



## Board of Directors MINUTES

The Non Profit Insurance Program Board of Directors conducted a regular meeting on November 6, 2019 at 10:15 am.

### ITEM 1: INTRODUCTION & ROLL CALL

<u>Board Member Name:</u>	<u>Representation Member Entity:</u>	<u>Board Position:</u>	<u>Attendance:</u>
<b>Darlene Riley</b>	Paratransit Services	Chair & Region 1	Present
<b>Amber Johnson</b>	Spokane Neighborhood Action Partners	Vice Chair & At Large 1	Present
<b>Jon Andrus</b>	Catholic Charities of Spokane	Fiscal Officer & Region 2	Present
<b>Madelyn Carlson</b>	People for People	Region 3	Present
<b>Cheryl Hamilton</b>	Educational Opportunities for Children & Family	Region 4	Present
<b>Mike Heinisch</b>	Kent Youth and Family Services	At-Large 2	Present
<b>Karl Johanson</b>	Disability Action Center NW Inc.	At-Large 3	Present

#### Clear Risk Solutions:

Frank Andrus  
Claire Hanberg  
Eric Homer  
Ellen Kosa  
Sarah McDonnell  
Rhonda Ross  
Chelsey Smith  
Jessika Tempel  
Rick Templeton  
Brian Turnbull

#### Guests:

Laura Craig – People for People  
Matt Patten – Cascade Mental Health

Chair Riley welcomed all in attendance and noted that a quorum was present.

### ITEM 2: PUBLIC COMMENT

None

### ITEM 3: CHANGES TO THE AGENDA

The agenda's Item 9 (Upcoming Meetings / Events) was moved to occur before Item 8 (Executive Session).

### ITEM 4: COMMITTEE REPORTS

#### STANDING COMMITTEES:

ITEM 4(A) – Fiscal Committee (Andrus-Chair, Johanson, Heinisch):

Preference for updated expense reporting for Income Statements were discussed by the Fiscal Committee with staff. The new Income Statement format will be presented to the committee going forward.

- i. Summary Document Overview (Premium Reports, Taxes): McDonnell reported that there was \$350,000 in premium annualized growth for the first quarter of the 2019-2020 year. The current membership stands at approximately 858 members, with some room for slight fluctuation due to the fact that some members have needed to close their doors recently. No updates on taxes paid. Please see workshop discussion for Item 5A, re: Future Liability Options.
- ii. Recommendations: Investment Advisory Agreement & Investment Policy Statements: Andrus reported that the investment advisors have updated the Investment Policy Statement and Investment Advisory Agreement. The committee reviewed both and met with Petersen Hastings in October to discuss. The committee recommends approval of both documents under Action items, #6.

- iii. Final Audit Report: Jon Andrus reported that there was a clean audit with no findings returned to the Board committee for the 2018 – 2019 fiscal year. McDonnell noted the audit will be posted on the website, as required by WAC rules.

ITEM 4(B) – Executive Committee (Riley, Johnson, Andrus): Riley informed all present that the administrator evaluation was completed and that the salient points were discussed with McDonnell in accordance with the state's requirements. Riley then gave updates on the RFQ process, stating that 3 brokers and 4 third-party administrators had replied to the request. Per state requirements, the committee documented their evaluation of each applicant and all deadlines were met according to NPIP's processes. One compromise was made to the process, as one of the submitting organizations pointed out that the turnaround for the period to submit questions was too short, so an extension was granted to all parties. The Executive Committee made the recommendation to continue utilizing Clear Risk Solutions for third-party administration services and enter into a five year contract; under Action Item 6. In addition, to allow time for contract drafting and negotiation, the committee recommends acceptance under Action Item 6 of the two extension documents that will ensure continuation of services from the contract end period of November 2019 through the new contract effective date. The intent is to help align the contract sign dates to January 1<sup>st</sup>, but the extension grants to the 31<sup>st</sup> if necessary.

#### OTHER COMMITTEES:

Legislative Committee (Johanson, Carlson, Hamilton): The lobbyists reported that the new session is going to be a short one. Johanson informed the board on the nonprofit bill they have been working on which is still in flux. He and McDonnell discussed some of the salient points of the bill and how it will affect nonprofits if it is passed, including impact to NPIP's members. It was determined that NPIP will send in a letter of position to this bill. Johanson requested the full board to review this letter and to respond with their questions or concerns before the deadline at the end of the week, and that silence would imply tacit approval. Of other immediate concern is the result of Initiative 976, which would have a severe negative impact on transportation nonprofits if passed. Carlson and McDonnell gave updates on the legislative meetings between the Board and Leg. Committee Members for January, and that efforts to develop relationships between board members and key legislators is on track. The intention is to also make use of other opportunities to be meet as they arise as well. Riley gave a brief overview of this process for the benefit of our guests, Laura Craig and Matt Patten.

Board Governance Committee (Riley, Carlson, Johnson): The committee met with the board in workshop to discuss succession needs based on skillsets and time commitments of current members. It was determined to review the current committees and members serving to see if there is need for adjustment. Staff and the Board discussed the plan for identified and engaged Board prospects, plan for contacts by Board and Staff, and annual overview of calendar items to help as a guideline for communication with new people. Last, the committee and McDonnell discussed a draft of the outline for the Board Buddy Planning, which will be utilized as a training tool and resource for current and future Board members.

