

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

BOARD MEETING – Sit Down  
Canfield Office, Ephrata, WA  
May 2, 2012 at 10:00 a.m.

## MINUTES

The Non Profit Insurance Program Board of Directors conducted its quarterly board meeting on Wednesday, May 2, 2012 at 10:02 a.m.

### ITEM 1: INTRODUCTION & ROLL CALL

#### PRESENT WERE:

##### Board Members

Darren Brugmann, Senior Services of Snohomish Co.  
Madelyn Carlson, People for People  
Lynn Moody, Hopelink (via conference call)  
Darlene Riley, Paratransit Services  
Larry Stuckart, Spokane Neighborhood Action Partners

##### Absent:

Karl Johanson, Council on Aging & Human Services

##### Canfield Staff

Lance Hammond  
Becky Holt  
Ryan Holterhoff  
Eric Homer  
Jennifer Homer  
Ellen Kosa  
Dollie Lutz  
Sarah McDonnell  
Rhonda Ross  
Brian Turnbull

Darren Brugmann noted that Bill Eby has formally submitted his resignation from the NPIP Board of Directors due to reasons within his agency. Bill Eby and his agency were initial members of the Board of Directors and NPIP. The current NPIP Board and Canfield appreciate his commitment to the program and the time he served on the board. Darren Brugmann formally motioned to accept Bill Eby's resignation from the Board of Directors effective May 2, 2012. Motion seconded by Darlene Riley and approved unanimously; motion carried. Darren Brugmann noted the position will remain open at this time.

### ITEM 2: PUBLIC COMMENT

None.

### ITEM 3: CHANGES TO THE AGENDA

Darren Brugmann added item 4(E) Nomination Committee, item 4(F) Broker Agent Group/Peer Committee. Darlene Riley added item 4(A)(ix) Write-offs.

To comply with the WAC, President Darren Brugmann assigned Rhonda Ross and Dollie Lutz to open the ballots and log them into a spreadsheet during this open meeting for the election (Item 7). A copy of the spreadsheet will be provided to all attendees upon request.

### ITEM 4: COMMITTEE REPORTS

ITEM 4(A) – Fiscal Committee: The fiscal committee recommended that Voucher #11/12-09, #11/12-10, and #11/12-11 be approved by the board as part of the consent agenda. Darlene Riley reported that the fiscal committee had reviewed the A/R Aging report and provided a summary to the full board.

(i) Program Premium. Brian Turnbull provided an update of total written program premium to the full board, and noted that it did not include exposure growth, but only membership growth.

(ii) Private Audit Update. Darlene Riley reported that there are several companies that NPIP has requested quotes from; she noted that the fiscal committee will make a recommendation to the full board at the next sit down meeting.

(iii) Balance Sheet. Darlene Riley reviewed on the balance sheet dated 3/30/12 and noted a new line item for Accounts Receivable. She reported that Canfield is working to consolidate this with the existing A/R line.

(iv) Income Statement. Darlene Riley reviewed on the income statement dated 3/30/12 and noted several expenses that had accumulated to over the budgeted amount. She also discussed the bad debt expense and noted that Canfield is working on classification of the items for this line.

(v) Audit Update. Darlene Riley reported on the audit currently underway; there will be 3 findings total which are financial misstatements, solvency test, and the missing membership documents. Ellen Kosa noted that because the receivables could not be used toward the assets but all the liabilities were counted, NPIP failed the primary solvency test at 5/31/12 by just under \$200,000. The secondary test was passed as of the same date. Darlene Riley noted that this was a snapshot in time and a one-time occurrence and NPIP does not have a solvency issue. Riley explained that the test was not passed due to the timing of several monetary transfers from when the independent schools joined NPIP. Currently, NPIP has more than adequate funds to pass the tests easily and procedures have been implemented to ensure the tests are passed going forward. There was a discussion on the exit conference with SAO. The executive committee noted that they are drafting responses to the findings. They also noted that all communications with SAO have indicated that NPIP will meet the Department of Enterprise Services deadline to have the audit published by May 31, 2012.

