

Board Members:  
Jon Andrus  
Madelyn Carlson  
Cheryl Hamilton  
Karl Johanson  
Amber Johnson  
Darlene Riley

**NPIP**

BOARD MEETING  
Davenport Hotel, 10 S. Post Street, Spokane, WA  
November 20, 2015 9:00 am

# MINUTES

The Non Profit Insurance Program Board of Directors conducted a regular meeting on November 20, 2015 at 9:00am.

## ITEM 1: INTRODUCTION & ROLL CALL

### PRESENT WERE:

#### Board Members

Fiscal Officer & At-Large #3 Rep., **Karl Johanson**, Disability Action Center – NW, Inc. (via phone)  
Vice Chair & Area 1 Rep., **Darlene Riley**, Paratransit Services  
Area 2 Rep., **Cheryl Hamilton**, Educational Opportunities for Children & Families  
Chair & Area 3 Rep., **Madelyn Carlson**, People for People  
Area 4 Rep., **Jon Andrus**, Catholic Charities of Spokane

#### Absent

At-Large #1 Rep., **Amber Johnson**, Spokane Neighborhood Action Partners (Excused)

#### Clear Risk Solutions Staff

Darlene Brooks  
Jim Cherf  
Eric Homer  
Ellen Kosa  
Sarah McDonnell  
Taylor Montgomery  
Rich Moore  
Brian Turnbull

#### Guests

Randy Hale, PayneWest Insurance  
Kris Lawrence, Propel Insurance

Chairman Carlson welcomed all in attendance and noted that a quorum was present.

## ITEM 2: PUBLIC COMMENT

ITEM 2(A) – Appeal to the Board, Randy Hale, PayneWest Insurance. Randy Hale noted that he was attending the meeting representing two of his clients who are NPIP members. A summary of his report is as follows: The Disability Rights of Washington is suing member Peninsula Services and approx. 45 other entities that provide similar services. For member Peninsula Services, they have hired an attorney because the coverage is not included, and therefore coverage has been denied by NPIP excess insurance provider. At this time, he is requesting, on behalf of the member, that the NPIP board allocate funds to assist the member in their defense. Hale referenced a letter he had sent to the board for review prior to the meeting which outlined the request more fully, noting that the request was for \$50,000 for member Peninsula Services. He also noted that this will set precedent as there are other NPIP members who may be affected by this action.

There was discussion amongst the board, noting that the coverage element is a separate issue for this member – this request is solely a request for budgeted funds to assist the member with the defense cost.

## ITEM 3: CHANGES TO THE AGENDA

Johanson moved to add agenda item “Response to Hale/Peninsula Services Request” to the action items. Part of this action includes changing the Action Items from #7 to #4 on the agenda, and adjusting the agenda items that follow accordingly. Riley seconded. The motion carried with all in favor and no opposed.

**ITEM 4: ACTION ITEMS**

Riley motioned to task the request to the executive committee for them to review and respond to Mr. Hale, on behalf of the board. Johanson seconded the motion; all board members were in favor, with no opposed. Motion carried.

Hale requested a timeline and Carlson reported that they meet frequently and would meet to discuss this issue as soon as possible.

**ITEM 5: COMMITTEE REPORTS**

ITEM 5(A) – Fiscal Committee (Johanson-Chair, Riley, Andrus): Johanson reported that the fiscal committee has reviewed the vouchers prior to the meeting and had no questions. The committee recommended that Vouchers #15/16-03, #15/16-04, #15/16-05 (dated 8/26/15, 9/28/15, and 10/27/15 respectively), be approved by the board, as part of Item 6: Consent Agenda. Additionally, the committee reviews, monthly, the Accounts Receivable reports, and quarterly, the bank statements for the program.

(i) Program Premium. McDonnell reviewed the annualized premium size of the program as of November 1, 2015, at approximately \$14,590,000.

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

(iii) Tax Update. McDonnell reported that First Requests have been completed and there are two Clear Risk Solutions' staff members being deposed on 12/11/15: Moore and Homer. Staff has been working with the attorney to prepare, as appropriate. McDonnell also noted the summary showing the estimated tax liability for the year ending 5/31/15.

(iv) Balance Sheet and Income Statement:

- 5/31/15. Riley reviewed the year end balance sheet and income statements, remind the board the income tax liability is only an estimate.
- 8/31/15. Riley noted that this is for quarter end and is informational only.

(v) Income Statement. See (iv) above.