#### ITEM 5: Board/Staff Communication

##### ITEM 5(A) – Workshop Summary:

- i. Risk Management. During the workshop staff discussed updates on the new system implementation for Origami and went over high-level points on the system's capabilities. The risk management team then led a presentation regarding how new members are introduced to the program and how services are presented to them. Staff also discussed some new risk management resources and trainings, and the steps that they are taking to provide them to the members. There was also discussion regarding updates to the online risk management platform My Risk Solutions as well as efforts to promote other partner resources.
- ii. Succession. See report from the Board Governance Committee. Work was summarized in their report.
- iii. Pool Liability (501(c) Status). Staff has begun work to analyze the pool structure with the goal of maximizing the long term health and stability by reducing tax liability. There are many risk sharing models that exist nationally and given recent tax challenges, the Board goals, and overall impact to liability, staff and the Board continue to work to evaluate all options. More discussion on this to come in the future.

ITEM 5(B) – 2020 Election Timeline: Jon Andrus, Heinisch, and Hamilton's terms will be ending in 2020. McDonnell reported the timeline: staff will reach out as term comes up for any pertinent information needed for the election. In March, electronic ballots will be sent out via the NPIP website. The state law allows for ballots to be counted prior to the meeting, so it can be an agenda item in April instead of having to count them in the meeting. Riley and McDonnell outlined some proposed revisions to the current board biographies of those up for election.

ITEM 5(C) – 15 Year Party Recap: Riley requested that staff post some of the pictures from the 15 year party on CENTRL, and reported that there were approximately 90 attendees. McDonnell informed the board that she has received a lot of positive feedback regarding the event from the members that were in attendance. Ross also reported the same of the brokers that were in attendance. McDonnell gave protocol for any follow-ups the board wanted to make regarding this event.

ITEM 5(D) – DES Submission. McDonnell reminded the Board that compliance with the Department of Enterprise Services requires submitting a final audit to the state regulator within 120 days after year end. She reported that we submitted this year's final audit a week early thanks to the efforts of accounting staff. No feedback has yet been given regarding the annual submission from the state regulator.

ITEM 5(E) – Spring Conferences. McDonnell reported to the board on last year's conference schedule to determine if this model is still in line with the board's vision. Riley suggested a staff recommendation and calendar for the board to review at the next meeting. She also suggested looking into ways to utilize virtual conference attendance where possible to save staff time and resources. McDonnell gave some updates regarding our past conference partnership initiatives, and ideas for the coming conference calendar in order to make best use of resources, re: past Southwest WA conference events, and Hamilton requested an analysis on what the return-on-investment for that event was. Johanson inquired about the eRisk Hub resource, so McDonnell reviewed rollout measures staff are taking to promote online resources to members.

ITEM 5(F) – Market Update. Turnbull informed the board that the state of the market currently is hardening, due to various factors, but likely the California fires last year as well. This was one of the largest insurance payouts since 9/11 and has put considerable strain on insurance companies, causing some to go under altogether. The current situation is one very similar to that which prompted the inception, and NPIP has been performing precisely as it was intended in the face of the current market. On behalf of the pool, Clear Risk Solutions will continue to hold to the philosophy of both competitive and fair pricing, and only selecting business that is beneficial to the health of the pool. Homer explained Clear Risk Solution's position with regards to the carrier partners, and that staff are taking measures to evaluate carrier partners to ensure mutual success to NPIP and its members. Riley thanked staff for these updates.

ITEM 5(G) – Other/Miscellaneous. None.

#### ITEM 6: ACTION ITEMS

- A. RFQ Recommendation – TPA/Program Administrator Services. Johnson moves that NPIP awards the Broker of Record services contract and Program Administrator/TPA services contract to Clear Risk Solutions, that the Board execute the contract extensions in Action Items C and D below, to extend the current contracts to 1/31/20, and to grant approval for the executive committee to review, negotiate, and execute both contracts for services on behalf of NPIP. Johnson includes Action Items B, C, and D in this motion. Heinisch seconded the motion. Discussion from Johanson requesting the amendment of the motion to remove the approval of the executive committee for both contracts for services, and instead, add Action Item G and Action Item H, for the authority to review, negotiate, and execute the contract for Program Administrator/TPA service and Broker of Record service contract, respectively. With none opposed the motion carried, as amended.
- B. RFQ Recommendation – Brokerage Services. See Item A.
- C. Contract Extension – TPA. See Item A.
- D. Contract Extension – Brokerage Services. See Item A.
- E. Investment Advisory Agreement. Jon Andrus moved to approve both Item E and Item F as presented, Johanson seconded. There was no other discussion. With no opposed the motion carried.
- F. Investment Policy Statement. See Item E.
- G. Contract for Program Administrator/TPA Services – Johnson moved to grant the authority to review, negotiate, and execute the contract to the executive committee of the Board. Heinisch seconded. There was no further discussion. Motion carried.
- H. Contract for Broker of Record Services - Johnson moved to grant the authority to review, negotiate, and execute the contract to the executive committee of the Board. Heinisch seconded. There was no further discussion. Motion carried.

#### ITEM 7: CONSENT AGENDA

The Consent Agenda consisted of the following:

- A. Voucher #19/20-03
- B. Voucher #19/20-04
- C. Voucher #19/20-05
- D. Minutes 8/12/19
- E. New & Lost Members
- F. Balance Sheet
- G. Income Statement

The Consent Agenda items were reviewed prior to the meeting by all board members. Motion to approve consent agenda by Johanson, the motion was seconded by Carlson and approved by the rest of the board. Motion carried.

**ITEM 8: UPCOMING MEETINGS/CONFERENCES**

- A) November 15, 2019 – Annual Membership Meeting (Webinar / Call)
- B) February 10, 2020 – Workshop & All Board Meeting, Spokane Area
- C) April 27-29, 2020 – Board Retreat, location TBD


**ITEM 9: EXECUTIVE SESSION**

Board entered executive session at 11:49 am.  
The board discussed the status of an ongoing litigation.  
Exited executive session at 12:00 pm.

**MEETING ADJOURNED**

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

Respectfully submitted,

  
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Claire Hanberg

  
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Darlene Riley, Chair