

Board Members:  
Amber Johnson  
Darren Brugmann  
Madelyn Carlson  
Karl Johanson  
Lynn Moody  
Darlene Riley

BOARD MEETING  
Canfield, Ephrata, WA  
April 16, 2014, 09:00am

## MINUTES

The Non Profit Insurance Program Board of Directors conducted its regular meeting on Wednesday, April 16, 2014 at 09:00 a.m.

### ITEM 1: INTRODUCTION & ROLL CALL

#### PRESENT WERE:

##### Board Members

Darren Brugmann, Senior Services of Snohomish Co.  
Madelyn Carlson, People for People  
Karl Johanson, Council on Aging & Human Services  
Amber Johnson, Spokane Neighborhood Action Partners  
Lynn Moody, Hopelink (via phone at 9:05am)  
Darlene Riley, Paratransit Services

##### Canfield Staff

Eric Homer  
Ellen Kosa  
Rich Moore  
Brionna Varney  
Brian Turnbull  
Jim Cherf

Frank Andrus  
Phil Riche  
Jenni Bates  
Taylor Youngers

##### Absent

None

##### Guests

Kris Lawrence, Propel Insurance

Chairman Darren Brugmann welcomed all in attendance and noted that a quorum was present. Introductions were done by all meeting attendees.

### ITEM 2: PUBLIC COMMENT

Darren Brugmann gave a brief update on the status of fellow NPIP member, Larry Stuckart, Executive Director of SNAP, and the continued support for Larry from the board and all of NPIP.

### ITEM 3: CHANGES TO THE AGENDA

All valid election ballots received are ready to be opened and counted. Ballots will be counted by Jenni Bates and Taylor Youngers. Approval is needed from the Board to proceed. Motion to approve counting of ballots by Darlene Riley; the motion was seconded by Madelyn Carlson and approved unanimously. Election results to be read at end of meeting.

### ITEM 4: COMMITTEE REPORTS

ITEM 4(A) – Fiscal Committee (Darlene, Lynn, Karl): Darlene Riley reported that the fiscal committee has reviewed the vouchers prior to the meeting and addressed questions with claims staff. The committee recommended that Vouchers #13/14-09 and #13/14-10 be approved by the board, as part of Item 5: Consent Agenda.

(i) Program Premium. Brian Turnbull provided an update of total written program premium to the board and noted that since 6/01/13, NPIP has added 58 new members and continues growing.

(ii) Write-off report. Darlene Riley reported that the write-offs and the A/R report had been reviewed in detail by the committee. She reported that there were no write-offs to report to the board for this month (per the write off procedure) and had no comments on the A/R report.

(iii) Balance Sheet. Darlene Riley reviewed the balance sheet ending in 02/28/2014 with the Board. There was a brief discussion regarding the projected numbers for IBNR and reserved claims. It was noted that net income, while increased from last year, will not be fully realized until claims are fully realized.

(iv) Income Statement. Darlene Riley reviewed the income statement ending in 02/28/2014 with the Board. She noted all line items were within the expected range(s) and less than budgeted. The Fiscal Committee did not have any concerns with the income statement as presented.

(v) Budget. Darlene Riley asked that Canfield present to the Board the two budget options as discussed in committee. Rich Moore presented Budget Options A and B. There was a brief discussion in regards to the different potential outcomes each option would have on NPIP as a whole and to individual members. Riley noted that it will be the committee's recommendation to the board to approve Budget Option B in agenda ITEM 6(D) below.

ITEM 4(B) – Legislative Committee (Karl, Darren): Darren Brugmann reported that he attended the recent meeting with the lobbyists on April 14, 2014, and discussed the WAC rules that will go into effect on January 1, 2015. There was a brief discussion on ways to improve the relationships with our legislators and state representatives to benefit NPIP.

ITEM 4(C) – Executive Committee (Darren, Lynn, Darlene): No report. It was noted that the committee will be creating a plan through the project form process for the future to be shared at a future meeting.

