

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

BOARD MEETING – Sit Down
Canfield Office, Woodinville, WA
January 27, 2012 at 12:00 p.m.

MINUTES

The Non Profit Insurance Program Board of Directors conducted its quarterly board meeting on Friday, January 27, 2012 at 12:02 p.m.

ITEM 1: INTRODUCTION & ROLL CALL

PRESENT WERE:

Board Members

Darren Brugmann, Senior Services of Snohomish Co.
Madelyn Carlson, People for People
Bill Eby, Neighborhood House
Karl Johanson, Council on Aging & Human Services (via conference call)
Lynn Moody, Hopelink
Darlene Riley, Paratransit Services
Larry Stuckart, Spokane Neighborhood Action Partners

Absent: None

Canfield Staff

John Crawford (joined at 1:25pm via conference call)
Lance Hammond
Ryan Holterhoff
Eric Homer
Sarah McDonnell
Rich Moore (via conference call)
Rick Templeton (via conference call)
Brian Turnbull

ITEM 2: PUBLIC COMMENT

None. Darren Brugmann noted that conference calls are not required by the public open meetings act and are not preferred unless by exception.

ITEM 3: CHANGES TO THE AGENDA

None. Darren Brugmann noted that there would be an executive session for approx. 30 minutes to discuss a potential litigation.

ITEM 4: COMMITTEE REPORTS

ITEM 4(A) – Fiscal Committee: The fiscal committee recommended that Voucher #11/12-06, #11/12-07, and #11/12-08 be approved by the board. 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. The fiscal committee reported on the total program premium to the full board. There was a brief discussion on the premium by class of business currently in the pool. (ii) Private Audit Update. The fiscal committee reported on the companies that NPIP has requested a quote from and those that have responded. Rich Moore estimated that the State Auditor's Office is completing their audit work on NPIP for the 10-11 year and he estimates the total price to be less than last year. (iii) Tax Return Update. Rich Moore reported that the tax accountant is looking at NPIP and trying to minimize tax and looking at interest earnings. Also, that he is looking at preparing one year and using it as a test case to get a ruling on NPIP's tax status from the IRS. Darlene Riley requested we have a status report by the next fiscal call. (iv) Agency Bill language. Brian Turnbull explained that the language on correspondence to brokers from underwriting has been further clarified in an attempt to resolve any confusion that may result in an outstanding receivable for a member; the

agency owes NPIP, not the member. Darlene Riley noted that the A/R report has been cleaned up. (v-viii) Balance Sheet and Income Statements for 9/30/11 and 12/31/11. Darlene Riley reported that during the entrance call with SAO updated the board on issues they were working on with Canfield. She also noted that NPIP Association requested a 5 month advance of the risk management fee, which shows on the voucher. Darren Brugmann noted that this was per the board's previous instruction; Riley confirmed and noted that now it is showing as pre-paid on the financials. The board accepted the balance sheet and income statement through 9/30/11 and the balance sheet and income statement through 12/31/11.

ITEM 4(B) – Legislative Committee: Darren Brugmann noted that Waypoint Consulting (NPIP's Lobbyist) is watching for bills in session that NPIP would need to be aware of; however, they aren't expecting any more activity. Eric Homer reported that Lynn Moody had forwarded a bill for Canfield will review regarding health benefits.

ITEM 4(C) – Executive Committee: Darren Brugmann reported that the executive committee has been working on Canfield's annual review. There was discussion on their process for this year versus years past. (i) WRAC. Darren Brugmann reminded the board of the WRAC committee and reported that there is another meeting coming up shortly. He felt the forum was open for all to discuss issues and noted that the lobbyists have been present at the meetings. (ii) SAO Audit Findings – Darren Brugmann noted that the executive committee had met with Department of Enterprise Services (DES) and discussed the previous audit finding. DES recommended the funds that were granted as seed money to NPIP Association be returned to NPIP. Brugmann said the executive committee considered five options and they are recommending that NPIP formally request that the NPIP Association return the funds previously granted as seed money back to NPIP. He added that NPIP's goal is to be in compliance with RCW and WAC rules and address the prior audit finding.