(vi) Budget Amendment 11-12. Darlene Riley reviewed the proposed budget amendment for 11-12, including the lines that had been discussed as over budget on the income statement and noted that the board acknowledges it but no action would be taken.

(vii) Collections Procedure. Riley reported on the collections procedure that has been implemented by Canfield per fiscal committee instruction. Riley discussed the members who had an outstanding balance greater than 90 days and the committee confirmed to the board that 90-day notice of cancellation had been given to all the members with these balances. Riley reported that moving forward invoices will also serve as their 90-day notice of cancellation stating that if payment is not received within 90 days, coverage can be cancelled. Darlene Riley motioned that if payment is not received by 5/31/12 for the 3 members discussed, they would not be renewed on 6/1/12. Larry Stuckart seconded the motion which is approved unanimously. Motion carried.

(viii) Membership Agreements and Resolutions Procedure. Darlene Riley reviewed the procedure implemented. Larry Stuckart agreed that if the documents are not turned in, the member is not renewed in NPIP. There was a discussion as to what would be accepted by the State going forward and staff said they would work with SAO to ensure the procedures implemented are acceptable to the Department of Enterprise Services. Darlene Riley motioned to give the members 10-day notice that if the missing membership documents are not turned in, renewal would not be offered on 6/1/12 for the 12-13 policy year. Motion was seconded by Madelyn Carlson. Upon further discussion, Becky Holt confirmed that an invoice would be provided to the broker, but coverage documents would not be sent until documents are turned in. Darren Brugmann requested Canfield place calls to the brokers as well to notify them. Motion was approved unanimously. Motion carried.

(ix) Write-offs. Darlene Riley requested confirmation from the board that it is acceptable that Canfield bring write-offs \$500 and over to the fiscal committee for approval per the proposed write-off procedure. Accepted by Lynn Moody, Darren Brugmann, and Madelyn Carlson.

ITEM 4(B) – Legislative Committee: No report.

ITEM 4(C) – Executive Committee (Darren, Lynn, Darlene): Darren noted that there is no report from the Executive Committee.

ITEM 4(D) – Transportation Standards Committee (Darren, Madelyn, Karl): Madelyn Carlson reported that the committee is looking at drivers, training, and vehicles including the max/min age of drivers, driver abstracts, background checks, fitness for duty, etc. Darren Brugmann also noted that passenger assistance techniques and partnering with driving training are being discussed. There was a discussion on the curb to curb vs. door to door coverage. Darren noted that this committee will be looking at the standards and forming an opinion, on behalf of NPIP, as an area to focus with hopes of improving the pool.

ITEM 4(E) – Nomination Committee: There was discussion of what this committee would do and it was decided they would determine: 1) the process going forward to recommend a member representative to fill the open position and 2) whether the seven regions is still sufficient to represent the current membership. The committee includes Darlene Riley, Lynn Moody, and Larry Stuckart.

ITEM 4(F) – Broker Agent Group / Peer Committee: There was discussion on the formation of this committee as an advisory committee to the full board. Darren Brugmann reported that the formation of this committee is a result of the request by brokers to participate in coverage requests, commission requests, service, etc. Eric Homer reported that the Canfield staff on the committee would likely be Underwriting, Marketing, and Claims. Darren Brugmann reported he will be on this committee as the board representative and would no longer participate in the Transportation Standards Committee. The task of this committee to determine how brokers will be approached and how they will be involved.

## **ITEM 5: CONSENT AGENDA**

The Consent Agenda for May 2, 2012 consisted of the following:

- A. Voucher #11/12-11, \$376,033.66, Date 4/16/12
- B. Voucher #11/12-10, \$313,045.84, Date 3/21/12
- C. Voucher #11/12-09, \$235,930.40, Date 2/09/12
- D. Minutes 1/27/12
- E. Minutes 3/30/12
- F. Approval of New Members

The Consent Agenda was approved. Motion by Darlene Riley, seconded by Madelyn Carlson and approved unanimously; motion carried.

## **ITEM 6: ACTION ITEMS**

ITEM 6(A) Annual Contract Review.

(i) Personal Services Agreement. After review of the Personal Services Agreement, it was accepted by the Board. Motion to accept the personal services agreement for the 2012-2013 year by Darlene Riley, seconded by Madelyn Carlson and approved unanimously; motion carried.

