



Schools Insurance Association of Washington

For Washington Schools. By Washington Schools

ALL MEMBERS MEETING

Double Tree Hotel
Spokane WA

4:00 P.M., Tuesday May 3, 2011

REVISED AGENDA

ITEM 1

INTRODUCTIONS-

- Welcome to members, brokers and visitors - Jan

ITEM 2

OPEN BOARD POSITIONS - Jan

ITEM 3

APPROVAL OF MINUTES – Jan

January 21, 2011

ITEM 4

FISCAL COMMITTEE APPROVED VOUCHERS –Phil

- February – April, 2011

ITEM 5

CHANGES AT CANFIELD -

- SAO directive/ Board directive - Jim

ITEM 6

FINANCIAL Report – Jim

- ULAE – Intent to Clarify - Jim
- Annual Actuary Report - Jim

ITEM 7

CLAIMS REPORT – Phil

- Large Claims and Trending Report
- Driving Simulator Report

ITEM 8

RENEWAL UPDATE-

- Preliminary Budget timeline – Eric and Jim
- Renewal committee timeline - Eric
- Review of Changes made last Year – Eric and Jim

ITEM 9

RISK MANAGEMENT AND ACCOUNT ED UPDATE –

- Membership loss improvement program update - Shane
- Recent Alerts Sent - Shane
- Account Education Platform - Chris

ITEM 10

RENEWAL UPDATE-

- Preliminary Budget timeline – Eric and Jim
- Renewal committee timeline - Eric
- Review of Changes made last Year – Eric and Jim

ITEM 11

BROKER MEETING REPORT – Ron and Eric

ITEM 12

LEGISLATIVE UPDATE - Eric

ITEM 13

NEXT MEETING – Jenni



For Washington Schools. By Washington Schools

BOARD OF DIRECTOR'S

**Courtyard Marriott, Tukwila, WA
10:00 A.M., Tuesday, January 11, 2011**

The Schools Insurance Association of Washington conducted their all Board Sit down meeting at the Courtyard Marriott, Tukwila, Washington on January 11, 2011 at 10:00 a.m. Board members participating: Jan Hutton, Central Valley S/D; Rich Puryear, Richland S/D; Wayne Leonard, Mead SD; Monte Redal, Moses Lake S/D; Terri Patton, South Kitsap S/D; Rich Moore, Renton S/D; Jeff Role, Yelm S/D and Ron Cowan, Bellingham S/D. Other attendees included: Phil Riche, Jenni Bates, Stefanie Lowry, Jim Cherf, Shane Heston, Paul Harrison, Eric Homer, Mandi Pratt and Jenni Bates representing Canfield. Also in attendance were representatives from Member Districts and Insurance Brokers from various schools within the SIAW.

Chairperson Hutton called the meeting to order at 10:00 a.m.

ITEM 1 INTRODUCTIONS

Introductions were conducted.

ITEM 2 APPROVAL OF MINUTES

The minutes of September–December 2010 were reviewed and approved as written. Motion Puryear, second Moore. Motion carried.

ITEM 3 SNOWLOAD DEVICES

Cherf explained the idea behind the purchase of several snow devices to measure and be proactive regarding snow loads on roofs. Canfield purchased the snow devices from an engineering firm in December and is asking SIAW to reimburse them for up to \$3000.00. Each School in the program that is in an area of concern regarding snow load, will receive a device and training on how to accurately use the device. Motion Moore, to reimburse Canfield up to \$3000.00 for the purchase of SIAW snow devices mentioned above. Second Redal, motion carried.

ITEM 4 RESERVE ACCOUNT REPORT AND VOUCHER APPROVAL

The vouchers have been audited and certified by the Auditing Officer as required by RCW 42.24.080 and those expense reimbursement claims certified as required by RCW 42.24.090 have been recorded on a listing, which has been made available to the Board of Directors.

As of this date, January 21, 2011 the Board does approve for payment those vouchers included in the above list and further described as follows: Voucher #10/11-05 in the amount of \$1,301,188.95. Motion Puryear, second Patton. Motion carried.

October, November and December 2010 fiscal committee reviewed vouchers were approved by the full Board of Directors per the motions below. Motion Puryear to approve October 2010 fiscal committee approved voucher # 10/11-02 in the amount of \$ 1,713,054.96; November 2010 fiscal committee approved voucher # 10/11-03 in the amount of \$572,709.20; also to include December 2010 fiscal committee voucher # 10/11-4 in the amount of \$4,411,249.41. Second Redal, motion Carried.

