

Board Members:  
Darren Brugmann  
Madelyn Carlson  
Geoff Crump  
Karl Johanson  
Amber Johnson  
Darlene Riley

**NPIP**

**BOARD MEETING**  
Radisson Hotel  
18118 International Blvd, SeaTac, WA  
April 17, 2015 9:00 am

# MINUTES

The Non Profit Insurance Program Board of Directors conducted a regular meeting on April 17, 2015 at 9:00am.

## ITEM 1: INTRODUCTION & ROLL CALL

### PRESENT WERE:

#### Board Members

Chair & At Large #2 Rep., **Darren Brugmann**, Senior Services of Snohomish Co.  
Vice Chair & Area 3 Rep., **Madelyn Carlson**, People for People (joined at 9:15am)  
Area 1 Rep., **Geoff Crump**, OlyCAP  
At-Large #3 Rep., **Karl Johanson**, Disability Action Center – NW, Inc.  
Area 4 Rep., **Amber Johnson**, Spokane Neighborhood Action Partners  
Fiscal Officer & Area 2 Rep., **Darlene Riley**, Paratransit Services

#### Absent

None

#### Clear Risk Solutions Staff

Alice Burck  
Jim Cherf  
Lance Hammond  
Eric Homer  
Christian Koethke  
Ellen Kosa  
Sarah McDonnell  
Dana Montgomery  
Rich Moore  
Brian Turnbull

#### Guests

None

Chairman Brugmann welcomed all in attendance and noted that a quorum was present. Brugmann announced that Lee Harper, At-Large 1, had resigned from the board due to other time commitments.

## ITEM 2: PUBLIC COMMENT

None.

## ITEM 3: CHANGES TO THE AGENDA

None.

## ITEM 4: COMMITTEE REPORTS

ITEM 4(A) – Fiscal Committee (Riley, Johanson, Crump): Riley reported that the fiscal committee has reviewed the vouchers prior to the meeting and had no questions. The committee recommended that Vouchers #14/15-09, and 14/15-10, be approved by the board, as part of Item 5: Consent Agenda.

(i) Program Premium. Turnbull summarized the premium size of the program at approximately \$13,500,000 (annualized). Staff reported that a few members had provided a 90-day notice. There was brief discussion on this requirement.

(ii) Balance Sheet. Riley reviewed the balance sheet for quarter end 02/28/15 with the board.

(iii) Income Statement. Riley reviewed the income statement for quarter end 02/28/15 with the board. There was discussion on how loss reserves are shown on the income statement.

(iv) Solvency Test. Kosa reviewed the solvency test and noted that it is passing. She also highlighted that due to new WAC requirements we now need to pass at an 80% level (previously just 70%). There was discussion that solvency is reported to the Department of Enterprise Services once per year.

(v) Write-Off report. None to report.

(vi) Tax Update. McDonnell reported that the 13/14 year carry back was received from the IRS. Pre-payment was made to avoid a late penalty and what is not used may be rolled over into the next year.

(vii) Budget Recommendation. Riley reported that the fiscal committee had met and will be making a recommendation under Item 6.

**ITEM 4(B) – Legislative Committee (Brugmann, Johanson):** Brugmann reported that the Senate Bill 5119 is waiting to be signed by the Governor. The bill was summarized with the following key points, which will be beneficial for the NPIP's future:

1. The new chapter was created because NPIP has outgrown the current chapter in which it is organized.
2. The new chapter provides separation of government entities and nonprofits; no co-mingling.
3. The new chapter provides the option for NPIP to allow nonprofits organized outside of Washington to join the program.
4. The language for the new chapter is modeled after RCW 48.64, a similar statute organized to allow Joint Self-Insurance Programs for Affordable Housing Entities.

The NPIP Board thanks our lobbyists, Waypoint Consulting, DES staff, Arlen Harris and Jarrett Sacks, and the Bill sponsors, Senator Jan Angel and Representative Judy Clibborn.

**ITEM 4(C) – Executive Committee (Brugmann, Riley, Carlson):** No report.

**ITEM 4(D) – Board Recruitment Committee (Riley, Carlson):** Staff will immediately recommend a job description for the new board member and notify the membership via next newsletter. There was further discussion outlying the time commitment necessary. There was also discussion on the At-Large #1 position and whether staff or board members knew of anyone interested in joining the board.