ITEM 4(D) – Nomination Committee (Darlene, Lynn): No report from committee. Election ballots counted while meeting was in session. Election results were read at the end of the meeting.

ITEM 4(E) – Broker Agent Group / Peer Committee (Darren): Darren Brugmann noted that the committee has not met since the last broker meeting. There is currently a Project Form in place to work on improving communication with agents, brokers and the NPIP marketing team in regards to member services and benefits. This project is ongoing and an update will be provided at the next board meeting.

## **ITEM 5: CONSENT AGENDA**

The Consent Agenda consisted of the following:

- A. Voucher #13/14-09, \$553,982.09, Date 2/25/2014
- B. Voucher #13/14-10, \$286,675.29, Date 03/13/2014
- C. Minutes 02/05/2014
- D. Approval of New Members

Motion to approve consent agenda by Karl Johanson; the motion was seconded by Amber Johnson and approved unanimously. Motion carried.

## **ITEM 6: ACTION ITEMS**

ITEM 6(A) – Annual Contract & Policy Review

- (i) Personal Services Agreement (PSA). There were no changes at this time. However, the board will be reviewing this agreement through the new Project Form process prior to the 2015-16 renewal. There was a short discussion about completing a Request for Qualifications (RFQ) before the state requirement starts. Brugmann stated the board needs to look into this and have one in place by 2016.

Motion to approve Personal Services Agreement (PSA) by Amber Johnson; motion seconded by Darlene Riley and approved unanimously. Motion carried.

- a. Broker Agreement (Part of PSA). There were no changes at this time. However, the board will be reviewing this agreement through the new Project Form process prior to the 2015-16 renewal. This will also be a RFQ that needs to be completed by 2016.
- (ii) Reimbursement Policy. Darren Brugmann reported there have been no changes to this policy and therefore no action is needed.
- (iii) Investment Policy. Darren Brugmann reported there have been no changes to this policy and therefore no action is needed.
- (iv) Conflict of Interest Statement. Darren Brugmann reported there have been no changes to this policy and therefore no action is needed. Additionally, it was discussed that going forward, this document be reviewed and signed on annual basis by all board members and necessary Canfield staff. It was requested by Brugmann that Canfield create a formal written policy requiring this annual review for the board to adopt at the next meeting.

ITEM 6(B) – 2014-15 Renewal Report. Eric Homer presented the 2014-15 Renewal Report to the Board. Brian Turnbull noted that there are no material coverage changes. Turnbull reminded the board that with the action item, the board is approving the 2014-15 Renewal Report as presented, but that staff is actively trying to improve the renewal terms. Turnbull requested authority to bind coverages, as needed, noting that the final chart of coverages and changes from the report as presented will be reported back to the board in June, if needed. Brian Turnbull noted that the renewal report covered the policy renewal and expiration date, excess marketing efforts, coverage changes, coverage options, excess and surplus lines taxes, authority to bind excess coverage, the Brown & Brown disclosure statement, and Exposure Analysis Checklist. By approving the renewal report, the board is approving Excess coverage to be renewed per the renewal report.

There was a brief discussion in regards to General Liability and L&I.

Motion to approve the 2014-15 Renewal Report as presented by Madelyn Carlson; the motion was seconded by Karl Johanson and approved unanimously. Motion carried.

ITEM 6(C) – Renewal Letter from the board. Darren Brugmann noted this item did not need action by the board. He will be reviewing and signing the final renewal letter from the board to be sent to all members.

ITEM 6(D) – Budget. Darlene Riley, on behalf of the Fiscal Committee, recommends the board approve Budget Option B as presented by Rich Moore. Motion to approve Budget Option B by Darlene Riley; motion seconded by Karl Johanson.

