MINUTES

The Non Profit Insurance Program Board of Directors conducted a regular meeting on April 13, 2018, at 10:00am.

ITEM 1: INTRODUCTION & ROLL CALL

<table>
<thead>
<tr>
<th>Board Member Name</th>
<th>Representation Member Entity</th>
<th>Board Position</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jon Andrus</td>
<td>Catholic Charities of Spokane</td>
<td>Area 4 Representative</td>
<td>Present</td>
</tr>
<tr>
<td>Madelyn Carlson</td>
<td>People for People</td>
<td>Chair &amp; Area 3</td>
<td>Present</td>
</tr>
<tr>
<td>Cheryl Hamilton</td>
<td>Educational Opportunities for Children &amp; Fam.</td>
<td>Area 2</td>
<td>Present</td>
</tr>
<tr>
<td>Darlene Riley</td>
<td>Paratransit Services</td>
<td>Vice Chair &amp; Area 1</td>
<td>Present</td>
</tr>
<tr>
<td>Amber Johnson</td>
<td>Spokane Neighborhood Action Partners</td>
<td>At-Large #1 Rep</td>
<td>Present</td>
</tr>
<tr>
<td>Mike Heinisch</td>
<td>Kent Youth and Family Services</td>
<td>At-Large 2</td>
<td>Present</td>
</tr>
<tr>
<td>Karl Johanson</td>
<td>Disability Action Center – NW, Inc.</td>
<td>Fiscal Officer &amp; At-Large 3</td>
<td>Present</td>
</tr>
<tr>
<td>Grant Baynes</td>
<td>Senior Life Resources</td>
<td>Alternate</td>
<td>Absent – Excused</td>
</tr>
<tr>
<td>Glenn Ford</td>
<td>Bastyr University</td>
<td>Alternate</td>
<td>Absent – Excused</td>
</tr>
</tbody>
</table>


clear risk solutions:  

Rachel Huffman  
Sarah McDonnell  
Rich McBride  
Rich Moore  
Taylor Montgomery  
Meghan Paysse  
Rick Templeton  
Brian Tumbull

Guests:  
None

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

ITEM 2: PUBLIC COMMENT

None

ITEM 3: CHANGES TO THE AGENDA

Added Letter to Brokers regarding renewal to Item 6. Added Board Account Updates to Item 6H.

ITEM 4: COMMITTEE REPORTS

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

i. Summary Review

a. Write-Off Report. There are no write offs to report.

b. Accounts Receivable. The fiscal committee has reviewed the current Accounts Receivable reports. There are no items of concern at this time.
c. Bank Statements. The bank statements for the last quarter have been reviewed and the committee has no concerns at this time.

d. Investment Report. The committee has reviewed the quarterly investment report from investment advisors, Peterson Hastings, and has no concerns at this time. Staff and committee review reports from custodian and advisors quarterly. A new policy has been provided for the upcoming year, to update the date only, and is a part of Item 7.

e. Program Premium Report, New & Lost Business Report. McDonnell reported on new and lost business. Per authority given by the board, one account was cancelled at brokers request due to inability to make payments. This is on Item 5 for board approval. Approximately $55,000 in new business annualized premium was added.

f. Tax Update. The Fiscal Committee reported that they reviewed the tax summary prior to the board meeting, reporting that for the year ending 5/31/17 all amounts owing have been paid and returns filed January 26, 2018. Three prepayments, at $25,000 each, have been made quarterly for the 2017-2018 tax year.

ii. Preliminary Renewal Recommendation. Huffman reviewed the preliminary renewal reports. Huffman reported that the current policy will expire on 5/31/18 and a new policy term will begin from 6/1/18 to 5/31/20. Staff has worked with Munich Re on coverage enhancements. The Fiscal Committee recommends the two year policy with Munich Re. The renewal report is action item 7B.

iii. Preliminary Budget Recommendation. Templeton reminded the board of their process regarding the preliminary budget and final budget. Preliminary budget includes a 4.6% increase for the pool as a whole, plus $500,000 growth premium. The Aggregate Stop Loss policy is in place and the pool is fully funded. Staff restructured the expense lines to simplify the document, noting that the Fiscal Committee will have all details and can view any sub-ledgers on the report at any time. Most of the expense adjustments reflected on the report are decreases from the prior years. Funds not used to pay taxes will drop to the bottom line. Due to several new unknown factors regarding taxes in 2018 it is recommended to leave the estimate at the same number as last year’s budget. The preliminary budget is action item 7A.

