

BOARD MEETING – SIT DOWN
Canfield Office, Woodinville, WA
Friday, January 21, 2011 at 10:00 a.m.

MINUTES

The Non Profit Insurance Program Board of Directors conducted its January sit down on Friday, January 21, 2011 at 10:06 a.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
Darlene Riley, Paratransit Services
Larry Stuckart, Spokane Neighborhood Action Partners

Canfield Staff

Lance Hammond
Becky Holt
Ryan Holterhoff
Eric Homer
Sarah McDonnell
Brian Turnbull

Guests

None

Absent:

Lynn Moody, Hopelink (excused)

President, Darren Brugmann, welcomed all in attendance and noted that a quorum was present.

ITEM 2: PUBLIC COMMENT

No comments offered.

ITEM 3: CHANGES TO THE AGENDA

No changes were made to the agenda.

ITEM 4: COMMITTEE REPORTS

ITEM 4(A): Fiscal: The Fiscal Committee recommended that vouchers on the consent agenda be approved. (i) Marta Billing Update: The total of all invoices, as requested by OFM, through 1/14/11 for NPIP was \$28,098. (ii) Marta Draft Report: Darlene Riley reported that the Fiscal Committee has done a high level review of the report and will make a report to the full board. There was discussion about the discrepancies between the Marta report and SAO and Eric Homer reported that staff is working with Marta to determine where his numbers came from; he also reported that 5% ULAE is acceptable to SAO. Darren Brugmann reported that he was told that OFM would have their response to NPIP within 10 days and NPIP will respond when received; he clarified that the report issued by Marta was actually a final report and not a draft. Darlene Riley informed the board that the

report did bring to light some internal corrections necessary for Canfield and that Canfield has already made and continues to make steps toward improvement. Darren Brugmann reminded the Board that the RCW 48.062 requires that the cost for the Marta must be paid by the pool; it was decided that the itemized bill would be paid and the engagement letter between OFM and Marta would be requested with the payment. (iii) Tax Filing: Brian Turnbull reported that Robert Kovacivech heard back from the IRS and they declined to make a ruling because of the opposing set of rules/laws; there is no federal exemption for NPIP to be tax exempt. To comply with OFM requirements, Kovacivech recommended NPIP pay all years, file for a refund, and if denied, sue the IRS forcing a ruling. Darlene Riley reported that the Fiscal Committee recommends hiring Larry Shores to prepare and file the tax returns and there was discussion on what method would be the most cost effective (Action Item 6A); it was determined that once the returns are prepared, it will be clear which method is the most cost effective.

ITEM 4(B): Claims Administration Program: Brian Turnbull reported that the online claims module is now up and running and is currently in test mode with Darlene, Darren, and Lynn. Correspondence will be made to the Agents to go to the site, create a user name, and submit claims. Online claims reporting is available for property now and will be followed by liability, then auto. Canfield staff reported that a timeline for availability of the form for each claim type would be available by the March NPIP Conference.

ITEM 4(C): Legislative Committee: The Legislative Committee recommends full board approval of the lobbyist contract on the consent agenda. There was a discussion regarding a draft bill; the board would not support it and would study further if it became a bill.

ITEM 4(D): Independent Schools: The Independent Schools' Committee goal is completed. Brian Turnbull reported that as of January 1, 2011 there are 48 Independent Schools that are now NPIP members. Staff explained the transition process regarding the policy periods, premium billing, and renewal dates for these members. Karl Johanson noted that the NPIP governance model is why NPIP was able to help these Independent Schools when needed. Brian Turnbull reported that the fiscal committee is working to amend the budget and it will be ready by the annual meeting in March.

ITEM 5: CONSENT AGENDA

The Consent Agenda for January 21, 2011 consisted of the following:

- A. Minutes:
 - i. Approval of 10/15/10 All Board Meeting Minutes
- B. Voucher Approval:
 - i. Voucher #10/11-06 \$245,107.85
 - ii. Voucher #10/11-07 \$448,502.27
 - iii. Voucher #10/11-08 \$226,196.54
- C. Financials:
 - i. Balance Sheet
 - ii. Income Statement
- D. Lobbyist Contract with Waypoint Consulting - Majken Ryherd and Jim Richards

The Consent Agenda was approved as presented. Motion Darlene Riley, second Karl Johanson; motion carried.

ITEM 6: ACTION ITEMS

ITEM 6(A): A motion was made by Karl Johanson to hire Larry Shores to prepare all returns so that the Fiscal Committee can make recommendations on what to pay, seconded by Darlene Riley; motion carried.

ITEM 7: BOARD/STAFF COMMUNICATION

ITEM 7(A): Membership Update: Brian Turnbull reported that NPIP added \$250,000 in premium in new members in addition to the independent schools. (i) The Risk Management plan was discussed for a member who has a high frequency of losses. Darren's involvement was discussed to make clear he was not involved as the board chair, but at the request of the member due

to personal knowledge and experience. Staff reported that the member has been put on notice regarding renewal and they are aware of Board notice. Canfield is talking with them regarding renewal and implementation of the Risk Management Plan developed for them. Darren reported that they are making efforts and realize membership is a privilege.

ITEM 7(B): 2011/12 Renewal Update: Brian Turnbull reported that Renewal specs are underway and there was no big changes requested this year. Staff reported on the renewal process and gave a timeline overview.

ITEM 7(C): Other Communication – Staff informed the board that the SAO Audit Exit interview was requested by SAO to be February 1. The Board decided that Darlene Riley and Bill Eby would participate on February 1.

ITEM 8: UPCOMING CONFERENCES/MEETINGS

ITEM 8(AI): NPIP Conference & Annual Meeting: All attendees were reminded that the annual NPIP Risk Management Conference and annual meeting will be held on Friday, March 18, 2011 at the Bell Harbor International Conference Center. Registration numbers, speakers and breakout session topics were discussed. There was board discussion regarding the 12 NPIP National accounts that have been invited to attend the NPIP conference.

ITEM 8(AII): Staff clarified the date of the April retreat to April 13-15, 2011 at Cave B Resort in Quincy, Washington.

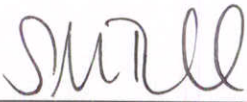
ITEM 8(AIII): There was no discussion on this item.

ITEM 8(B): (i) Next Fiscal Committee Call – The fiscal committee was reminded of the next Fiscal Committee call which will be on Friday, February 18, 2011 at 10:00 a.m. (ii) Next All Board Sit Down – The board was reminded of the next All Board Sit Down is at the Annual Meeting on March 18, 2011 at 7:30a.m. at the Edgewater Hotel, Seattle, Washington.

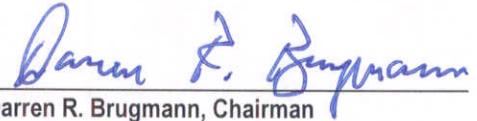
MEETING ADJOURNED

There being no further business, the meeting was adjourned at 12:00 p.m.

Respectfully submitted,



Sarah McDonnell



Darren R. Brugmann, Chairman