



Board of Directors MINUTES

The Non Profit Insurance Program Board of Directors conducted a regular meeting on February 10, 2020 at 1:03 pm.

ITEM 1: INTRODUCTION & ROLL CALL

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

Clear Risk Solutions:

Claire Hanberg
Sarah McDonnell
Jessika Tempel
Rick Templeton

Guests:

Laura Craig – People for People
Kris Lawrence – Propel Insurance
Matt Patten – Cascade Mental Health
Becky Semmler (call-in) – Paratransit Services
Julie Vess – Stanwood Community & Senior Center

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

ITEM 2: PUBLIC COMMENT

Vice Chair Johnson asked for public comment. Kris Lawrence commented on NPIP's services on behalf of the members she represents, sharing her appreciation.

ITEM 3: CHANGES TO THE AGENDA

None.

ITEM 4: COMMITTEE REPORTS

STANDING COMMITTEES:

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

- i. Summary Document Overview (Premium Reports, Taxes): McDonnell reported that there was \$280,000 in premium annualized growth for the second quarter of the 2019-2020 year. The board discussed the new/lost member report, noting a change in format for future reports. NPIP's retention rate was discussed and still remains very high.
- ii. Investment Report: Andrus, on behalf of the Fiscal Committee, recommended Board approval of the Investment Advisory Agreement & Investment Policy Statement. They requested that we look to re-evaluate what our investment goals are in the future, when the Board is ready to discuss appetite.
- iii. Actuary RFP: McDonnell reminded the board that the current actuary is retiring and that the WAC requires an RFP. On behalf of the Board and due to timing concerns with NPIP's year-end fast approaching, Chairperson Riley asked Andrus to head the project with staff. The RFP timeline and process was reviewed and Tempel informed Board that the deadline for responses was today.

ITEM 4(B) – Executive Committee (Riley, Johnson, Andrus): Johnson reminded all present about the self-evaluation process and how the board will be receiving a survey to participate in. It was noted that staff does not view the board's results and there will be time to discuss results privately at upcoming retreat. The remainder of the process was discussed briefly.

OTHER COMMITTEES:

Legislative Committee (Johanson, Carlson, Hamilton): The committee asked McDonnell to update the Board on the nonprofit bill. There will be a work session in 2020 and considered in the 2021 session after the re-write is complete. The group will work on NPIP's main three discussion points and then communicate them to the committee followed by lobbyists, and partners from there. McDonnell discussed how we have had some partners testify that we need to slow down the bill process and take a closer look at what that entails. McDonnell is going to stay in touch with the lobbyists and Senator Peterson in order to remind them that NPIP wants to take an active role in any revisions / events / participation opportunities with regard to this bill. The next steps will be to work on the summary sheets and working with the committee to determine which information to communicate to the full board. It was discussed that Heinisch is interested and active in helping with the committee, all were agreeable.

Board Governance Committee (Riley, Carlson, Johnson):

- i. Succession Report: McDonnell reported that they are no open positions right now, but work from Board members and staff continues to add depth so that there are people who are up to speed when it is time to transition. The follow up list for 2021 is long so there are some leads coming; the committee requests that new ideas go to McDonnell for staff tracking.
- ii. Alternate Board Member Recommendation – Vess & Patten: Vess and Patten left the room at 1:20 pm so the board could discuss recommendation for alternate positions. McDonnell reported that Patten has offered a year to get up to speed and connect us with nonprofit members who could be a long-term fit for Board work. Johanson commented on how this board is well served by having elections and doing a legacy plan at the same time, with the added benefit of having trusted industry experts in our administrators to help with industry specific concerns and recruitment. McDonnell stated that the Alternate structure is unique and less intimidating, and they can try things out to see if it's a fit without having to commit long-term.
- iii. Committee List Review: McDonnell reminded the board to review these lists and we'll revisit them at a future meeting. Johnson mentioned that the committees aren't just for board members, alternates are able to participate as well.
- iv. Board Officer Election – timeline: Staff reminded the Board that the Chair and Vice Chair are 2 year teams, end of May 31, 2020. Fiscal Officer is voted in every year. This is an annual action item in April.