## **ITEM 5: CONSENT AGENDA**

The Consent Agenda consisted of the following:

- A. Voucher #14/15-09, 2/24/15, \$797,345.05
- B. Voucher #14/15-10, 3/25/15, \$667,144.22
- C. Minutes 2/9/15
- D. Approval of New Members

Motion to approve consent agenda by Riley; the motion was seconded by Johanson and approved by the rest of the board who were present (note: Carlson was absent for this vote). Motion carried.

## **ITEM 6: BOARD / STAFF COMMUNICATION**

ITEM 6(A) – Conference & Annual Meeting 2015. There was discussion on the next conference, October 23, 2015, in Spokane.

ITEM 6(B) – Project Form Reports.

- (i) Growth – New Statute. The board summarized the discussions in the workshop on the new statute, including discussion on multi-state potential. No action items at this time from this workshop.
- (ii) Board Governance. The board summarized the discussions in the workshop on the board structure, regions, size and term limits. No action items at this time. It was decided that this topic would be further discussed at the June 2015 workshop.
- (iii) Conference 2016. The board summarized the workshop as discussion on the upcoming NPIP Risk Management Conferences and the opportunity for various types of partnership with the Washington Nonprofits (WN) conference in October 2015 and May 2016. After discussion, the board agreed to hold the October 2015 conference in conjunction with WN's regional conference at the Spokane Convention Center. Additionally, to hold the 2016 NPIP Risk Management Conference as a pre-conference track during the WN conference in May 2016. After May 2016, the event will be re-evaluated for the future.

ITEM 6(C) – 2015-16 Board of Directors Meeting & Workshop Calendar. McDonnell presented the updated meeting calendar and noted the next board meeting will be June 15, 2015. Discussion that SeaTac area is a desirable meeting spot for majority of meetings. Also that we will continue to have the workshops prior to the board meeting.

ITEM 6(D) – Misc./Other. None.

## ITEM 7: ACTION ITEMS

ITEM 7(A) – Annual Contract & Policy Review. The board noted that they have reviewed all contracts and policies listed. After brief discussion:

- (i) Personal Services Agreement (PSA). Motion to approve by Riley; motion seconded by Johanson and approved unanimously. Motion carried.
- (ii) Broker Agreement. Motion to approve by Riley; motion seconded by Johanson and approved unanimously. Motion carried.
- (iii) Reimbursement Policy. Motion to approve by Riley; motion seconded by Johanson and approved unanimously. Motion carried.
- (iv) Investment Policy. Motion to approve by Riley; motion seconded by Johanson and approved unanimously. Motion carried.
- (v) Conflict of Interest Policy/ Procedure. Motion to approve by Riley; motion seconded by Johanson and approved unanimously. Motion carried.

ITEM 7(B) – 2015-16 Renewal Report. Turnbull and Montgomery presented the 2015-16 Renewal Report to the board and noted that there were no significant changes in structure and dynamics. Turnbull reminded the board that with the action item, the board is approving the 2015-16 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. 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.

Motion to approve the 2015-16 Renewal Report as presented by Brugmann; the motion was seconded by Johanson and approved unanimously. Motion carried.

ITEM 7(C) – Renewal Letter from the Board to the Membership. Discussion on content of the draft version. Key points to include are: NPIP remains financially sound; emphasis on the quality of services to members (website, webinars/onsite training, PLP, claims services, etc.); NPIP continues to be a viable future option for our membership. Johanson added that NPIP continues to have a good standing with the State Auditor's office.

ITEM 7(D) – 2015-16 Budget. Riley, on behalf of the Fiscal Committee, recommended that the board approve a budget option with an overall contribution toward the equity of the program of approx. \$200,000 to further strengthen the stability of the program and provide more options to ensure future flexibility. Note that approval of the budget is approval of the "2015-16 Budget" and "Addendum to Budget Options." Motion to approve budget by Riley; motion seconded by Johnson and approved unanimously. Motion carried.

**ITEM 8: EXECUTIVE SESSION**

None.

**ITEM 9: UPCOMING CONFERENCES / MEETINGS:**

ITEM 9(A): The next Fiscal committee call is May 11, 2015 (Monday) at 10:00 am. The next All Board Workshop & Meeting is June 15, 2015 (Monday) at 10:00 am, the location TBD. If this changes it will be published according to WAC guidelines.

**MEETING ADJOURNED**

There being no further business, the meeting was adjourned at 10:05am.

Respectfully submitted,

  
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Sarah McDonnell

  
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Darren Brugmann, Chair