

**NORTH BAY SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING
April 19, 2023**

**The Daily Desk – Harry Price Conference Room
490 Chadbourne Road, Suite 100; Fairfield, CA 94534**

MINUTES

- CALL TO ORDER** The meeting was called to order at 12:02 p.m. by President Best.
- ATTENDANCE** Voting Board Members in attendance:
Matt Best, Davis Joint USD
Trudy Barrington, Dixon USD
Laneia Grindle, Fairfield-Suisun USD
Josh Schultz, Napa County Office of Education
Dana Page, Napa Valley USD
Sal Abbate, Solano Community College District
- Voting Board Members in attendance by Zoom:
Christy Patterson, BSSP (listening remotely)
Nicole Strauch, BSSP (voting member)
Tim Rahill, Benicia USD (joined at 12:11)
Michelle Henson, Solano County Office of Education
Andrea Stubbs, St. Helena USD
Gabe Moulaison, Travis USD (joined at 12:14)
Rosa Loza, Vallejo City USD
Lisa Dennis, Winters JUSD (left after Closed Session at 1:30)
- Absent (voting):
Maureen Hester, Calistoga JUSD
Manolo Garcia, Vacaville USD
- Staff and Guests in attendance:
Kim Santin, NBSIA
Carrie Green, NBSIA
Karen Antunes, NBSIA
Kami Liñan, NBSIA
Brandon Schlenker, NBSIA
Denise Schreiner, NBSIA
Andrew Obando, NBSIA
Mike Harrington, Bickmore Actuarial (presentation under item 5(i))
Emma Rooney, KYND (presentation under item 5(ii))
- Staff and Guests in attendance by Zoom:
Rob Cutbirth, General Counsel (left after Closed Session at 1:36)
- APPROVAL OF AGENDA** Motion made by Page, seconded by Schultz, and carried unanimously to approve the agenda as presented. (*Ayes: Abbate, Barrington, Best, Dennis, Grindle, Henson, Loza, Moulaison, Page, Schultz, Strauch, Stubbs; Noes: none; Abstained: none; Absent: Calistoga JUSD, Vacaville USD*)
- PUBLIC COMMENTS** None.
- MEMBER REPORTS AND COLLABORATION** None.

REPORTS TO THE BOARD OF DIRECTORS

2023 Actuarial Reports, Mike Harrington, Bickmore Actuarial

Mike Harrington presented a slide deck on the 2023 actuarial reports for all self-funded programs and the captive. The workers' compensation and general liability experience modification reports were presented, showing various changes by Member. Overall, he reported that estimates in property/liability have caught up with trends, with favorable loss development and reduction in the self-funded rates for both liability and property of about 9.2%. The program is now funded above the 90% confidence level. Workers' Comp and the Captive continue to outperform expectations. Loss rates increased slightly from the prior year, resulting in a modest 4.4% rate increase. Overall, funding is strong and well-positioned to meet future obligations. Vallejo saw a modest increase as well from \$1.84 last year to \$1.91 for FY2023-24 (3.5% increase). Similarly, Butte will see a 4.4% increase from \$1.25 to \$1.31.

KYND Presentation, Emma Rooney

Emma Rooney from KYND presented to the Board their services and cyber security supports. Rooney presented the program highlights which included cyber guidance and supports in order to reduce susceptibility of a cyber event across the membership. KYND's services will include external vulnerability assessments and remediation, programmatic training for key staff throughout the membership, guidance throughout the renewal process, and continuous monitoring and tech support.

Executive Director's Report / Board Briefing

The Board was provided with an update including upcoming training and meetings dates. Santin also reported on the NBSIA Reboot training for member Districts and COEs at the beginning of March and an NBSIA team-building Day as well. Santin also reminded the Board of the upcoming AGRiP and CAJPA conferences.

CLOSED SESSSION

The Board entered Closed Session at 1:03 p.m. for discussion and possible action on the following matters:

- A. Conference with Legal Counsel regarding Anticipated Initiation of Litigation Based on Presently Understood Facts and Circumstances pursuant to Government Code Section 54956.9(d)(4) (Attorney, Rob Cutbirth, in attendance)

REPORT FROM CLOSED SESSION

The Board returned from Closed Session at 1:36 p.m. and reported that no action was taken.