(ii) Memorandum of Understanding & Addendums. After review, the MOU and the first and second addendums were accepted by the board for the 2012-2013 year. No action was necessary.

(iii) Reimbursement Policy. After review of the policy, the board agreed that the policy would be amended to add internet usage while traveling for NPIP business as a reimbursable expense. Motion to approve reimbursement policy as amended by Lynn Moody. Motion seconded by Darlene Riley and approved unanimously; motion carried.

**ITEM 6(B) 2012-2013 Renewal.**

(i) 2012-2013 Renewal Report. Becky Holt reviewed the renewal report in detail with the Board. Darlene Riley motioned to approve the proposed 2012-2013 renewal report, as presented, with data compromise coverage added. Motion was seconded by Madelyn Carlson and approved unanimously; motion carried.

(ii) Renewal Letter from Board. Darren Brugmann reviewed the letter in detail with the board and suggested additional wording.

(iii) Budget. Brian Turnbull discussed budget line items on the proposed 2012-2013 budget. He pointed out that the line items have been projected to the end of the policy year. He also reminded the board that this budget incorporates the \$50,000 SIR. Darlene Riley moved to approve the proposed projected budget for the 2012-13 year. Motion seconded by Madelyn Carlson and approved unanimously; motion carried. There was discussion as to how to notify DES of the SIR change and Darren Brugmann reported that he would notify the state risk manager as soon as possible.

(iv) 2012-2013 Meeting Calendar. After review of the proposed meeting calendar, there was discussion on the 2013 NPIP Conference dates. The meeting calendar was approved as proposed. No action was necessary.

**ITEM 7: 2012 NPIP ELECTION**

ITEM 7(A): Board Election Results. As indicated at the start of the meeting, Rhonda Ross and Dollie Lutz opened the sealed ballots and logged them into a spreadsheet during the meeting (see attached). The positions open for election were Region 2, Region 4, and one At-Large position. The term of each position is from 6/1/12 – 5/31/14. The results were as follows:

Region 2:

**Darlene Riley: 29**

Write-in: None.

Region 4:

**Larry Stuckart: 11**

Write-in: None.

At-Large:

**Darren Brugmann: 104**

Dave Surface: 36

Write-in: None.

Current board members Darlene Riley, Larry Stuckart, and Darren Brugmann were re-elected and will begin serving their new term on 6/1/12.

**ITEM 8: EXECUTIVE SESSION**

At 12:11pm Darren Brugmann reported that the board was going into executive session for approximately 30 minutes to discuss a potential litigation. He noted that no action would be taken in the session. Darlene Riley was excused from the session.

At 12:29pm, Darren Brugmann terminated the executive session noting that no action was taken during the session. Darlene Riley joined the meeting.

Following the executive session, Darren Brugmann moved to accept the conditions in the letter addressed to the NPIP Board from Paratransit Services dated January 16, 2012. The motion was seconded by Lynn Moody and approved unanimously; motion carried. Darlene Riley abstained from the vote.

#### **ITEM 9: BOARD/STAFF COMMUNICATION**

ITEM 9(A): NPIP Conference and Annual Meeting. Ryan Holterhoff gave a summary of the conference in Spokane and noted that 43% of attendees were first time attendees.

ITEM 9(B): NRMC Conference Attendance. There was a discussion on who would like to attend the NRMC conference in August in Chicago. Darren, Darlene, Lynn expressed interest and noted that Karl had expressed interest in the past. No decision was made.

ITEM 9(C): Canfield Evaluation. The executive committee of the Board gave a recap of their brief evaluation of Canfield for the past year and reported that the full evaluation had not yet been completed. They noted that for this evaluation, they contacted the brokers directly with a survey and will review those results when the full evaluation is given.

#### **ITEM 10: UPCOMING CONFERENCES/MEETINGS**

The next board meeting is a fiscal committee conference call at 10:00 a.m. on May 18, 2012.

#### **MEETING ADJOURNED**

There being no further business, the meeting was adjourned at 12:32 p.m.

Respectfully submitted,



Sarah McDonnell



Darren Brugmann, Chair