ITEM 5: CONSENT AGENDA

The Consent Agenda consisted of the following:

- A. Voucher #19/20-06
- B. Voucher #19/20-07
- C. Voucher #19/20-08
- D. Minutes 11/06/2019
- E. New & Lost Members
- F. Balance Sheet
- G. Income Statement
- H. Solvency Test

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

ITEM 6: Board/Staff Communication

ITEM 5(A) – Workshop Summary:

- i. **Lobbyist Reporting.** The lobbyists called in for a report prior to the Board meeting. They informed the board that the nonprofit bill is not moving forward this session. They commented that there were no specific sections to be concerned about in addition to what we've already begun work on.
- ii. **Goal Report.** McDonnell reminded the Board of the goal graphic and the rationale behind it. There was discussion on the active and completed goals. McDonnell noted the next steps are for the full, written goal reporting to the Board in April followed by the evaluation, as is done annually.
- iii. **Marketing Packet / Services Recap.** The Board had previously asked for a refresher on what is included in the current NPIP promo packets and the process for broker/agent meetings. In the earlier workshop, Rhonda Ross explained the process of when she is dealing with a new agent. The board had questions regarding how often Ross gets approached via members direct vs. brokers. Ross explains it's about 50/50, but since NPIP is only an agency program, we only work with brokers on submissions. NPIP has great brand recognition in the state of Washington. Byron Riche also included a recap of how services are promoted in broker meetings. We point out applicable trainings we offer, as well as our regional events available to all members.

ITEM 5(B) – Claims Auditor Report RFP: Staff reminded group on the state statute that requires a Claims Audit Report every 3 years. The RFP process has the same rules as the Actuary process. Staff reviewed the process, timeline, and the Board designated Jon Andrus to handle this with staff, as well.

ITEM 5(C) – Spring Conferences Update: McDonnell encouraged the use of the upcoming events section on the website & dashboard, in addition to the reminders staff will be emailing out in the promo blasts.

ITEM 5(D) – Board Director Elections Update: McDonnell discussed with the Board that Tempel has been helping with elections and timelines have been mailed / emailed in promos to everyone. Ballots will be opening March 1, 2020 instead of February 24, 2020, and they will be e-ballots for the second time, since we got a lot more participation this way. Staff reminder the Board that results are reported at the April meeting.

ITEM 5(E) – Renewal Process Update: McDonnell reminded the Board that negotiations have started, as is usual for this time of year, and applications to brokers go out in February. Staff is using our new underwriting system this year and it's not going to be as efficient as it could be because staff is working through new system challenges. We are hoping to streamline this in the future long term and make it as efficient for brokers as possible. Staff will be sending out invoices around May 1, 2020, as planned. McDonnell reported that Riley wanted to comment that it is specifically important for nonprofits to get renewal information from brokers 30 days in advance so that they have time to budget. Currently everything is scheduled to be on time. Templeton reminded the Board of the budget process, with preliminary and final budget with board and staff. The fiscal committee, for these reasons, may be meeting more often in the coming few months. Ross commented on marketing challenges and that there have been a lot of agents reaching out in the past few weeks expressing that excess is harder than in recent history to place right now. McDonnell offered a reminder of the reasons and conditions in which the pool was formed. There was discussion regarding concern over adding higher risk business that normally may not look at NPIP as a solution, because they had a hard time securing individual coverages. Staff reminded the board that we may get submissions from accounts that we wouldn't normally consider or have, but the pool's underwriting appetite is in place for our member's protection.

ITEM 5(F) – Draft Calendar 20/21: Hanberg gave an update of what staff was thinking for the 20/21 Calendar. Approval will follow at the April meeting.

ITEM 7: ACTION ITEMS

- A. Actuary RFP – Motion by Johanson for Andrus to handle the RFP for Actuarial Services with staff and authority for him to enter into a contract to ensure timely engagement. Motion was seconded by Heinisch and was approved by the rest of the board. Motion carried.
- B. Alternate Board Member – Vess
Motion to appoint Julie Vess from Stanwood Community and Senior Center as an Alternate Board Member by Andrus was seconded by Heinisch, and was approved by the rest of the board. Motion carried.
- C. Alternate Board Member – Patten
Motion to appoint Matt Patten from Cascade Mental Health as an Alternate Board Member by Heinisch was seconded by Johanson, and was approved by the rest of the board. Motion carried.

ITEM 8: UPCOMING MEETINGS/CONFERENCES

- A) April 27-29, 2020 – Board Retreat, Canyon River Ranch, Ellensburg
- B) May 19, 2020 – Active Threat Risk Track, Bellevue
- C) August 17, 2020 – Board Meeting, Seattle

ITEM 9: EXECUTIVE SESSION

Board entered executive session at 1:52 pm.

The board discussed the status of an ongoing litigation.

Exited executive session at 2:19 pm.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 2:20 pm.

Respectfully submitted,



~~Jessika Tempel~~ / Sarah McDonnell



Amber Johnson, Vice Chair