ACTION ITEMS

Consent Calendar

Motion was made by Schultz, seconded by Grindle, and carried unanimously to approve all items listed on the Consent Calendar, including the Strategic Planning Minutes of January 26, 2023; Regular Meeting Minutes of January 27, 2023; Q3 Financial Statements; Q3 Investment Report; Personnel Actions; Personnel Handbook; Dental Renewal Amendment to Agreement (Keenan & Associates); Vector Solutions Contract; March 2023 Actuarial Studies for Self-funded Programs (Bickmore), including Workers' Compensation Program, NBSIA

(ULAE), Workers' Compensation Program, NBSIA and NBIG, Workers' Compensation Program, BSSP, Workers' Compensation Program, Vallejo City USD, Workers' Compensation Experience Modification Factors; Property/Liability Program; and Liability Program Cost Allocation (Ayes: *Abbate, Barrington, Best, Grindle, Henson, Loza, Moulaison, Page, Schultz, Strauch, Stubbs*; Noes: *none*; Abstained: *none*; Absent: *Calistoga JUSD, Vacaville USD, Winters JUSD*)

WORKERS' COMPENSATION PROGRAM

Workers' Compensation Rates for FY2023/24 – NBSIA

Santin reminded the Board the tail liabilities have been transferred to the NBIG Captive as of January 1, 2022. Based on the actuarial study, the liabilities have increased just over \$1.2 million from last year based on loss development and inflation. The program remains funded above the 95% confidence level.

The projected loss rate increased from the prior year rate of .94 to .97 at the discounted, expected level. The discount rate was increased from 2% to 3% based on anticipated higher investment income in the Captive. NBSIA has also added members to share the workers' compensation program and administration expenses. As a result of the reduced losses, increased discount rate and additional members, the manual rate, including losses and operational expenses, increased from \$1.79 to \$1.84. NBSIA has been capping the rate since 2011, most recently at \$1.82. With the manual rate above this capped rate, staff recommended capping the rate at \$1.80 for FY2023-24, a slight increase from \$1.79 last year.

Motion made by Page, seconded by Grindle, and carried unanimously to approve the workers' compensation rates using the capped rate of \$1.80 for FY2023-24 as presented. (Ayes: *Abbate, Barrington, Best, Grindle, Henson, Loza, Moulaison, Page, Schultz, Strauch, Stubbs*; Noes: *none*; Abstained: *none*; Absent: *Calistoga JUSD, Vacaville USD, Winters JUSD*)

Workers' Compensation Rates for FY2023/24 – Vallejo City USD

Santin reminded the Board that rates for VCUSD are determined separately from the other members, based on the results of an annual actuarial study. Recommended funding for 2023-24 increased by \$367,000 due to an increase in loss development and inflation. The loss rate increased from \$1.84 to \$1.91. At the 85% confidence level, the loss rate is \$2.78, and with shared unallocated expenses, the final rate is \$3.42. Overall, the program is funded above the 95% confidence level. NBSIA continues to work closely with District leadership on risk management and prevention. The District has a Risk Manager on staff, and NBSIA Safety Specialists meet with her regularly to assist in targeting loss prevention activities.

Motion made by Grindle, seconded by Barrington, and carried unanimously to approve the workers' compensation rates for Vallejo City USD for FY2023-24 as presented. (Ayes: *Abbate, Barrington, Best, Grindle, Henson, Loza, Moulaison, Page, Schultz, Strauch, Stubbs*; Noes: *none*; Abstained: *none*; Absent: *Calistoga JUSD, Vacaville USD, Winters JUSD*)

Workers' Compensation Rates for FY2023/24 – BSSP

BSSP joined NBSIA in July 2022 and the group's losses are financially independent of the pooled risk members. Actuarial estimates for 2023-24 are based on historical experience for the program since July 1, 2016 and evaluated as of December 31, 2022. Assuming the current NBSIA self-insured retention (SIR) of \$750,000 per occurrence, the actuaries project the ultimate cost of claims and expenses for FY2023-24 to be \$1,641,000 (rate of \$1.68) at the discounted 75% confidence level. BSSP will also contribute its share of unallocated expenses based on 11% of total payroll resulting in a combined rate of \$2.22. NBSIA continues to work closely with BSSP and District leadership to implement the risk management and prevention programs.

Motion made by Strauch, seconded by Schultz, and carried unanimously to approve the workers' compensation rates for BSSP for FY2023-24 as presented. *(Ayes: Abbate, Barrington, Best, Grindle, Henson, Loza, Moulaison, Page, Schultz, Strauch, Stubbs; Noes: none; Abstained: none; Absent: Calistoga JUSD, Vacaville USD, Winters JUSD)*

PROPERTY/LIABILITY PROGRAM

KYND Contract for Services

Santin reiterated KYND's terms and scope of services in its contract proposal for cyber security and training support. Staff recommended approval of the contract in the amount of \$45,095 annually for the 3-year term.

Motion made by Schultz, seconded by Page, and carried unanimously to approve the contract with KYND as presented. *(Ayes: Abbate, Barrington, Best, Grindle, Henson, Loza, Moulaison, Page, Schultz, Strauch, Stubbs; Noes: none; Abstained: none; Absent: Calistoga JUSD, Vacaville USD, Winters JUSD)*

Renewal and Updating of Endorsements to Memorandum of Liability Coverage (MOLC)

Santin reported that the Board previously approved Endorsements #3 (Limited COVID Coverage) and #4 (Class Action Defense Coverage) to the FY2020-21 MOLC. These coverages were added in response to pandemic-related exposures, and later renewed for FY2021-22. For the FY2023-24 renewal process, there is, again, the option to keep these coverages or eliminate them. Santin reported that neither coverage has been utilized to date and recommended continuing coverage since the exposures still exist. PL program funding has strengthened and liability under both coverages is limited.

