

**NORTH BAY SCHOOLS INSURANCE AUTHORITY
EXECUTIVE COMMITTEE MEETING
August 26, 2020**

MINUTES

- Call to Order** The meeting was called to order, following the Investment Committee meeting, at 12:37 p.m. by President Henson.
- Attendance** Those in attendance were:
Michelle Henson, Fairfield-Suisun USD
Attending by videoconference/Zoom:
Matt Best, Davis Joint USD
Josh Schultz, Napa County Office of Education
Adrian Vargas, Vallejo City USD
- Staff and Guests** Janet Selby, NBSIA
Carrie Green, NBSIA
Attending by videoconference/Zoom:
Vahé Hovakimian, NBSIA
- Approval of Agenda** Motion made by Schultz, seconded by Best, and carried unanimously to approve the agenda as presented. (*Ayes: Best, Henson, Schultz, Vargas; Noes: none; Absent: none; Abstain: none*)
- Public Comments** No public present.
- Member Reports and Collaboration** None at this time.
- Executive Briefing** Selby discussed the recent wildfires and their effects on some of our Members. While none of the Members are reporting any property loss or damage so far, future assessments will be done in order to ascertain possible clean-up needed. Selby reported that staff are monitoring three legislative bills regarding a workers' compensation presumption and limited COVID-19 liability protection. Selby reported that NBSIA is collaborating with NCOE and SCOE on a website for all member staff promoting wellness and self-care, with the hope of including Davis in the partnership so as to involve all three NBSIA counties.
- ACTION ITEMS**
- Consent Calendar Motion was made by Vargas, seconded by Schultz, and carried unanimously to approve all items listed on the Consent Calendar, including the Regular Meeting Minutes May 27, 2020; Special Meeting Minutes July 13, 2020; Unaudited Quarterly Financials as of March 31, 2020; Disbursement Report (April – June 2020); Personnel Actions (June – July 2020); Legal Contract Extension, Freeman Mathis and Gary (July 31, 2020) and JPA Agreement with SPA (June 3, 2020). (*Ayes: Best, Henson, Schultz, Vargas; Noes: none; Absent: none; Abstain: none*)
- Finance/Administration**
- Captive Reinsurance Agreement Renewal
Selby presented the Reinsurance Agreement with North Bay Insurance Group (our captive), including two proposed changes for FY20-21. The first change was to Article 5 to lower the deposit premium from 85% to

75% confidence level, to ensure that NBSIA retains adequate funding for operations. The second change was to Article 7 changing the frequency of claims reporting to quarterly.

Motion was made by Best, seconded by Schultz, and carried unanimously to recommend that the Board of Directors approve the Captive Reinsurance Agreement for FY 2020-21 with changes as presented (*Ayes: Best, Henson, Schultz, Vargas; Noes: none; Absent: none; Abstain: none*)

Final 2020/21 Budget

Selby presented the final budget with two changes from the preliminary budget approved in June. The first was a change in the workers' compensation insurance expense, to match funding to the captive at the 75% confidence level, consistent with the revised Reinsurance Agreement (prior item). This change results in a corresponding increase to the Captive, Member Contributions line. The second change is an increase of approximately \$180,000 to Property/Liability contributions as a net result of a decrease in final excess premiums and an increase in funding to the 90% confidence level.

Motion was made by Schultz, seconded by Best, and carried unanimously to recommend that the Board of Directors approve the 2020/21 Final Budget as presented. (*Ayes: Best, Henson, Schultz, Vargas; Noes: none; Absent: none; Abstain: none*)

Property/Liability Program

Amendment to Memorandum of Property Coverage

Selby reported that staff recently learned the SPA property coverage package includes flood insurance, and because our pool Memorandum of Property Coverage (MOPC) follows form with the SPA Memorandum of Coverage, this effectively added flood liability to the pool. Flood insurance has not historically been part of our pooled property coverage and this liability was not considered in the rates. It is therefore necessary to modify the MOPC to exclude flood losses, except loss from fire/explosion following a flood, in order to maintain the status quo. An Endorsement and conforming changes to the MOPC were presented for approval.

It was noted in the discussion that several Members purchase separate flood coverage. Staff will help those Members evaluate whether the SPA coverage is a complement or replacement for current coverage.

Motion was made by Schultz, seconded by Vargas, and carried unanimously to recommend that the Board of Directors approve changes to the Memorandum of Property Coverage as presented. (*Ayes: Best, Henson, Schultz, Vargas; Noes: none; Absent: none; Abstain: none*)

NON-ACTION ITEMS

CSBA Board Policy 4119.24/4219.24/4319.24

Selby reminded the Committee that proposed modifications to the policy were presented to the Board in September 2019 as information. Since then, at least one Member has adopted the modified policy. Members were encouraged to consider adopting the policy or something similar at

their Districts/COEs as part of our efforts at child sexual abuse and molestation prevention.

Strategic Planning 2021

Selby provided an update to the Committee on the planning process for this year's Strategic Planning session. Arrangements for an in-person meeting are being discussed with provisions in place safeguarding NBSIA from fees in light of any possible COVID-related cancellations.

Captive Report

Selby reported that NBSIA is conducting a feasibility study on moving all liabilities in the workers' compensation program into the Captive for next fiscal year (2021-22). The study will include an actuarial analysis as well as any necessary changes to the investment policy. The results will be brought to the Board at the January meeting.

Selby also reported that we are looking at dates for the Captive Board meeting in March-April 2021. Due to travel restrictions, the required in-person meeting in Utah is not possible. We hope this will change by next spring.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:55 p.m.

Respectfully submitted by:  8/26/2020
Janet Selby, Executive Director Date

Approved by Committee: 11/10/2020
Date