

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

**NPIP**

BOARD MEETING  
18000 International Blvd, SeaTac, WA  
June 15, 2015 12:00 pm

# MINUTES

The Non Profit Insurance Program Board of Directors conducted a regular meeting on June 15, 2015 at 12:00 pm.

## ITEM 1: INTRODUCTION & ROLL CALL

### PRESENT WERE:

#### Board Members

Chair & At Large #2 Rep., **Darren Brugmann**, Senior Services of Snohomish Co.  
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

Vice Chair & Area 3 Rep., **Madelyn Carlson**, People for People (excused)  
Area 1 Rep., **Geoff Crump**, OlyCAP (excused)

#### Clear Risk Solutions Staff

Eric Homer  
Sarah McDonnell  
Rich Moore

#### Guests

Grant Baynes, Senior Life Resources

Chairman Brugmann welcomed all in attendance and noted that a quorum was present. Brugmann announced that the August 10, 2015 board meeting will be his last NPIP Board meeting, as he will be resigning due to a new job opportunity.

## 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 #14/15-06, and 14/15-07, be approved by the board, as part of Item 5: Consent Agenda.

(i) Program Premium. McDonnell reviewed the annualized premium size of the program as of June 1, 2015, at approximately \$14,400,000. Staff reported on the members that left the program and joined the program as of June 1.

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

(vi) Tax Update. McDonnell reported that the 13-14 liability pre-payment has been applied to the 14-15 year, to avoid any penalties. The extension for the 14-15 year will be filed timely.

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

ITEM 4(C) – Legislative Committee (Brugmann, Johanson): Brugmann reported that the Senate Bill 5119 was signed by the governor on 4/25/15.

The new RCW is 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.

Communication from the lobbyist outlines that next steps include an effective date of July 1, 2015, followed by a public rule-making process to establish the Washington Administrative Code (WAC). The Department of Enterprise Services (DES) has expressed that they would like the language for the rules to be a collaborative effort to address all concerns. There was discussion on auditing agency: state vs. private audit and the board re-iterated the position that flexibility in auditing agency is the intent.

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 for their help in getting the bill passed and signed by the governor.

ITEM 4(D) – Board Recruitment Committee (Riley, Carlson): Staff has provided the job description for the open position to two interested candidates. The committee has their information and will be in touch to interview and make a recommendation to the full board.

#### **ITEM 5: CONSENT AGENDA**

The Consent Agenda consisted of the following:

- A. Voucher #14/15-06, 4/24/15, \$628,825.82
- B. Voucher #14/15-07, 5/28/15, \$782,069.89
- C. Minutes 4/17/15
- D. Approval of New Members

Motion to approve consent agenda by Riley; the motion was seconded by Johnson and approved by the rest of the board. Motion carried.

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

ITEM 6(A) Project Form Reports.

- (i) Board Governance. The board reviewed what was discussed in workshop including guidelines for the work of the board and TPA, which includes the setting of objectives and evaluation process for TPA, review process for how board members are informed prior to a meeting, course of action after the

board makes the decision, size of the board/number of board members, and sustainable governance including officer positions. The guidelines will be accepted at the next full board meeting.

ITEM 6(B) – Actuary Services RFP. Per WAC requirements, the program is required to submit an RFP for actuarial services every five years. There was discussion on the RFP process and the scope of services needed. The board will take action under Item 7B.

ITEM 6(C) – Interlocal Agreement for Actuary Services. There was discussion on a draft interlocal agreement for actuarial services provided by Clear Risk Solutions. There was discussion on the cost savings that this could provide. It was determined that the chairperson would be authorized to set the date on the RFP once the interlocal agreement is accepted by all programs that choose to participate. The board will take action under Item 7C.

ITEM 6(D) – Misc./Other. None.

## **ITEM 7: ACTION ITEMS**

ITEM 7(A) – 2015-16 Renewal Report. Homer reminded the board of the original renewal report presented in April 2015 and that staff was actively still trying to negotiate and improve the renewal terms, within the parameters set by the board. He reiterated that staff had 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. Homer reviewed the final renewal report, noting changes from that presented in April. Homer reiterated 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 final renewal report, the board is approving Excess coverage per the renewal report.

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

ITEM 7(B) – Actuary Services RFP. The Board of Directors authorizes the administrator to advertise the RFP for actuarial services and the board chairperson to set the dates for RFP deadlines, once the interlocal agreement has been accepted by all programs that choose to participate. Motion to approve by Johanson, second by Riley and approved unanimously. Motion carried.

ITEM 7(C) – Interlocal Agreement for Actuary Services. The Board of Directors authorizes the chairperson to enter into an interlocal agreement for actuary services and to set the date for the RFQs once the interlocal is signed by all programs that choose participate. Motion by Riley, second by Johanson and approved unanimously. Motion carried.

## **ITEM 8: EXECUTIVE SESSION**

None.

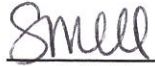
## **ITEM 9: UPCOMING CONFERENCES / MEETINGS:**

ITEM 9(A): The next All Board Workshop & Meeting is August 10, 2015 (Monday) at 10:00 am at the Office Complex at 18000 International Blvd., Seatac. If this changes it will be published according to WAC guidelines.

**MEETING ADJOURNED**

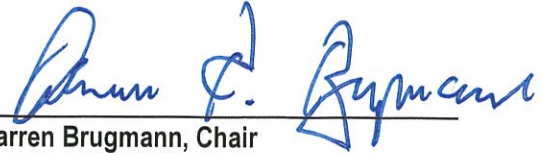
There being no further business, the meeting was adjourned at 2:05pm.

Respectfully submitted,



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Sarah McDonnell



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Darren Brugmann, Chair