



**Nevada Public Agency Insurance Pool  
Public Agency Compensation Trust**  
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**Minutes of the Meeting of  
the Board of Directors and of the Executive Committee of  
Nevada Public Agency Insurance Pool  
Date: April 22, 2021**

Please click this URL to view meeting documents.

**Virtual Only**

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**Date: April 22, 2021**

**Time: upon adjournment of Joint Board and Executive Committee Meeting,  
which starts at 8:00am, and the Public Agency Compensation Trust meeting.**

**1. Introductions and Roll**

A quorum being present, Chair Minor called the meeting to order.

**2. Public Comment**

Chair Minor opened public comment and hearing none, closed the comment period.

**3. For Possible Action: Consent Agenda: Approve as a Whole Unless Moved From Consent Agenda**

- a. Approval of Minutes of Board Meeting of April 17, 2020
- b. Acceptance of Interim Financial Statements
- c. Actuarial Overview of POOL Reserve Liabilities as of June 30, 2020

On motion to approve the consent agenda as a whole by Josh Foli, second by Paul Johnson, the motion carried.

#### **4. For Possible Action: Acceptance of Audit for June 30, 2020**

Alan Kalt presented an overview of the audit noting the key performance ratios over several years. The audit had an unqualified opinion from the auditor. He reminded the board of the restatement of the prior year because of a board policy to eliminate amortization of contributions to PRM. He commented on various aspects of the financial statements.

On motion to accept the audit by Josh Foli, second by Mike Giles, the motion carried.

#### **5. For Possible Action: Approval of Renewal Reinsurance and Insurance Proposals and Options**

Mary Wray reviewed the Willis Re Pooling report. She discussed current market conditions in property as seeing some reductions in capacity with moderating rate increases because of named storms and wildfire disasters. She said liability trends were more adverse this year for the public sector, particularly for school districts. Overall even though several alternative markets and retention were sought, the current structure and retentions work out best for the POOL. She described the renewal process and meetings for property and liability including new reinsurance companies and structures. She then reviewed the year-over-year comparison of the program coverages.

Property reinsurance is placed with Lloyds syndicates with varying proportions and layers. Overall pricing reveals an increase of 6.23% with no reduction in coverage. She noted that optional retentions of \$1,000,000, \$1,500,000, and \$2,000,000 were analyzed and quoted, but the available credits did not offset the needed pricing from PRM to absorb the additional risk. She reviewed the “quilt” showing how the percentages were laid out.

Liability reinsurance is placed with various reinsurers with mixed results. For CRL liability pricing on other than schools, a modest rate increase occurred. For school district liability, United Educators increased their pricing by 18%, increased the retention by \$500,000 on sexual abuse and molestation (SAM) claims and established an overall pool-wide aggregate of \$12,500,000 rather than the current \$10,000,000 aggregate each member district. As a result, PRM developed pricing to fill the gaps. At the same time alternative quotes were received from three other reinsurers (Old Republic, Great American and Government Entities Mutual, but ultimately remaining with UE and having PRM fill the gaps made sense. Alternative quotes for the \$7 million excess of \$3,000,000 layer also were considered by varying the quota share percentages between GEM, Brit and PRM. Wayne Carlson commented on the evaluation of where to deploy PRM’s risk capacity in varying areas of property and liability coverage. Mary reviewed the liability “quilt” showing the recommended mix of participation.

Cyber liability coverage is offered by CRL in combination with PRM for other than schools. With UE dropping its cyber coverage, CRL was asked to extend coverage to school districts and they agreed to do so at a premium of \$43, 013. PRM provides \$1,000,000 excess of CRL’s \$2,000,000 layer at no additional cost to the POOL.

Additional coverages including equipment breakdown, student accident, pollution legal liability and terrorism property and liability remained stable. The TULIP program for special events users continues at no cost to the POOL.

Turning to the program cost comparison year-over-year, Mary reviewed their spreadsheet for each layer and type of coverage. The overall increase is 8.96% before the additional coverage programs which had reductions in costs to make the overall combined increase come in at 7.87%.

On motion to approve the renewal options as presented by Josh Foli, second by Paul Johnson, the motion carried.

**6. For Possible Action: Approval of Budget for 2021-2022 including Actuarial Funding Update**

Alan Kalt thanked the Willis Re Pooling team and the actuary for working on the various options. He reviewed the proposed budget which had two columns: one at a 75% actuarial confidence level and one at 70%, the latter being recommended by the executive committee. He highlighted the key budget items and reviewed aspects of the actuarial report showing the funding level options. He indicated that the UE program changes and costs would be allocated to the schools so their overall increase would be higher relatively. He indicated that the overall budget increase at the 70% confidence level was 5.7%.

On motion and second to approve the budget at the 70% confidence level as recommended, by Josh Foli, second by Mike Giles, the motion carried.

**7. For Possible Action: Action regarding these topics:**

- a. **Review of financial condition of each member and prompt notification to the Members of any Member determined to be operating in a hazardous financial condition**
- b. **Review of the loss experience of each Member of the association - Claims Experience Report Summary**
- c. **Review for removal of Members with excessive loss experience or Members determined by the Board to be operating in a hazardous condition**

Wayne Carlson noted that there were no members in hazardous financial condition. Alan Kalt commented that some were being taken off fiscal watch, but none are in hazardous financial condition. Wayne then reviewed the loss experience of POOL as a whole and by member category noting that there were a few very large claims for some. He said he did not think there were members who should be considered for removal.

Chair Minor indicated that no action was deemed needed.

**8. For Possible Action: Election of Executive Committee for Two Year Terms from 2021-2023**

- a. **One Representative from Special Districts**
- b. **One Representative from Counties and/or Cities with less than 35,000 Population**
- c. **One Representative of School Districts**

Chair Minor opened the election discussion. Wayne Carlson noted that the positions up to reelection were those with current terms from 2019-2021 and the new terms would be from 2021-2023. Incumbents indicated interest in continuing to serve were: Cash Minor, Geof Stark, Josh Foli and Dan Murphy. Chair Minor asked if there were any other candidates.

On motion to approve reelection of the incumbents by Paul Johnson, second by Mike Giles, the motion carried

**9. For Possible Action: Election of Chair and Vice Chair**

On motion to re-elect Cash Minor as Chair, Josh Foli as Vice Chair, the motion carried.

**10. Public Comment**

Alan Kalt offered that if anyone had questions after the meeting, feel free to call him or anyone on staff.

**11. For Possible Action: Adjournment**

Chair Minor adjourned the meeting at 12:03 p.m.

**The Agenda was posted at the following locations and on the State's Website [notice.nv.gov](http://notice.nv.gov):**

**N.P.A.I.P. / P.A.C.T.  
201 S. Roop Street, Suite 102  
Carson City, NV 89701**

**Carson City Courthouse  
885 E. Musser Street  
Carson City, NV 89701**

**Eureka County Courthouse  
10 S. Main Street  
Eureka, NV 89316**

**Churchill County Administration  
155 North Taylor Street  
Fallon, NV 89406**

**DRAFT**