(vi) Solvency Test. Riley reviewed the 5/31/15 test and reminded the board this is a cash-based test required by the state for the end of the year. Riley noted that there is not a solvency test for 8/31/15; because it's cashed based, the test looks very skewed immediately following renewal.

ITEM 5(B) – Executive Committee (Carlson, Johanson, Riley): Carlson noted that the executive committee reviewed three appeals that were sent to the board on claims issues. They were reviewed by staff and the executive committee and it was determined they did not qualify as claims appeals, per program documents. One is under further review by Munich at this time.

ITEM 5(C) – Legislative Committee (Johanson): Johanson reported that the final wording for the Washington Administrative Code (WAC) that will govern the new RCW, passed in April, has been collaboration with the Department of Enterprise Services (DES). The WAC goes into effect 11/23/15 as WAC 200-150. He applauded Clear Risk Solutions' staff, Waypoint Consulting (lobbyists), and DES staff for their efforts and responsive collaboration. Johanson also noted that he has worked with staff on a memo that will go out to membership to

announce the changes, which is included in the packets. Moore noted that the only place DES didn't concede on any language changes were where the regulator can interject; it is still solely based on the regulators judgment.

The board discussed the addition of additional members to the legislative committee and it was determined to add Hamilton and Carlson to this committee with Johanson.

The board will work with staff and lobbyists to determine a position paper for the program annually and talking points for use with legislators. Also, the board is working with lobbyists and staff to develop a work plan for the upcoming year.

ITEM 5(D) – Board Recruitment Committee (Riley, Carlson): The committee reported that there is one open board position: At Large #2. At this time, the board is looking for a candidate on the western side of the state, to ensure a balanced board by location. Currently, the board is actively looking for interested member representatives.

## ITEM 6: CONSENT AGENDA

The Consent Agenda consisted of the following:

- A. Voucher #15/16-03, 8/26/15, \$617,197.69
- B. Voucher #15/16-04, 9/28/15, \$1,162,545.76
- C. Voucher #15/16-05, 10/27/15, \$2,040,761.83
- D. Minutes 8/10/15
- E. Approval of New Members

Motion to approve consent agenda by Riley, with a note for the board that the fiscal committee reviews the vouchers, A/R Reports, and monthly Bank Statements; the motion was seconded by Andrus and approved by the rest of the board. Motion carried.

## ITEM 7: BOARD / STAFF COMMUNICATION

ITEM 7(A) Project Form Reports / Workshop:

Board Governance.

Board Make-up: In workshop, the board evaluated the current membership using class, premium size, number of members, and current regions. There was discussion and it was determined that the current structure of the board is still adequate for equitable member representation. Additionally, when the bylaws are revisited in the near future (intent is Spring 2016), the addition of one or two alternate board members will added as an option. Last, the board decided that members could serve on ad-hoc committees for specific purposes.

Self Evaluation Process: In workshop, the board discussed a self-evaluation process to perform annually, going forward. This will help determine areas of focus for the upcoming year.

Lobbyists: The board discussed the lobbyist work plan and areas of focus. Work is outline in Item 5C.

TPA Report: The TPA gave a detailed report on the goals for the year and objectives were reviewed. Identified goals for the upcoming year. A timeline for goal reporting was discussed and would be revisited when the calendar is set.

ITEM 7(B) – Oregon Update: The ability to move into other states is now here. The board confirmed the intention to offer to NPIP to nonprofit outside of Washington. The process is underway for coverages and services that can be offered, while considering fiscal constraints, to maintain stability of the program.

ITEM 7(C) – Conference Update. McDonnell provided a summary of the conference in October and reminded the board of the partnership for May 2016. The line up will likely be repeated, as the May event is in Bellevue, and was very well received in Spokane. After the May event, the conference partnership structure will be re-evaluated.

ITEM 7(D) – RFP for Audit Services. The requirement to use a private auditor was reviewed briefly, as a result of the new administrative code. The timeline for the RFP was discussed as February – RFP out, March – have selection determined, and April – adjust budget accordingly. The board will likely participate in the interview process.

ITEM 7(E) – Misc./Other. None.

**ITEM 8: EXECUTIVE SESSION**

None.

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

The next all board meeting is February 8, 2016 at the Office Complex at 18000 International Blvd, Seattle, WA.

**MEETING ADJOURNED**

There being no further business, the meeting was adjourned at 10:16 am.

Respectfully submitted,

  
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Sarah McDonnell

  
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Madelyn Carlson, Chair