ITEM 4(B) – Executive Committee (Carlson, Johanson, Riley): At this time the Executive Committee has nothing to report.

OTHER COMMITTEES:
Legislative Committee (Johanson, Carlson, Hamilton): Carlson summarized the workshop call with the lobbyists, reporting that there have been multiple turnovers on the hill, resulting in new legislators to meet with. The board is very appreciative of the lobbyists’ work and will continue to work with them and meet the new representatives.

Board Recruitment Committee (Carlson, Riley, Johnson): The committee reported they didn’t meet as the board is currently full.

ITEM 5: CONSENT AGENDA

The Consent Agenda consisted of the following:
A. Voucher #17/18-09
B. Voucher #17/18-10
C. Minutes 2/12/18
D. Balance Sheet
E. Approval of New Members & Lost Business
F. Income Statement
G. Solvency Test

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

ITEM 6: Board/Staff Communication
ITEM 6(A) Project Form Reports / Workshop:

i. Financial Restructure. The Fiscal Committee worked with staff to research further into a dividends option for the pool. After in-depth discussion of the nonprofit status of NPIP in Washington, equity goals, the Board decided to table the option for the time being in order to build more equity for the pool.

ii. Equity Planning. The Board and staff revisited their notes from a workshop conducted a few years prior and have agreed that a 1% target, with a minimum of $1,000,000 before the equity is used, is a good start for the pool. The Board is looking at an overall target of $3,000,000 to ensure long term stability for the pool, before re-assessing goals again.

iii. Administrator Goal Report. Staff provided the Board with a full report on Administrator (TPA) goals and projects worked on throughout the year. There was brief discussion on each item. Per board process, the evaluation of the TPA will be conducted and reported in the next few months by the executive committee.

iv. Board Self Evaluation. Carlson gave a summary of the annual self-evaluation by the board. While the outcome overall was good, they have agreed to continue looking into the out-of-state expansion, focus on board succession, and the opportunity to build from the diverse membership of the pool by inviting members to participate within different committees. As part of their plan going forward the board mentioned using a dashboard system to identify key performance indicators, project status, and to help identify goals.

v. Claims Education. Phil Riche and Frank Andrus led a workshop detailing how claims are handled from start to finish. They explained the different types of claims, process, and requirements for claim types.

vi. Annual Review.
   a. Personal Services Agreement – staff reviewed the document in place until 2019, with an optional extension to 2020.
   b. Broker Agreement – staff reviewed the document in place until 2019, with an optional extension to 2020.
   c. Board Reimbursement Policy – Board reviewed the contract that outlines what can be expensed back to the pool and board members.
   d. Job Description & Commitment form – The board reviewed this contract that outlines duties of a board member and confirms their commitment to the board and the pool.
   e. Officer Duties – updated with new position clarification. Fiscal Officer title now includes Treasurer.
   f. Conflict of Interest – contract signed annually by the board.
   g. Meeting Operating Procedures – board annually reviews the meeting operating procedures put in place that replaced Robert’s Rules.
   h. Resolution – 16-17-B Member Removal – Reviewed their resolution that gives staff the authority to cancel members. The board will have retroactive approval when a member is cancelled.
ITEM 6(B) – Multistate Update – Notice to DES. Staff gave a brief summary of the multistate workshop given by Becky Holt. Currently staff is waiting on a response from the Department of Enterprise Services, once a response is in next steps can be determined. Response was requested by 5/1/18.

ITEM 6(C) – Meeting Calendar: There was brief discussion regarding number of board meetings and retreats throughout the year. The Board has agreed that it is best to continue meeting for a retreat twice a year as they are good for personal relationships between board members as well as professional. This timeline also allows the alternate board members more opportunity to attend meetings and workshops.