ITEM 5

FALL RETREAT RE-CAP

Year- end financial report - Cherf presented a current copy of the financials to those present; all questions were answered in detail. The Board discussed ULAE in detail and expressed some concern going forward on the amount that was established. This will be an on-going discussion as further work is done.

Risk Management Policy and Benchmarks – Heston presented a slide show on claims development and re-explained how the MLIP plays out in combination to the claims data he presented. Direction was given to keep perfecting the idea behind the Membership Loss Improvement Plan (MLIP) as all members are interested in keeping claims down in the program.

2011- Legislative Plans and Activities – WCIA/OFM have drafted a non agency bill that we are aware of, this bill has not yet been dropped, however the SIAW Lobbyist Marcia Fromhold is watching daily. She will send weekly updates to the committee through Jenni Bates to keep everyone informed. If that happens, there will be a lot of work to do in Olympia, as that bill, if passed will change the way SIAW does business in a negative way.

Large Claims Report – Riche went over the larger claims and any settlements that have taken place since our last meeting. All questions were answered. Direction from the Board for May meeting would be to add some trending to the report as well, if there is on-going issues that should be shared with all Districts.

Riche also presented the claims audit report from the Gary Jennings audit, along with Canfields response to the Board.

Claims review – Riche also presented a complete claims report on all loss classifications in detail. The Board was presented graphs to refer to along with Heston's earlier slide show.

Membership Visits – Riche reported he has scheduled a visit to all SIAW member schools this year.

ITEM 6

UPDATE ON RESENT MEETINGS

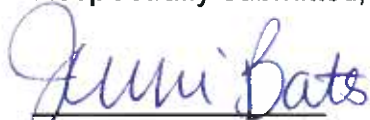
Hutton and Leonard up-dated the Board regarding a phone meeting with James Marta, all questions were answered. The November meeting with Marty Brown was discussed and the last meeting with SAO was discussed. All questions were answered.

ITEM 7

NEXT MEETING

The next meeting of the Board is scheduled as a fiscal committee conference call on February 10, 2011 at 8:00 a.m., the next Sit Down meeting of the Board is May 3, 2011 in Spokane WA.

Respectfully submitted,


Jenni Bates

Jan Hutton, Chair

Schools Insurance Association of WA
Balance Sheet
March 31, 2011

ASSETS

Current Assets		
Claims/Checking Acct AWB	(\$ 120,648.92)	} > 55% confidence level
Reserve Acct AWB	4,183,467.98	
Wells Fargo Checking	700.59	
Wells Fargo Savings	3,686,573.70	
Grant Co Investment Pool	8,120,413.43	
Accounts Receivable	712,382.75	
Equipment	25,000.00	
Accum Depreciation - Equipment	(15,000.00)	
Buy-In Receivable	<u>18,454.00</u>	
 Total Current Assets		 16,611,343.53
 Total Assets		 <u>\$ 16,611,343.53</u> > 70% confidence level

LIABILITIES

Current Liabilities		
Reserved Claims 02/03	\$ 1,090.56	} 55% confidence level per 8/31/10 actuary report
Reserved Claims 04/05	8,781.00	
Reserved Claims 05/06	374,943.74	
Reserved Claims 06/07	508,024.40	
Reserved Claims 07/08	761,147.72	
Reserved Claims 08/09	963,057.51	
Reserved Claims 09/10	2,639,129.30	
Unreported Claims 04/05	72,529.00	
Unreported Claims 05/06	229,691.00	
Unreported Claims 06/07	446,885.00	
Unreported Claims 07/08	802,019.00	
Unreported Claims 08/09	1,449,245.00	
Unreported Claims 09/10	313,957.00	
Unallocated Loss Adj Expense	<u>650,000.00</u>	
 Total Current Liabilities		 9,220,500.23
 Total Liabilities		 <u>9,220,500.23</u>
 Fund Balance		
Reserved Equity (70% confidence level)	427,982.00	(per WAC requirements)
Reserved Equity (85% confidence level)	457,800.00	(per board policy)
Unreserved Equity	1,064,981.09	
Current Contrib. to Fund	<u>5,440,080.21</u>	
 Total Fund		 <u>7,390,843.30</u>
 Total Liabilities & Fund Balance		 <u>\$ 16,611,343.53</u>