All in favor: Darlene Riley, Karl Johanson, Amber Johnson, Lynn Moody, Madelyn Carlson

All opposed: Darren Brugmann

Motion carries 5:1

Discussion: Brugmann requested to go on record that he is voting against the approval of Budget Option B, which would include a flat 1% increase to non-school members. He stated, "...every dollar means everything to non profits." Brugmann does not feel that any increase at this time (that can be avoided) should be passed on to the membership. While this increase means minimally improving the equity position of NPIP, the amount is not substantial enough to warrant consideration at this time and does not substantially increase an already existing positive financial position. Mr. Brugmann does agree this increase would benefit the program with offsetting the unknown increase cost of the regulations recently passed by the State Risk Manager.

**ITEM 7: EXECUTIVE SESSION** None.

**ITEM 8: BOARD/STAFF COMMUNICATION**

ITEM 8(A) – 2014-15 Board of Directors Meeting Calendar. Brionna Varney presented the updated meeting calendar and noted the next Board meeting will be June 13, 2014 at Paratransit Services in Bremerton, WA.

ITEM 8(B) – Claims Audit Update. Phil Riche gave a brief update on the claims audit currently in progress. So far the report is satisfactory with some minor suggestions. The final report should be released in the next few weeks. This audit is a state requirement.

ITEM 8(C) – Update on UIM Claims. Brian Turnbull gave an update on the research requested by the Fiscal Committee on UIM claims. Currently UIM coverage is not optional and is included within the standard insurance coverage for all members. There was a discussion in regards to how the option to decline UIM coverage could affect the pool and how UIM coverage augments Worker's Compensation for employee drivers. There will be further research and discussion on this subject in the future.

ITEM 8(D) Audit Update. Ellen Kosa and Darlene Riley gave an update on the SAO audit. The final report from the State Auditor's Office was released on April 14, 2014, and a copy was provided to all in attendance. There were no findings reported and results were satisfactory. Darlene expressed concern that some language in the report could be construed as noncompliance. She noted that NPIP was in full compliance and all necessary items were provided to the State Auditors as requested. The final report will be published on the NPIP website in accordance with WAC guidelines. The next audit will be in December 2014.

ITEM 8(E) – Strategic Planning Update. Darren Brugmann noted that the board's strategic planning is being handled through the new Project Form process. This process was designed by board and staff to improve communication and timeliness of projects. The form also allows for better tracking of progress on those projects in motion. Once a Project Form reaches its completion of the cycle, it will be brought to the board as a whole for action or approval as a written policy.

ITEM 8(F) – Public Meeting Act. Rich Moore reported that he provided the board with information on the Open Public Meetings Act (OPMA) and reviewed current NPIP policy. The board continues to conduct business openly and in compliance with RCW 42.30. There will be training provided to all board members on updates to the OPMA as required by law.

ITEM 8(G) – Other/Misc. None.

## **ITEM 9: 2014 NPIP BOARD OF DIRECTORS ELECTION**

ITEM 9(A) – Ballot Results and Board Acceptance. Darren Brugmann noted that ballots were still being counted and motioned to have a recess until the count was completed. There were no objections to the motion. The board and all attendees adjourned at 10:31 am for a short recess.

10:37 am, the board and all attendees returned to session for the reading of the final ballot counts. The results were read by Brugmann as follows:

- At-Large Position 1, Lynn Moody - Hopelink
- At-Large Position 3, Karl Johanson - Council on Aging & Human Services
- Region 1 Position, Geoff Crump - OlyCAP
- Region 3 Position, Madelyn Carlson - People for People, Yakima

Darren congratulated all winning candidates. The board welcomes their newest member, Geoff Crump and they are eager to start working with him and get him involved with their current projects.

**ITEM 10: UPCOMING CONFERENCES/MEETINGS**

The next all board meeting is June 13, 2014 at 10:00 am. The meeting will be held at Paratransit Services in Bremerton, WA. If this changes, it will be published according to WAC guidelines. The 2014 Annual NPIP Conference this fall is currently scheduled for October 14, 2014 at the Greater Tacoma Convention Center. More information on this conference will be sent to members and brokers at a later date.

**MEETING ADJOURNED**

There being no further business, the meeting was adjourned at 10:41 am.

Respectfully submitted,



Brionna Varney, on behalf of Sarah McDonnell



Darren Brugmann, Chair