

BOARD MEETING – SIT DOWN
Canfield Office, Woodinville, WA
Friday, October 15, 2010 at 10:00 a.m.

MINUTES

The Non Profit Insurance Program Board of Directors conducted its October sit down on Friday, October 15, 2010 at 10:10 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
Lynn Moody, Hopelink
Darlene Riley, Paratransit Services
Larry Stuckart, Spokane Neighborhood Action Partners

Canfield Staff

Michelle Grout
Lance Hammond
Eric Homer
Brian Turnbull

Guests

None

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: CONSENT AGENDA

The Consent Agenda for the October 15, 2010 consisted of the following:

A. Minutes:

- i. Approval of 8/20/10 All Board Meeting Minutes
- ii. Approval of 9/17/10 Fiscal Committee Minutes

- B. Voucher Approval:
 - i. Voucher #10/11-4 \$1,414,051.20
 - ii. Voucher #10/11-5 \$360,249.27
- C. Financials:
 - i. Balance Sheet
 - ii. Income Statement

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

ITEM 5: ACTION ITEMS

ITEM 5(A): Election of Board Officers – Per the Bylaws, the Board Officers of NPIP must be elected prior to the end of the calendar year. Attendees were reminded of the current slate of officers of the NPIP Board which are:

Chair – Darren Brugmann
Vice Chair – Lynn Moody
Fiscal Officer – Darlene Riley

Eric Homer thanked the officers for the work they had done over the past year and recommended that the Board re-elect them for the 2011 calendar year. Darren Brugmann asked if there were any objections with continuing with the current officers, there were no objections. Motion to re-elect the current slate of officers for 2011 made by Larry Stuckart, Karl Johanson seconded, motion carried.

ITEM 5(B): OFM Invoice – Darren Brugmann, Darlene Riley, and Brian Turnbull reported on a conference they attended on September 30th regarding Municipal Risk Pool Solvency which was sponsored by the WCIA. Among the speakers at this event were James Marta, CPA, and Shannon Stuber at the Office of Financial Management. They also reported on a lunch they had with David Becker at the meeting where they discussed the administration of NPIP as well as the renewal and budget processes.

All attendees were provided a copy of the 9/29/2010 Invoice from OFM for the audit services performed by James Marta & Company in the amount of \$16,335.52. The Board had several questions regarding this invoice and decided to prepare a letter to Shannon Stuber at the Office of Financial Management prior to approving the invoice for payment.

Darren Brugmann informed everyone that a representative from the Office of Financial Management, Shannon Stuber, will be attending the January sit down in Woodinville, WA.

ITEM 6: COMMITTEE REPORTS

ITEM 6(A): Fiscal (i) Kovacevich Billing Update – As previously requested, attendees were provided invoices from attorney Robert Kovacevich for the work he's done on the Private Letter Ruling. The Board had previously approved up to \$20,000 in fees and expenses for the Private Letter Ruling. The invoices totaled \$13,008.21 which is to be split three ways between NPIP, USIP and CIAW, making NPIP responsible for \$4,336.07. Attendees were provided an estimate from Robert Kovacevich where he estimated the remaining costs for the PLR to be around \$3,150; which, when added to the \$14,000 required by the IRS, makes the estimated total for the PLR to be around \$21,486.07. Motion to increase the approved amount for fees and expenses for the Private Letter Ruling to \$22,000 made by Larry Stuckart, seconded by Madelyn Carlson; Motion carried.

Fiscal Officer, Darlene Riley, reported that the copies of the vouchers have been internally audited and certified by the Administrator's Auditing Officer as required and those expense reimbursements have been recorded on a listing, which has been made available to the Board members. Those vouchers have been reviewed by the Fiscal Committee prior to the meeting. The Fiscal Committee made the recommendation for payment of these claims under the Consent Agenda.