Schools Insurance Association of WA
Income Statement
Compared with Budget
For the Seven Months Ending March 31, 2011

	Current Month Actual	Year to Date Actual	Year to Date Budget
Revenues			
Program Costs	(\$ 265.70)	\$ 9,097,998.00	\$ 9,349,970.00
Excess Insurance Income	(8,564.94)	12,488,168.28	12,835,406.00
Interest Income	20,564.33	114,114.79	175,000.00
Total Revenues	<u>11,733.69</u>	<u>21,700,281.07</u>	<u>22,360,376.00</u>
Expenses			
Administrative Fee	27,895.58	195,269.06	334,747.00
Risk Mgt/Loss Control Fee	41,439.67	290,077.69	497,276.00
Inservice Programs	8,673.93	30,024.83	30,000.00
Prelitigation Program	34,890.06	173,547.88	240,000.00
Group Legal/Accounting	229.00	229.00	0.00
Consultant/Lobbyist	1,190.00	8,330.00	14,280.00
Driving Simulator	10,803.22	49,169.60	95,000.00
State Audit & Fees	18,980.62	34,794.22	18,000.00
Actuary Study	0.00	8,875.00	18,000.00
Miscellaneous & Supplies	4,300.59	24,608.30	35,000.00
Meeting Expense	0.00	12,072.92	20,000.00
Medicare Reporting	0.00	4,500.00	4,500.00
Director's E&O	0.00	22,740.40	23,000.00
Property Deductible Supplement	156,304.46	820,725.79	1,884,000.00
Claims Physical Damage	18,389.07	159,037.21	300,000.00
Claims Expense	221,543.82	1,376,621.52	5,586,167.00
School Deductible Advancement	27,220.09	100,374.42	500,000.00
Deductibles Recovered	(60,640.76)	(275,527.65)	(375,000.00)
Subrogation Recovered	(853.05)	(4,682.13)	(125,000.00)
Reserved Claims-Prior Years	507.75	507.75	0.00
Excess Insurance	587.40	12,796,489.76	12,835,406.00
Catastrophic Medical Insurance	0.00	430,507.00	425,000.00
Bad Debt Expense	0.00	1,908.29	0.00
Total Expenses	<u>511,461.45</u>	<u>16,260,200.86</u>	<u>22,360,376.00</u>
Net Income	<u>(\$ 499,727.76)</u>	<u>\$ 5,440,080.21</u>	<u>\$ 0.00</u>

For Management Purposes Only



For Washington Schools. By Washington Schools

**PERSONAL SERVICES AGREEMENT
INTENT CLARIFICATION**

THIS INTENT CLARIFICATION by and between the Schools Insurance Association of Washington (SIAW) and Public Risk Underwriters of the Northwest, Inc., doing business as Canfield & Associates (TPA) is made pursuant to paragraph 11 of the Personal Services Agreement between the parties dated August 22, 2006.

WHEREAS, paragraph 2 regarding claims management and paragraph 10 regarding consideration are silent about whether the parties intend to include claims management personal services and costs related to runoff of SIAW member losses that occurred or were reported during the term of this Personal Services Agreement;

NOW THEREFORE, the parties mutually understand and agree to the following clarifications:

1. The TPA will administer in all matters related to the processing, supervision and resolution of all program and program membership claims or losses that occurred during the term of this Personal Services Agreement, regardless of whether the claim or loss is considered under the terms of the joint self-insurance certificate or policy as an occurrence or claims-made loss.
2. The fees that have been negotiated and paid during the term of this Personal Services Agreement include prepayment for runoff claims management personal services.
3. Past annual financial reports have correctly omitted a provision for unallocated loss adjustment expenses (ULAE) because the SIAW is prepaying the TPA's costs that cannot be associated with specific claims but are related to the claims adjustment process, such as administrative and internal expenses related to settlement of claims at the termination of the Personal Services Agreement.

IN WITNESS WHEREOF, the parties hereto have caused these present to be signed by their duly authorized officers as of May 3, 2011, to be considered the intent of the parties as of the day and year first entered into as the Effective Date of this Personal Services Agreement.

SCHOOLS INSURANCE ASSOCIATION
OF WASHINGTON

By: _____
Chair, Board of Directors

By: _____
Vice Chair, Board of Directors
PUBLIC RISK UNDERWRITERS OF THE
NORTHWEST, INC., doing business as
CANFIELD & ASSOCIATES

By: _____