

BOARD OF DIRECTORS SPECIAL TELEPHONIC MEETING

June 13, 2019

MINUTES

1. CALL TO ORDER:

The June 13, 2019 Board of Directors meeting was called to order at 10:01am.

Members Present: President Woods, Vice President Wetter, Secretary Colin Miller, Director Mathew Fuzie, Director Jim Friedl, Director Larry Mazzuca, and Director Lorena Cervantes.

CAPRI Staff: Mr. Matthew Duarte, Mr. Kirk Andre and Ms. Bebe Pearson

Absent: None.

Others Present: Mr. Byrne Conley (Gibbons & Conley) and Mr. Doug Wozniak (Alliant Insurance)

2. INTRODUCTIONS:

None.

3. PUBLIC COMMENTS:

None.

4. CLOSED SESSION:

No Closed Session items.

5. REPORT FROM CLOSED SESSION:

N/A

6. CONSENT AGENDA:

6.1 CAPRI Board Minutes

MOTION:

Director Friedl made a motion to approve the consent items #6.1 – Board Minutes, May 22, 2019. Director Cervantes seconded the motion.

Ayes: Woods, Wetter, Miller, Friedl, Cervantes, Mazzuca, and Fuzie

Nays: None

Abstain: None

7. PULLED CONSENT ITEMS:

None.

8. DISCUSSION/ACTION ITEMS:

8.1 WC Premium Allocation Formula 2019 – 2020

The Board of Directors reviewed the proposed WC Premium Allocations and also evaluated whether a cap on year-to-year decreases would best serve the membership. The Board discussed the need to further review the allocation formula at a later meeting.

(1) MOTION:

Director Miller made a motion to direct staff to fund the Workers' Compensation program at the 70% confidence level with a SIR of \$350,000 for the fiscal year 2019 – 2020. Director Mazzuca seconded the motion.

Ayes: Woods, Wetter, Miller, Friedl, Cervantes, Mazzuca, and Fuzie

Nays: None

Abstain: None

(2) MOTION:

Director Fuzie made a motion to direct staff to impose a cap on Experience Modification Factor decreases at 35%. Director Wetter seconded the motion.

Ayes: Woods, Wetter, Miller, Friedl, Cervantes, Mazzuca, and Fuzie

Nays: None

Abstain: None

8.2 Liability/Property Premium Allocation Formula 2019 – 2020

The Board of Directors reviewed the proposed WC excess premium increases and its impact on the pool at large. The Board of Directors identified a GL Program funding target at the 70% Confidence level with a SIR at \$750,000 as appropriate for the upcoming fiscal year. The Board also identified the possibility of a \$50,000 member deductible for wildfires in the light of the likely \$1,000,000 per occurrence Wildfire deductible imposed by excess.

(1) MOTION:

Director Friedl made a motion to direct staff to fund the General Liability program at the 70% confidence level with an SIR of \$750,000 for the fiscal year 2019 – 2020. Director Mazzuca seconded the motion.

Ayes: Woods, Wetter, Miller, Friedl, Cervantes, Mazzuca, and Fuzie

Nays: None

Abstain: None

(2) MOTION:

Director Friedl made a motion to direct staff to fund the Property program at the 70% confidence level with an SIR of \$150,000 for the fiscal year 2019 – 2020. Director Mazzuca seconded the motion.

Ayes: Woods, Wetter, Miller, Friedl, Cervantes, Mazzuca, and Fuzie

Nays: None

Abstain: None

(3) MOTION:

Director Friedl made a motion to direct staff to incorporate a \$50,000 member deductible for wildfires and flood in the Property Memorandum of Coverage fiscal year 2019 – 2020. Director Mazzuca seconded the motion.

Ayes: Woods, Wetter, Miller, Friedl, Cervantes, Mazzuca, and Fuzie

Nays: None

Abstain: None

8.3 WC Program Excess Insurance Renewal

The Board reviewed and discussed CAPRI's WC Excess Insurance renewal options from CSAC-EIA. The amount of the quote increased approximately 20% from the prior year and is attributable to CAPRI's loss history and the increased total payroll of the membership.

(1) MOTION:

Vice President Wetter made a motion to renew the WC Program Excess Insurance policy with CSAC for the fiscal year 2019 – 2020 at a total cost of approximately \$920,000. Director Fuzie seconded the motion.

Ayes: Woods, Wetter, Miller, Friedl, Cervantes, Mazzuca, and Fuzie
Nays: None
Abstain: None

8.4 GL/Property Excess Insurance Renewal

The Board reviewed and discussed the proposed renewal for General Liability and Property Excess insurance. The current estimated premium for General Liability at a SIR of \$750,000 is between \$779,000 and \$853,000. This represents anywhere between a 40-50% increase from the prior year.

Director Friedl made a motion to renew the General Liability Program Excess Insurance policy with CSAC for the FY19-20 at a total cost of approximately \$853,000 and to renew the Property Program Excess Insurance policy with APIP for the fiscal year 2019 – 2020 at a total cost of approximately \$1,895,719.89. Director Mazzuca seconded the motion.

Ayes: Wetter, Miller, Friedl, Cervantes, Mazzuca, and Fuzie
Nays: Woods
Abstain: None

8.5 Crime Insurance Renewal

The Board reviewed this year's proposed renewal for Government Crime Insurance from AIG that is largely unchanged from prior years including a \$5,000 deductible and limits up to \$1,000,000 the estimated quote is \$17,654.

MOTION:

Director Mazzuca made a motion to renew the Government Crime Insurance policy with AIG for the fiscal year 2019 – 2020 at a total cost not to exceed \$17,654. Vice President Wetter seconded the motion.

Ayes: Woods, Wetter, Miller, Friedl, Cervantes, Mazzuca, and Fuzie
Nays: None
Abstain: None

8.6 Identity Fraud Expense Reimbursement Insurance Renewal

The Board reviewed this year's proposed renewal for ID Fraud reimbursement Insurance from Travelers including a \$0 deductible and limits up to \$25,000 per occurrence. The quote for this term amounts to \$4,932.14.

MOTION:

Director Mazzuca made a motion to renew the Identity Fraud Expense Reimbursement Insurance Policy with Travelers for the fiscal year 2019 – 2020 at a total cost not to exceed \$4,932.14. Secretary Miller seconded the motion.

Ayes: Woods, Wetter, Miller, Friedl, Cervantes, Mazzuca, and Fuzie

Nays: None

Abstain: None

9. SPECIAL REPORTS:

None

10. EXECUTIVE DIRECTOR/STAFF REPORTS:

None

11. BOARD MEMBER REPORTS:

None

12. FUTURE AGENDA ITEMS:

The Board of Directors and Staff had no additional comments or questions.

13. ANNOUNCEMENTS:

The next CAPRI Board of Directors meeting will be held on July 24, 2019 at 10:00 a.m. at the CAPRI Offices in Citrus Heights, CA.

14. ADJOURNMENT

The Board adjourned the meeting at 11:22 a.m.

Colin Miller
CAPRI Board of Directors Secretary