



Board of Directors MINUTES

The Non Profit Insurance Program Board of Directors conducted a regular meeting on August 17, 2020 at 1:35 p.m.

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 4	Present
Madelyn Carlson	People for People	Region 3	Present
Mike Heinisch	Kent Youth and Family Services	At-Large 2	Present
Karl Johanson	Disability Action Center NW Inc.	Vice Chair & At-Large 3	Present
Amber Johnson	Spokane Neighborhood Action Partners	Chair & At Large 1	Present
Darlene Riley	Paratransit Services	Region 1	Present
Matt Patten	Cascade Mental Health	Alternate	Absent – Excused
Julie Vess	Stanwood Community & Senior Center	Alternate	Absent – Excused

Clear Risk Solutions:

Frank Andrus
Claire Hanberg
Sarah McDonnell
Taylor Montgomery
Rick Templeton
Brian Turnbull

Guests:

Mike Anderson – Seattle School of Psychology and Theology
Becky Semmler – Paratransit Services

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

ITEM 2: PUBLIC COMMENT

None

ITEM 3: CHANGES TO THE AGENDA

None.

ITEM 4: COMMITTEE REPORTS

STANDING COMMITTEES:

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

- i. Fiscal-Summary (Premium report, tax update, investment review, A/R, write-offs, bank statements, bank transfers, balance sheet, income statement) – Andrus reported the committee met per their regular schedule and reviewed both the final budget and final renewal report compared the preliminary of both. The committee noted they also reviewed the A/R, write-offs, and bank statements with no concerns. The final budget and renewal report is recommended for Board approval by the committee.
- ii. Audit Update – McDonnell reported to the board that the annual audit was near finished, with an exit interview to follow in the upcoming week. The entire audit process was conducted remotely, and Moss Adams worked closely with staff to ensure they had everything. McDonnell reported that the team was great to work with and the entire process was positive. At this time, there are no concerns to report. Currently staff is waiting on a draft report from Moss Adams but expect it in early September and will present it to the board upon arrival. The final draft is due to DES at the end of September 2020.
- iii. Budget Process Review – The Board discussed the final proposed budget, as presented by staff with discussion the variances by line. Discussion on the process for the preliminary budget and final budget.

- iv. Budget Final – The fiscal committee presented the final budget to the entire Board. Templeton discussed the fully funded aggregate stop-loss, reporting it includes accounting for anticipated projected growth. There was discussion on equity focus for member protection in the future.
- v. Renewal Report Final – Turnbull explained that staff had procured additional excess cyber coverage for the pool. As the pandemic has affected most organizations, pushing them to work more remotely, it was important to obtain more coverage for cyber protection and has been an area with additional focus thanks to broker feedback as well. However, Riley reported that the cyber coverage presented this year by NPIP was at a lower price than other companies on the market, for her nonprofit. As staff works to obtain more cyber coverage limits they will continue communicating with the board, as well as brokers and members alike. Staff also reported there could still be fallout from the impact of the pandemic adversely impacting membership operations; discussion on member flexibility wherever possible with pool protection for all members as the primary focus.

ITEM 4(B) – Executive Committee (Riley, Johnson, Andrus):

- i. Board self-evaluation process – Johnson and Riley reported that the group met and discussed the self-evaluation for the board. They discussed goals for the upcoming year and plan to meet with staff to discuss action plans where needed.
- ii. Administrator evaluation – Committee reported completing both the Board self-evaluation survey as well as the Program Administrator evaluation using Survey Monkey. They have put together a document with all the results from the board to present to staff for board action items. The Board chair and staff plan to meet to discuss the results of the evaluation in further detail. However, the Committee and Board were pleased to report they are highly satisfied with staff and enjoy working with them.

