior year. The program now meets the 85% confidence level funding and full catastrophic loss fund benchmarks, and it falls just short of the full rate stabilization fund. The Board approved higher confidence level funding (90%) for the current 2021-22 year with the goal of continuing to strengthen program funding, to help us weather uncertain times and hard excess markets, including cyber.

Motion made by Hester, seconded by Best, and carried unanimously to accept and file the report as presented. (*Ayes: Barrington, Best, Grindle, Henson, Hester, Hulett, Kutz, Page, Rahill, Schultz, Stubbs; Noes: none; Abstained: none; Absent: Solano Community College District, Vallejo City USD*)

### Workers' Compensation Program

Status of Workers' Compensation Capital Target Funding at 6/30/2021

Selby reported that net position increased significantly over the prior year due to increased investment income through the captive and reduced actuarial ultimate loss projections for prior years. Program funding fully satisfies the confidence level, catastrophic loss reserve and rate stabilization components of the capital target policy. The program remains financially strong and stable, and equity has been used to fund mission-critical programs like grants for mental health programs and site security assessments.

Motion was made by Schultz, seconded by Barrington, and carried unanimously to accept and file the report as presented. (*Ayes: Barrington, Best, Grindle, Henson, Hester, Hulett, Kutz, Page, Rahill, Schultz, Stubbs; Noes: none; Abstained: none; Absent: Solano Community College District, Vallejo City USD*)

Dental/Vision Programs

Status of Dental Capital Target Funding at 6/30/2021

Selby reported that net position decreased about \$800k from the previous reporting period. This is due to a steep increase in paid claims for 2020-21. Recent actuarial reporting confirms this upward cost trend, and we will consider this when setting rates for next year. Overall, the program remains financially strong and meets all capital targets. Equity presents opportunities to moderate rate changes and absorb short-term cost increases.

Motion was made by Page, seconded by Grindle, and carried unanimously to accept and file the report as presented. (*Ayes: Barrington, Best, Grindle, Henson, Hester, Hulett, Kutz, Page, Rahill, Schultz, Stubbs; Noes: none; Abstained: none; Absent: Solano Community College District, Vallejo City USD*)

**NON-ACTION ITEMS**

NBSIA Investment Portfolio Review (Kevin Webb, RW Baird)

Mr. Webb presented the Investment Plan Report at January 2022. He provided some data and commentary on the current economic environment, including the federal governments continued yield curve control strategy and its effects of increasing prices and decreasing available fixed income offerings. He reported that all portfolio benchmarks for liquidity, safety and return on investment are being managed according to NBSIA investment policy. The rate of return is good as compared to other portfolios he works with, particularly given that duration risk is lower than the plan benchmark. In short, the portfolio is in good shape. We continue to look for investment opportunities, while maintaining our strategy of dollar cost averaging.

Executive Director's Report

Selby provided updates on resources and support available for COVID testing and vaccination questions. She also reported that we are now in actuarial and renewal season, and that the goal is to have rates available at the April meeting for all programs except Property/Liability, which always takes longer to finalize these days.

Department Reports

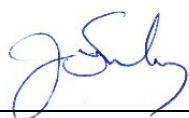
Property/Liability Manager Schlenker provided a report from the recent webinar on COVID-related hot topics in liability, indicating feedback has been positive. He also reported that we are working with Members to gather information for renewals, and that property appraisals with Duff & Phelps will begin soon. Lastly, he reported that we are working with Rob Cutbirth and Patti Eyres to develop continued resources around COVID testing and vaccination issues.

Board Briefing

President Henson stated that various articles and information are included for Members to read at their convenience. No discussion.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 10:51 a.m.

Respectfully submitted by:  (signature on file) Date: 1/28/2022

Approved by Board of Directors: 4/20/22