



**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 21, 2022**

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

Please click this URL to view meeting documents.

Virtual Only

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1. Introductions and Roll

Chairman Josh Foli called the meeting to order at 11:45 AM

2. Public Comment

The Chair opened the public comment period; there were no comments.

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

a. Approval of Minutes of Board Meeting of April 22, 2021

b. Acceptance of Interim Financial Statements

On motion to approve consent agenda as a whole by Geof Stark , second by Elizabeth Frances, the motion carried.

4. For Possible Action: Acceptance of Audit for June 30, 2021

Alan Kalt, CFO reviewed the Audit PowerPoint presentation highlighting financial operations during the year, as well as, reviewing the actuarial report of fiscal year liabilities for the POOL. He noted that the Net Position increased by \$1.8M during the year. He noted that the reserves for claims and claims adjustment expenses increased during the year as determined by the independent actuary using the 75% confidence level based on board policy. The audit report notes the financial strength of the POOL.

On motion to approve acceptance of audit by Elizabeth Frances, second by Mike Giles, the motion carried.

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

Stephen Romero went over the structure graph of the POOL program and layers of coverage. He reminded the Board that each year the POOL goes out to bid or shops the coverage with the various markets to ensure the best overall price of the reinsurance program for the members. The property coverage is still being finalized by the London Willis Brokers anticipating a 7.5% increase due to an increase in claim cost on excess property losses. Next, Stephen reviewed the Year over Year graph showing the changes from the current year (expiring) to the renewal year. The Option for consideration is moving the school coverage to Old Republic rather than United Educators for a cost savings/reduction in the amount of increase to our school members. Furthermore, on the excess liability structure going with 100% of GEM rather than the 35% GEM, 40% Brit and 25% PRM. This move to GEM results in an estimated savings of \$122,500 over the expiring rates. Stephen empathized that the Year over Year comparison is for the reinsurance coverage only and the primary layer is with the POOL and will be addressed in the next agenda item of the POOL budget.

On motion to approve renewal of reinsurance proposals contained in Option 1 wherein the school liability coverage will be with Old Republic and the excess liability 100% with GEM by Curtis Calder, second by Mike Giles, the motion carried.

6. For Possible Action: Approval of Budget for 2022-2023 including Actuarial Funding Update

Alan Kalt, CFO, went over the 2022-2023 budget overview summary pages included in the packet. He noted that the increase in the property rate over the estimated 5% will increase the overall cost by an additional 0.85% as noted in Option 3 in his summary. Alan reminded the members that the POOL has a very active working layer as the SIR for property is \$200,000, Liability lay pays the first \$500,000 in claims costs with Cyber and Environmental paying the first \$250,000 of each and every claim. As such, the increase in these costs at the 75% CL funding as recommended by the independent actuary pushes the overall rate increase to 11.93% in the Option approved above in the reinsurance renewal.

After a brief discussion, on motion to approve the budget for 2022-2023 for POOL by Curtis Calder, second by Mike Giles, the motion carried.

7. For Possible Action: Approval of Renewal Contract with Davies Claims Solutions

Chairman Foli indicated that the contract was in the packet and was similar to the PACT contract. There were no additional questions.

On motion by Curtis Calder to approve renewal contract , second by Mike Giles, the motion carried.

8. For Possible Action: Approval of POOL Coverage Form Changes for 2022-2023

Wayne Carlson , Executive Director walked through the various changes in the POOL Coverage Form as recommended by outside legal counsel Jack Angaran.

After a brief discussion, on motion to approve POOL Coverage form changes by Curtis Calder, second by Mike Giles, the motion carried.

9. For Possible Action: Approval of POOL Cyber Risk Coverage Form Changes for 2022-2023

Wayne Carlson and Jack Angaran discussed the proposed changes in the POOL Cyber Risk Coverage Form as included in the packet. They noted that these changes were necessary to agree to the coverage terms and conditions of the reinsurance carriers and limit reductions.

On motion to approve POOL Cyber Risk Coverage form changes by Mike Giles, second by Curtis Calder, the motion carried.

10. 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**

A discussion was held on these three items. It was noted that we were not aware of any member operating in a hazardous financial condition that warranted removal from the POOL. Donna Squires, Davies Claims Manager, noted the excessive claims experience of Nye County as noted in the Claims report included in the packet. It was noted that members with higher claims experience will pay a higher rate as determined by the independent actuary. At this time, there was no action taken.

11. For Possible Action: Election of Executive Committee for Two Year Terms from 2022-2024

- 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**

The declared candidates for the Executive Committee were Scott Lindgren from Tahoe Fire District representing the Special Districts, Ann Cyr from Carson City School District for the School District representative, and Gina Rackley representing Counties/Cities with less than 35,000 population for two-year terms for 2022-2024. Amanda Osborne will serve the remaining term vacated by Cash Minor through 2023.

On motion to approve the declared candidates by Curtis Calder, second by Dave Mendiola, the motion carried.

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

Chair Josh Foli indicated that he is willing to continue to serve as Chair if elected by the board. Geof Stark indicated that he was willing to serve as Vice Chair if elected.

On motion to approve Josh Foli as POOL Chair and Geof Stark as Vice Chair by Mike Giles, second by Gina Rackley, the motion carried.

13. Public Comment

The Chair called for Public Comments. There were no comments.

14. For Possible Action: Adjournment

Chair Foli adjourned the meeting at 12:46 PM

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