ITEM 6(B): NPIP National – Brian Turnbull reported that business was still being written in the National program in Oregon, Idaho, and Montana and that Munich was agreeable to reducing the funding requirement to \$500,000, and would be inclusive of the \$375,000 as required by the State of Montana. Canfield is waiting on the paperwork from Munich to finalize this agreement. Once that is in place, loan term options will be brought to the NPIP Washington Fiscal Committee for a recommendation. NPIP Association is interested in pursuing a loan from NPIP Washington to fund the reserve requirement required to fund NPIP Re Inc.

ITEM 6(C): Claims Administration Program – Darren Brugmann and Darlene Riley reported on the status of the Claims Administration Program. The committee met and was walked through the program. They were asked to submit test claims to work out any kinks prior to unrolling the program to the entire membership. Also, the remaining Board members (not on the committee) were invited to test the program as well.

There was a brief discussion regarding a newspaper article on one of NPIP's claims. The Board discussed the possibility of implementing an improvement plan for accounts with high loss ratios and felt this would be a good topic for discussion at the annual retreat in April. Canfield also agreed to work with this account to minimize these issues in the future.

ITEM 6(D): Legislative (i) Lobbyist Contract – Eric Homer reported that some of the Canfield programs have contracted with a lobbyist, Marsha Fromhold, and he reported on the average costs associated with that service. The Board decided not to take any action at this time and to discuss this matter further in the future.

The Legislative Committee has met a few times since the last Board meeting. The Committee reported that they are in the process of crafting a bill and changing legislation to get back some of the control that was taken away by the WAC changes. The cutoff date for the new bill is the first week of January. Motion to allow the Legislative Committee to take action to craft and introduce necessary legislative language made by Karl Johanson, seconded by Darlene Riley; motion carried.

ITEM 6(E): Independent Schools – Attendees were provided with a handout prepared by the Independent Schools committee that outlined the work the committee had done since the Board's last sit down. Brian Turnbull reported that these Independent Schools are a good fit for NPIP because they are nonprofit organizations with similar goals and needs as the rest of the membership. The committee decided it would be necessary to have another committee meeting very soon to keep the membership transition moving in an effort to meet the January 1st transition deadline imposed on USIP by OFM.

ITEM 7: BOARD/STAFF COMMUNICATION

ITEM 7(A): Membership Update – Brian Turnbull reported that NPIP added 12 new members since the last board meeting equaling over \$67,000 in new premium.

ITEM 7(B): 2009 Evaluation – There was nothing to report under this item.

ITEM 7(C): Other Communication – There was a brief discussion regarding the new NPIP website that went live in October. Overall, the group was pleased with the new look, but some minor changes were requested.

ITEM 8: UPCOMING CONFERENCES/MEETINGS

ITEM 8(A): 2011 Retreat – Attendees were reminded that the 2011 annual retreat will be held from April 20-22, 2011 at Cave B Resort.

ITEM 8(B): 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.

Michelle Grout requested feedback regarding the 2012 conference. There were discussions on whether the group wanted to have this event in Seattle or Spokane and ultimately it was decided to offer it to the eastside of the State. The goal is to get a location booked for the 2012 conference prior to the 2011 conference so the date and location can be announced at the 2011 event.

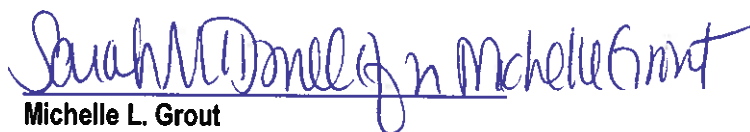
ITEM 8(C): Next All Board Meeting – Attendees were reminded that the next all board meeting is a sit down on Friday, January 21, 2010 at 10:00 a.m. at the Canfield office in Woodinville, WA.

ITEM 8(D): Next Fiscal Committee Call – The fiscal committee was reminded of the next Fiscal Committee call which will be on Friday, November 19, 2010 at 10:00 a.m.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 1:06 p.m.

Respectfully submitted,


Michelle L. Grout


Darren R. Brugmann, Chairman