



Nevada Public Agency Insurance Pool  
Public Agency Compensation Trust  
201 S. Roop Street, Suite 102  
Carson City, NV 89701-4779  
Toll Free Phone (877) 883-7665  
Telephone (775) 885-7475  
Facsimile (775) 883-7398

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**Minutes of Meeting of  
the Board of Directors and of the Executive Committee of  
Nevada Public Agency Insurance Pool  
Place: John Ascuaga's Nugget, Sparks, Nevada  
Time: 1:00 p.m. or  
Upon adjournment of PACT Board Meeting  
Date: April 26, 2013**

**1. Introductions and Roll**

A sign-in sheet was circulated and a quorum determined to be present. Chair Rebaleati called the meeting to order at 1:12 p.m.

**2. Public Comment**

None was received.

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

- **Approval of Minutes of Board and Committee Meetings:**
  - **Board Meeting April 28, 2012**
  - **Claims Committee November 5, 2012**
  - **Executive Committee September 18, 2012**
- **Acceptance of Interim Financial Statements as of February 28, 2013**
- **Amend Records Retention Policy Statement to Remove Current NPAIP Policy Language and to Adopt the Local Government Records Retention Schedule as Published by the Nevada State Library and Archives as the NPAIP Records Retention Policy Statement**

On motion and second to approve the consent agenda as a whole, the motion carried.

**4. For Possible Action: Acceptance of Audit for June 30, 2012**

Chair Rebaleati noted that the Audit Committee and Executive Committee had reviewed the audit and found it acceptable.

On motion and second to accept the audit, the motion carried.

**5. For Possible Action: Acceptance of Reports**

- a. **Claims Review Report**
- b. **Claims Audit Report**
- c. **Large Loss Report**
- d. **Actuarial Update**

- a. Wayne Carlson reviewed the highlights of each category of member, noting that certain very large losses affected multiple members and categories.
- b. Wayne noted that the POOL's independent claims auditor completed his audit recently and found that the reserves overall were on target. In one case, a large reserve change had not yet been posted at the time of the audit, but once posted, the overall difference was less than 1%. The auditor was satisfied with the claims handling process and quality of the defense counsel work.
- c. Doug Smith reviewed losses over \$100,000, commenting on several larger losses.
- d. Doug reviewed several pages of the actuarial report of reserves and the funding report to explain how the POOL loss trends developed into reserves and ultimately rates. He noted that overall funding would be flat compared to the prior year.

On motion and second to accept the reports, the motion carried.

#### **6. For Possible Action: Approval of POOL Form Changes Effective July 1, 2013**

Wayne Carlson reviewed the proposed form changes. One liability exclusion for cyber liability was added to reflect that a new section was added granting cyber liability coverage with a sublimit of \$2,000,000. He reviewed some key definitions and terms under the Cyber Event section. He noted that County Reinsurance, United Educators and Public Risk Mutual would be providing reinsurance for this coverage. CRL would provide \$1,000,000 aggregate with a \$250,000 retention by POOL for other than school districts. UE would provide \$1,500,000 with a \$500,000 retention by POOL for school districts. PRM would provide \$1,000,000 excess of CRL for other than schools and \$250,000 excess of \$250,000 retention for schools. He commented that there were nominal charges by CRL and UE for the extension, but that POOL and PRM would not be charging for this extension.

In response to questions and cyber loss prevention and risk management, Wayne indicated that CRL was arranging for some cyber risk management training and a cyber response firm either under a master contract which we could utilize or contract with directly. Chair Rebaleati suggested that a cyber risk management task force may be an important service and other board members agreed.

On motion and second to approve the POOL Form, the motion carried.

#### **7. For Possible Action: Acceptance of Renewal Reinsurance Proposals and Options**

Bob Lombard presented the renewal reinsurance proposals and options, noting that all incumbent reinsurers provided quotes. He indicated that one Lloyds syndicate had withdrawn its property capacity for its internal financial needs and two others had reduced their capacity for financial reasons. The replacement syndicates were being negotiated and the proposed costs reflected an additional potential premium to be used if needed to secure participation in the layer \$250,000,000 excess of \$50,000,000 where the other syndicates had cut back. He showed a graph of the insured value trends compared with premium trends, indicating that the rates had remained stable over a long period. The remaining reinsurers for various levels of liability offered reduced or flat pricing to renew as expiring. In addition, they offered extension of the cyber event liability coverage for an additional premium option. Overall property and liability reinsurance costs were up about \$20,000 for this option. On a comparable exposure basis, the overall reinsurance program cost comparison to the prior year was up about \$55,000 or about 1.1%.

On motion and second to approve the renewal with the cyber liability coverage extension, the motion carried.

**8. For Possible Action: Acceptance of Budget for 2012-2013**

On motion and second to approve the budget, the motion carried.

**9. For Possible Action: Approval of Amendments to Interlocal Cooperation Agreement**

- a.. Changing Member voting status upon change of form of government from independent to advisory board status**
- b. Changing method for approving towns and special districts for voting status**
- c. Changing composition of Executive Committee membership**
- d. Changing notice of withdrawal from 120 days advance notice to 120 days notice in advance of program renewal date**
- e. Changing method for approval of interlocal cooperation agreement changes**

Wayne Carlson walked the board through the various changes, explaining the purpose for each one. Regarding item 10.a., he explained that the Town of Pahrump was subject to a vote about dissolving the town board form of government into an advisory board which would eliminate their voting status on the POOL board. However, the ballot measure was appealed by the town, lost at district court and was pending Nevada Supreme Court review and decision, thus no action was necessary until 2015 when the vote takes effect or when the court makes its ruling. He suggested no change be made at this time.

Regarding 10.b., this change was to clarify the current language, but not the intent.

Regarding 10.c., he noted that this was a policy decision for the board

Item 10.e. changes a provision that was unworkable since the whenever there was a change in voting member representation, the POOL board was not the proper board to replace the representative, but the Member organization's board. In addition, changes to the Interlocal Cooperation Agreement should be made by the POOL board and not be subject to additional action by the individual member board.

Chair Rebaleati called for discussion of the various changes. Josh Foli proposed a motion, which was seconded, to accept the changes excluding any changes to the town provisions or the Executive Committee composition. It was suggested this be studied in the future perhaps as part of a retreat. The motion carried.

**10. For Possible Action: Approval of Amendments to Bylaws**

- a. Changing method for filling vacancies of Member board positions**
- b. Changing provision as to when a vacancy is deemed to have occurred**

Wayne Carlson reviewed the proposed changes as clarifications for handling vacancies. Josh Foli suggested that an additional item be added under 4.04 as (f) to eliminate the board position entirely if the Member withdraws. On motion and second to approve the changes and to direct staff to work with legal counsel for final language to add (f) as proposed, the motion carried.

**11. For Possible Action: Election of Executive Committee for Two Year Terms from 2013-2015**

- a. One Representative from School Districts**
- b. One Representative from Counties and/or Cities with under 35,000 population**
- c. One Representative from Special Districts/Towns**

Chair Rebaleati reviewed the list of incumbents up for reelection noting they were willing to continue to serve. He noted the vacancy of the hospital position.

On motion and second to retain the incumbents, the motion carried.

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

Chair Rebaleati indicated that both he and Vice Chair Minor were willing to continue to serve. On motion and second to elect both incumbents, the motion carried.

**13. Public Comment**

None was received.

**14. For Possible Action: Adjournment**

On motion and second to adjourn, the meeting adjourned at 1:57 p.m.

**The Agenda was posted at the following locations:**

**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 Administrative  
Complex  
155 North Taylor Street  
Fallon, NV 89406**