

**BOARD OF DIRECTORS' MEETING
451 Diamond Drive, Ephrata WA**

10:00 a.m., May 26, 2016

MINUTES

The United Schools Insurance Program (USIP) Board of Directors' conducted an All Board Meeting at 451 Diamond Drive, Ephrata, Washington, on May 26, 2016. Board Members participating: Brian Talbott, Nine Mile Falls School District; Connie Kliewer, Tekoa School District; Bill Wadlington, Creston School District; Tom Venable, Methow Valley School District; John Adkins, Wellpinit School District; and Jim Forrest, Adna School District. Participating from the Administration Office: Jenni Bates, Eric Homer, Brian Turnbull, Rich Moore, Dave Kosa, Ellen Kosa, Phil Riche, and Aaron Sheneman representing Clear Risk Solutions.

The meeting was called to order by Chair Talbott at 10:00 a.m.

ITEM 1

INTRODUCTION AND ROLL CALL

Introductions were conducted.

ITEM 2

ADDITIONS TO THE AGENDA

Additions were called for; there was one.

#9 – Area 5 vacancy

ITEM 3

APPROVAL OF MINUTES

The minutes of March 21, 2016, were presented. Motion Wadlington to approve the minutes as presented. Second by Kliewer; motion carried.

ITEM 4

RESERVE ACCOUNT REPORT AND VOUCHER APPROVAL

Kosa gave an overview of the items listed on the Voucher Summary. 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. As of this date, May 26, 2016, the Board approves for payment those vouchers included and further described as follows: Fiscal Committee approved April Voucher #15/16-08 in the amount of \$347,571.53, and the current May Voucher #15/16-09 in the amount of \$316,878.61. Motion Forrest to approve the above vouchers as presented. Second Kliewer; motion carried.

ITEM 5

UNDERWRITING AND CLAIMS PRESENTATION

Moore introduced who would be speaking on behalf of Underwriting and Claims departments and explained the detail and ideas behind the presentation. This is two of the three educational presentations that were talked about at the Annual Board Retreat to better keep the Board informed regarding trending and program performance.

The presentation included information on:

- Claims process
- Initial report
- Managing expectations
- How the claimant views their loss
- Property
- Liability
- Claims communication
- Underwriting, service, rate setting, and brokerage
- Objectives
- Renewal process
- Underwriting renewal cycle
- Determine expenses
- Promoting USIP
- Rate process/budget expense
- Unreserved equity goals

ITEM 6

FINANCIAL REPORT

E. Kosa went over the April 30, 2016, Balance Sheet and Income Statement in detail. A solvency test was presented showing USIP meeting standards in all areas. All questions were answered.

The bank statements and transfers were reviewed, to date. Motion Wadlington to approve the bank statements and transfers as presented. Second by Kliewer, motion carried

Chair Talbott went over the SAO audit exit in detail for those that were not present. Talbott asked Clear Risk Solutions to share the results with the full membership and thanked the Board and Clear Risk Solutions for a great year. The Board takes all audit recommendations seriously and will update their travel policy at the next All Board Sit Down meeting in October 2016.

ITEM 7

PRELIMINARY BUDGET DISCUSSION AND RENEWAL UPDATE

Homer and Moore presented the proposed preliminary budget in detail for 2016-2017. The renewal committee has met several times and presented their thoughts to the full board and those present, which includes an offering from Munich for a multi-year verbal commitment to USIP that would secure renewal rates for three years, if the loss ratios remain unchanged, and if an agreement is met that makes sense to do so.

After much discussion regarding the presented preliminary budget and the multi-year consideration, motion by Wadlington to adopt the presented preliminary budget as presented and give Clear Risk Solutions the authority to enter verbally into a multi-year partnership with Munch Re. Second by Forrest, motion carried unanimously.

The proposed preliminary budget contemplates a 3.5% increase to membership, as well as using \$575,000 of program equity. The program costs for PLP were discussed along with the Lobbyist and CBIZ expenditures.

ITEM 8

THE FIVE LEVELS OF COMMUNICATION

Wadlington shared his spreadsheet on his five levels of communication he designed for his district. Moore then designed a spreadsheet with all Clear Risk Solutions levels of communication and shared it with the Board. This information will be shared with the whole membership; this is a great tool for everyone.

ITEM 9

AREA 5 VACANCY

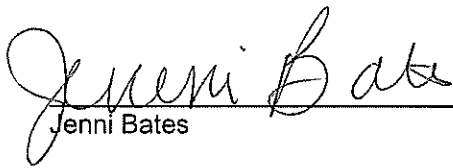
Chair Talbott reported Rob Roettger has been awarded the superintendants job at the Cheney School District. He will no longer be able to serve in Area Five (5) on the USIP Board of Directors. A letter will go out to the Area Five (5) membership to communicate this opening on the Board. It is an expiring term so interested members will be placing their name on a ballot that will go out the first part of August.

ITEM 10

NEXT MEETING

The next meeting of the full Board is scheduled for July 18, at 10:00 a.m., via telephone conference at 451 Diamond Drive, Ephrata WA.

Respectfully submitted,



Jenni Bates



Brian Talbott, Chairman