There was discussion from the board as to the financial strength of NPIP and that the purpose of granting the seed money was to perpetuate NPIP's mission. The Board added an action item to ITEM 6: Request return of seed money from NPIP Association.

ITEM 4(D) – Defensive Driving Committee (Darren, Madelyn, Karl): No report. Eric Homer noted that the Driver Training Simulator (DTS) could be resource to help with the curriculum. He also noted they are over budget currently, but that we could revisit this at the retreat in April. There was a discussion on the Train the Trainer workshop and certification. Darren Brugmann reported that the committee will evaluate these items and will bring to the board in April. Madelyn Carlson reported that she'd like the committee to evaluate the exposures for the 12-15 passenger vans also.

ITEM 5: CONSENT AGENDA

The Consent Agenda for January 27, 2012 consisted of the following:

- A. Balance Sheet (ending 9/30/11)
- B. Income Statement (ending 9/30/11)
- C. Balance Sheet (ending 12/31/11)
- D. Income Statement (ending 12/31/11)
- E. Voucher #11/12-06, Date 11/10/11, \$246,701.40
- E. Voucher #11/12-07, Date 12/8/11, \$270,303.78
- F. Voucher #11/12-08, Date 1/12/12, \$532,137.59
- G. Minutes 10/21/11
- H. Approval of New Members

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

ITEM 6: ACTION ITEMS

ITEM 6(A). Request return of seed money from NPIP Association (refer to Item 4C). Darlene Riley motioned that NPIP Washington requests the return of the seed money totaling \$441,747.49 from the NPIP Association by July 1, 2012. The motion was seconded by Lynn Moody; motion carried.

ITEM 7: EXECUTIVE SESSION

At 1:36pm Darren Brugmann reported that the board was going into executive session for approximately 30 minutes to discuss potential litigation. He noted that no action would be taken in the session.

At 2:10pm, Darren Brugmann resumed the regular meeting to report that there would be approximately 10 additional minutes of executive session to discuss potential litigation. He noted that no action would be taken in the session.

At 2:25pm, Darren Brugmann called the regular meeting back to order. He noted that no action was taken in the executive session and no further action was required at this time.

ITEM 8: BOARD/STAFF COMMUNICATION

ITEM 8(A): NPIP Conference Brochure. Ryan Holterhoff reported on the current registration for the 2012 NPIP Conference. He noted that since the conference is in Spokane instead of Seattle this year, registration may not end up as high as we have seen in years past.

ITEM 8(B): Board Elections for 2012- Timeline & Expiring Positions. Darren Brugmann reported that there is a board election this year. The positions include his At Large position, Region 2 position currently held by Darlene Riley, and Region 4 position currently held by Larry Stuckart.

ITEM 8(C): NPIP 10-11 Audit Update. Staff reported that the audit is on schedule and should be completed soon. He noted that this audit has had a lot of questions on the schools' transition into NPIP.

ITEM 8(D): Renewal Report. Brian Turnbull reported that Canfield has started their initial negotiations & coverage discussions. Ryan Holterhoff is working with underwriting to get the information to carriers and the goal is to have renewal quotes back by the first week of April. There was a brief discussion on suggested coverage enhancements.

ITEM 8(E): Agenda Items for Annual Meeting in March. The board suggested the following topics for the annual meeting in March: addition of the schools to NPIP, number of new members, state of the pool, brief financial report.

ITEM 8(F): Eric Homer reported on changes with staffing at Canfield. They include the roles for Ryan Holterhoff, Sarah McDonnell, Ellen Kosa, and Brian Turnbull. He also reported that Rich Romm has moved and is no longer with Canfield.

ITEM 9: UPCOMING CONFERENCES/MEETINGS

The next board meeting is a fiscal committee conference call at 10:00 a.m.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 2:42 p.m.

Respectfully submitted,



Sarah McDonnell



Darren Brugmann, Chair