ITEM 6(D) – 2018 Election Results. Voting for the four open positions ended on 3/30/18. Staff counted all the electronic votes, checking for write-in candidates, and reported that none of the board members running for re-election were opposed. Amber Johnson received 105 votes with no write-ins. Karl Johanson received 104 votes with no write-ins. Darlene Riley received 105 votes with no write-ins. Madelyn Carlson received 105 votes with no write-ins.

ITEM 6(E) – Claims Audit Report. McDonnell reported that the claims audit, conducted by Gary Jennings – a third party, had been returned. Staff concluded it was a good report and showed no cause for concern. The full report will go to DES, as part of the annual report, as required.

ITEM 6(F) – Risk Management Update. Staff introduced Rich McBride to the board, as the new Risk Management leader. McBride and his team evaluate members based on claims trends, provide services, and work with members in need of additional attention. Staff discussed the number of members on an improvement plan and have no concerns.

ITEM 6(G) – Misc./Other. It was reported to the board that staff sent out an informational letter to brokers explaining the upcoming renewal. Staff gave a brief update on an open claim, stating they are waiting on more information.

ITEM 6(H) – The board discussed changes and decisions made within their own organizations and events that may be impacting them.

ITEM 7: ACTION ITEMS

A. 2018/2019 Preliminary Budget & Summary. Johanson moved to approve the preliminary budget and summary as presented, Andrus seconded. There was no further discussion. With none opposed the motion carried.

B. 2018/2019 Renewal Report (Preliminary). Hufman reminded the board that with the action item, the board is approving the 2018-2019 Renewal Report as presented, but that staff is actively trying to improve the renewal terms. Hufman requested authority to bind coverages, as needed, noting that the final chart of coverages and changes from the report as presented will be reported back to the board in August, if needed. Hufman 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. Preliminary Report was presented and accepted by board with the Final Report being presented at the next meeting in August. Johanson moved to approve the renewal report as presented by the staff, Riley seconded. No further discussion or concerns followed. With none opposed the motion carried.

C. Board Resolution – Treasurer/Fiscal Officer. Riley moved to approve the adjustment of the title of Fiscal Officer to include Treasurer, Heinisch seconded. All were in favor of the action, motion passed.

D. Investment Policy. McDonnell mentioned that the investment policy is not year to year, but longer contract period. There were no changes to the contract, just an update of the dates. Andrus moved to approve, Johanson seconded. The motion passed as none were opposed.
E. Non-renewal of member(s). McDonnell gave a summary of an account that staff is recommending non-renewal for. The account in question prepared a letter to present to the board presenting their case. In consideration of the letter and staff's recommendation Johanson moved to non-renew the account, seconded by Johnson. None opposed the motion was passed.

F. Alternate Board Member. McDonnell reported on Grant Baynes, a board alternate, and his term length. As the term is coming to a close the board decided to renew his term and will invite him back as an alternate. Johanson moved to approve the board decision to renew Baynes' term, Johnson seconded. With none opposed to the motion, it passed.

G. Officer Elections. The Board declared they would like to start a nomination committee for future elections. After brief discussion Heinisch moved to approve Darlene Riley as the new Chair and Amber Johnson as the new Vice Chair. Andrus seconded. There was no further discussion regarding the chair or vice chair positions, none were opposed and the motion was carried. Regarding the Fiscal Officer/Treasurer position, Andrus moved to nominate Karl Johanson as the Fiscal Officer/Treasurer, Heinisch seconded. None opposed so the motion carried.

ITEM 8: EXECUTIVE SESSION
None.

ITEM 9: UPCOMING MEETINGS/CONFERENCES
   A) April 18, 2018 – NPIP Risk Sessions at Washington Nonprofits Conference in Yakima
   B) May 15, 2018 – Meydenbauer Center – NPIP Hosted Tracks, Bellevue
   C) August 13, 2018 – NPIP Workshop & Meeting – Ephrata
   D) August 2018 – Annual Membership Meeting (webinar)

MEETING ADJOURNED
There being no further business, the meeting was adjourned at 12:12pm.

Respectfully submitted,

Taylor Montgomery

Madelyn Carlson, Chair