OTHER COMMITTEES:

Legislative Committee (Johanson, Carlson, Heinisch):

- i. Lobbyist report (written only)
 - a. Nonprofit Act Bill – Updated Timeline. McDonnell recapped the previous phone call with the lobbyists, reporting that Senator Pedersen had reached out with a new draft, allowing several months for review. Majken Ryherd offered to sit with staff as they reach out to Washington Nonprofits to discuss the bill to ensure everyone is on the same page. Any feedback is due by the end of September. McDonnell also reported that Senator Pedersen has been receptive and open minded to feedback.
 - b. Strict Liability. McDonnell briefly explained the concept of the Strict Liability ruling, summarizing that any organization or business that provides public accommodation would be liable for any claims that arise. There was agreement by all parties that NPIP will pause further involvement in this issue at this time, but follow closely for any legislative action that may result. Staff will keep the Committee and Board updated as new information comes in.

Board Governance Committee (Riley, Carlson, Johnson):

- i. Interested Candidates – Staff and Board have been working hard to recruit new members. Currently there are two alternates sitting on the board. McDonnell explained how those alternates could fill seated positions as current Board members retire. She also introduced the guest, Mike Anderson with Seattle School of Psychology and Theology, and reported that he was interested in becoming involved. There were a few other candidates interested as well including one that attended a workshop earlier in the day.

ITEM 5: CONSENT AGENDA

The Consent Agenda items were reviewed prior to the meeting by all board members. Johnson called for a motion on all consent items. Riley moved to approve the Consent Agenda as presented and seconded by Andrus. With all in favor and none opposed, the motion passed.

The Consent Agenda consisted of the following:

- i. Voucher #19/20-11
- ii. Voucher #19/20-12
- iii. Voucher #20/21-01
- iv. Voucher #20/21-02
- v. Minutes 4/2020
- vi. New & Lost Members
- vii. Balance Sheet

- viii. Income Statement
- ix. Solvency Test

ITEM 6: BOARD/STAFF COMMUNICATION

- i. Retention of Members 20/21 – McDonnell reported that member retention was good considering the difficulties of the pandemic, as well as a tough renewal. Brokers have worked hard to keep members open by really digging in to analyze the member need for limits, deductibles, and coverage options. Overall, this resulted in more loss of exposure than loss of members for NPIP, which was expected given the challenges nonprofits were facing. Staff commented that the challenges of this year have helped identify areas for comparison to competitors and communication to brokers and members. The Board was pleased with staff's work to keep member retention high.
- ii. Committee Changes – It was discussed that there will be changes to the structure of committees as Board members retire opening up positions for the new members come in. Board members are encouraged to work with staff and others on expressing interest and expertise, to ensure everyone is on a committee they feel they can be beneficial to.
- iii. Claims Audit Report – Staff updated the Board on the claims audit. A copy was provided to the Board. Dave Kosa and Frank Andrus provided a summary for the board and reported a good audit overall. There was discussion on the summary and audit documents provided, as well as the transition for staff to adjusting remotely.

ITEM 7: ACTION ITEMS

- i. Budget (Final) 20/21 – Johanson moved to approve the final budget, as presented by staff. Riley seconded the motion. With all in favor and none opposed, there was no further discussion, and the motion passed.
- ii. Renewal Report (Final) 20/21 – Staff noted that the renewal report covered the policy renewal and expiration date, excess marketing efforts, coverage changes, coverage options, excess and surplus lines taxes, authority to bind excess coverage, the Brown & Brown disclosure statement, and Exposure Analysis Checklist. By approving the renewal report, the board is approving Excess coverage to be renewed per the renewal report. Riley moved to approve the final renewal report as presented and Heinisch seconded. There was no further discussion. The motion passed with all in favor and none opposed.

ITEM 8: UPCOMING MEETINGS/CONFERENCES

- A) November 8-10, 2020 – Workshop & All Board Meeting, TBD Area. Staff currently looking at alternate options to meet in person as pandemic allows.

Guests were excused from the call and only seated board members and staff remained.

ITEM 9: EXECUTIVE/CLOSED SESSION

Board entered executive session at 2:30pm.

The board discussed the status of an ongoing litigation. No action was taken during closed session.

Executive session ended at 2:49pm.

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 2:52 pm.

Respectfully submitted,

Taylor Montgomery

Amber Johnson, Chair