

Board Members:  
Darren Brugmann  
Lynn Moody  
Darlene Riley  
Larry Stuckart  
Karl Johanson  
Madelyn Carlson

BOARD MEETING – Conference Call  
Canfield Office, Ephrata, WA  
July 26, 2013 at 10:00 a.m.

## MINUTES

The Non Profit Insurance Program Board of Directors conducted its quarterly board meeting on Friday, July 26, 2013 at 10:03 a.m.

### ITEM 1: INTRODUCTION & ROLL CALL

#### PRESENT WERE:

##### Board Members

Madelyn Carlson, People for People  
Karl Johanson, Council on Aging & Human Services  
Lynn Moody, Hopelink  
Darlene Riley, Paratransit Services  
Larry Stuckart, Spokane Neighborhood Action Partners (joined at 11:06am)

##### Canfield Staff

Lance Hammond  
Eric Homer  
Scott Kellams  
Ellen Kosa  
Sarah McDonnell  
Rich Moore

##### Absent

Darren Brugmann, Senior Services of Snohomish Co.

Vice Chair Lynn Moody welcomed all in attendance and noted that a quorum was present.

### ITEM 2: PUBLIC COMMENT

None.

### ITEM 3: CHANGES TO THE AGENDA

None.

### ITEM 4: COMMITTEE REPORTS

ITEM 4(A) – Fiscal Committee (Darlene, Lynn, Karl): The fiscal committee has reviewed the vouchers and addressed questions with claims staff prior to the meeting. The committee recommended that Vouchers #12/13-12, #13/14-01, and #13/14-02 be approved by the board, as part of the consent agenda. Darlene Riley noted that the fiscal committee has noticed a trend on the voucher in regards to a specific type of claim, which they have asked staff to focus on with upcoming risk alerts, webinars, and/or newsletter articles. Riley reported that the fiscal committee had reviewed the A/R Aging report and write-off report prior to the board meeting and would discuss, as needed under item 4(ii).

(i) Program Premium. Sarah McDonnell provided an update of total written program premium to the full board and noted additions to the membership.

(ii) Write-off report. Darlene Riley reported that both the write-off report. She reported that there were no write-offs to report to the board for this month (per the write off procedure).

(iii) Balance Sheet. Darlene Riley reviewed the draft balance sheet ending 5/31/13 with the full board. Ellen Kosa noted that the financials do not yet include final actuary data, so they will change before the balance sheet is final.

(iv) Income Statement. Darlene Riley reviewed the income statement ending 5/31/13 with the full board. Ellen Kosa noted that the financials do not yet include final actuary data, so they will change before the income statement is final. Riley reviewed the insurance premium, actual compared to budget, and reminded the board of the loss of a large member which occurred after the budget was passed. There was discussion on the income tax liability that was paid, as it put the program into a negative net income for the year. Kosa reported that staff had been in touch with NPIP's accountant, and his first estimate is that there would be no tax liability for the year ending 5/31/13, however, there is a slight possibility this will change when the final year-end actuary information is received.

Ellen Kosa reported on the RFP for banking services, as a follow up to the April 2013 meeting. Kosa reported that NPIP will stay with their current bank on a 6 month trial period. Rich Moore added that this relationship will be re-evaluated again at year end.

Darlene Riley requested that Ellen Kosa report on investment options. There was discussion on the options being explored within the board's established investment policy. This will be discussed further at the August fiscal committee meeting.

ITEM 4(B) – Legislative Committee (Darren, Karl, Larry): Rich Moore reported that staff had received notification from the Department of Enterprise Services (DES) on the Washington Administrative Code (WAC) changes they will be proposing to committee via the Washington Risk Advisory Council (WRAC). The lobbyists for NPIP and staff have a plan in place to meet with DES to discuss these changes further with the goal of stopping their proposal. The proposed changes include an 8 month audit report period which will not change NPIP's reporting requirements, but SAO will be responsible for completing the report timely. Another proposed change is increasing the reserve requirement from 70% to 80%. Competitors would like pools with our structure to be required to increase reserves, as they feel it would consequently increase pricing. Moore reminded everyone that the proposed changes we are aware of now were discussed at the WRAC meetings, so proposed changes may differ when filed. There was additional discussion on the way DES is planning to present their necessity for these changes: DES is using the solvency requirements as the need for increased reserves. This is due to their lack of reliance on the insurance market; they feel cash is the best method. However, the original law was designed to grant maximum flexibility and encourage competing models and they are pushing one model, which does not encourage competition. There was a brief discussion on NPIP as part of the pooling RCW and equal treatment for all pools organized under this RCW.

ITEM 4(C) – Executive Committee (Darren, Lynn, Darlene): Darlene Riley provided an update to the board on the process of the board's evaluation of TPA, Canfield.

ITEM 4(D) – Transportation Standards Committee (Madelyn, Karl): Madelyn Carlson reported that the committee had not been able to meet yet, but would have a report by the September meeting.

ITEM 4(E) – Nomination Committee (Darlene, Larry, Lynn): Darlene Riley summarized the work of the nomination committee, reminding the board that per the bylaws, the board can appoint two positions, due to resignations. Larry Stuckart, representative for Area 4, will be retiring on August 9, 2013, which will be his last date of service as an NPIP Board member, per his resignation. His term ends May 31, 2016. Additionally, the Area 1 position is still open and that term ends May 31, 2014. Riley reported that they have interviewed several candidates for both positions and are ready to make a recommendation for Area 4. The nomination committee recommends Amber Boice with Spokane Neighborhood Action Partners (SNAP) as board member for Area 4 effective August 10, 2013. Darlene

Riley motioned to amend the agenda to add "Appointment of Area 4 Board Member" as an action item for the full board under "Item 6: Action Items." Motion was seconded by Madelyn Carlson and approved unanimously. Motion carried.

ITEM 4(F) – Broker Agent Group / Peer Committee (Darren): Eric Homer reported that the Broker committee had met and reviewed a tentative calendar for the year and discussion topics. There was a brief discussion.

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

The Consent Agenda for July 26, 2013 consisted of the following:

- A. Voucher #12/13-12, \$675,136.06 Date 5/14/13
- B. Voucher #13/14-01, \$810,831.50 Date 6/19/13
- C. Voucher #13/14-02, \$360,914.56 Date 7/17/13
- D. Minutes 4/26/13
- E. Approval of New Members

Motion to approve consent agenda by Darlene Riley; the motion was seconded by Madelyn Carlson and approved unanimously. Motion carried.

#### **ITEM 6: ACTION ITEMS**

ITEM 6(A) – Appointment of Area 4 Board Member. Darlene Riley moved to appoint Amber Boice of Spokane Neighborhood Action Partners (SNAP) effective August 10, 2013 for the Area 4 position that will be vacated by Larry Stuckart upon his resignation, effective August 9, 2013. The motion was seconded by Larry Stuckart and approved unanimously. Motion carried.

#### **ITEM 7: EXECUTIVE SESSION**

None.

#### **ITEM 8: BOARD/STAFF COMMUNICATION**

ITEM 8(A) – NPIP Conference 2014. Sarah McDonnell discussed the NPIP Conference briefly for the upcoming year. At the next board meeting, the goals of the conference will be discussed in further detail.

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


The next all board meeting is September 27, 2013 at People for People in Yakima. Madelyn and Sarah will work to finalize this and publish notice per WAC requirements.

#### **MEETING ADJOURNED**

There being no further business, the meeting was adjourned at 11:27 a.m.

Respectfully submitted,

  
\_\_\_\_\_  
Sarah McDonnell

  
\_\_\_\_\_  
Lynn Moody, Vice Chair