Motion made by Grindle, seconded by Page, and carried unanimously to approve the renewal of the MOLC endorsements as presented. *(Ayes: Abbate, Barrington, Best, Grindle, Henson, Loza, Moulaison, Page, Schultz, Strauch, Stubbs; Noes: none; Abstained: none; Absent: Calistoga JUSD, Vacaville USD, Winters JUSD)*

DENTAL/VISION PROGRAMS

Dental Rates for FY2023-24

Santin reported that claim costs have not trended higher as previously projected following COVID and current inflation. Overall, the program

remains financially strong and meets all capital targets. Based on the strong financial position of the program, staff recommends rates to remain flat for FY2023-24. Staff will continue to analyze the dental costs during the year to determine if the projected costs are trending as expected.

Motion was made by Barrington, seconded by Grindle, and carried unanimously to approve the dental rates for FY2023-24 as presented. *(Ayes: Abbate, Barrington, Best, Grindle, Henson, Loza, Moulaison, Page, Schultz, Strauch, Stubbs; Noes: none; Abstained: none; Absent: Calistoga JUSD, Vacaville USD, Winters JUSD)*

Vision Rates for FY2023-24

Santin presented the proposed vision rates for FY2023-24. SIA provided renewal data and information that supports a flat renewal, thus rates will remain the same as the previous year.

Motion was made by Grindle, seconded by Barrington, and carried unanimously to approve the vision rates for FY2023-24 as presented. *(Ayes: Abbate, Barrington, Best, Grindle, Henson, Loza, Moulaison, Page, Schultz, Strauch, Stubbs; Noes: none; Abstained: none; Absent: Calistoga JUSD, Vacaville USD, Winters JUSD)*

DISCUSSION / NON-ACTION ITEMS

Update on Property & Liability Program Rates for FY2023-24

Santin reported that property and liability excess markets continue to be challenging.

The general liability loss rates decreased 9% from last year's actuarial projections at the discounted, expected level. At the excess level, BASIC continues to pool risk up to \$1m. There is pressure from excess markets to increase that retention to \$1.5m, which BASIC is prepared to do. Our brokers have projected excess increases in the range of 5-20%.

Property and APD loss rates also decreased 9% from last year's actuarial projections at the discounted, expected level. The property market continues to be challenging due to increasingly severe natural catastrophes, including wildfire and drought in CA. Carriers are also concerned with property valuations and seeking increases consistent with current construction costs. Our brokers continue to work on negotiating both the pricing and valuations and are currently projecting premium increases in the range of 5-20%, plus the impact of any valuation trending.

The cyber market continues to harden and NBSIA is working with members on submission of applications. Quotes are anticipated from the incumbent carrier, Beazley, with a likely increase between 20-40%. Because of the state of the cyber market, SPA is currently discussing forming a self-insurance program. Crime coverage is estimated to have a flat renewal.

Factoring in the above, a 7-10% increase is estimated in total program contributions over the current year at the 85% confidence level. The

program is currently funding at the 90% confidence level. If the Board elects to fund again at the 90% confidence level, the overall increase would be closer to 10-15%. Both options will be available at the June meeting.

Final not-to-exceed rates will be distributed mid-May to assist members with budgeting, with the caveat that they are subject to change. Final rates will be brought to the Board for approval in June.

Update on EAP Provider and Program Rates for FY2023-24

Member Services Manager, Denise Schreiner reminded the Board that our EAP provider, MHN, will not be renewing any programs after June 30, 2023. Three new EAP providers were interviewed, and Optum Behavioral Health ("Optum") was selected given its similarity to MHN in terms of costs and services available. Once the contract with Optum is finalized, digital and printed EAP materials will be sent out to the members sometime in June in preparation for Optum's contract beginning on July 1, 2023. Schreiner provided information and additional cost estimates to member districts who would like to provide more than 3 clinical visits per year. EAP

AB 2072 and Mutual Aid Agreements

No discussion was had on this item.

SB 483

President Best discussed NBSIA members to advocate for SB 483. This bill would eliminate prone restraints in public schools. DJUSD will be advocating for the bill and working to build coalition amongst other districts. President Best urged anyone interested in joining the coalition to discuss it with their Superintendent and boards.

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:59 p.m.

Respectfully submitted by: Kim Santin
Kim Santin, Executive Director

4/19/2023
Date

Approved by the Board: 6/14/2023
Date