


FRESNO COUNTY
SELF INSURANCE GROUP

Quarterly Board Meeting

1:30 p.m. Tuesday, June 7, 2011

J. Frank Parks Education Center
Selma Unified School District
3036 Thompson Avenue
Selma, California

Meeting Minutes

Call to Order President Eric Cederquist called the meeting to order at 1:32 p.m.

Attendance

Fowler Unified School District
Eric Cederquist

Sanger Unified School District
Marc Johnson

Kingsburg Joint Union School District (Elem)
Dr. Mark Ford
Carol Williamson

Central Unified School District
Jim Bauler

Selma Unified School District
Mark Sutton

Guests:

Sharon Castillo– *Tristar Risk Management*
Curt Crockett - *Tristar Risk Management*
Tom Veal – *Tristar Risk Management*
Dr. Henry Brock – *Brock's Loss Control*
Donna Murry – *Tucker-Alexander Insurance.*

Alvina Elementary School District
Mike Iribarren

Approval of Agenda The motion to approve the agenda was made by member Ford and seconded by member Johnson. Motion carried.

Public Hearing Session President Cederquist asked if anyone wished to address the Board. There was no response.

Consent Agenda The motion was made by member Johnson and seconded by member Ford to approve the consent agenda which included the following:
A. Approval of the minutes of the May 03, 2011 meeting as mailed.
B. Approval of expenditures for period ending May 27, 2011, (Attachment A).
Motion carried.

Treasurer's Report Carol Williamson, the F.C.S.I.G. accountant presented the financial statement for period ending May 27, 2011, (Attachment B).

Broker's Report

Claims Cost
Analysis

Due to a conflict the broker, Bill Tucker Jr. was not in attendance. Donna Murry with Tucker-Alexander Insurance reported on the claims cost analysis for period ending May 2011, (Attachment C). It was mentioned, though the number of claims was down from the year prior, the average cost per claim was up. This was partly due to the erosion of the 2002-04 reforms.

Excess W/C Policy

Donna informed the Board they were able to lock in a two year rate for the excess workers' compensation policy. In addition, the rate would be slightly lower than the one prior, going from .1137 to .1105 per \$100 of remuneration. The coverage is written with Arch Insurance, the current carrier. The Arch renewal certificate will be enclosed with the minutes as proof of coverage.

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Administrator's Report The F.C.S.I.G. claims administrator, Sharon Castillo with Tristar Risk Management handed out a news article which reported on the increase of workers' compensation premiums paid out in California for 2010, the first increase in five years, (Attachment D). She also mentioned the claims she has seen have been more severe, requiring more surgery which keeps claimants off of work longer. It was reported the workers' comp rates in California are more than double the national average.

Loss Control Report

Clmnt Contact
Guidelines

F.C.S.I.G. risk manager, Dr. Henry Brock presented a sample letter that, at a district's request, he will send claimants who have submitted three claims in a five-year period. The letter educates the claimant regarding the online training classes available, highlighting classes that would be most relevant to their particular set of circumstances, (Attachment E). The ultimate purpose of this program is to avoid similar future accidents/claims. If member districts are interested in participating, please contact Dr. Brock.

Website Update

Dr. Brock reported the F.C.S.I.G. website update to make it more efficient is still in progress. The ultimate goal is to make the website an online resource center (ORC).

Action Items

Parlier Rescindment After a lengthy discussion, the motion to approve the request by Parlier Unified School District to rescind their conditional notice of withdraw, (Attachment F) was made by member Ford and seconded by member Sutton. AYES: Members Ford, Sutton, Williamson, Iribarren, Bauler, Cederquist. NOES: Member Johnson. ABSENT: Members Larry Teixeira, Pete Faragia, Keith Lowen, Mary Romero, Kenneth Marcantonio, Adele Nikkel, and Ron Hudson. ABSTENTIONS: None. Motion carried.

American Union /
Washington Un High

The F.C.S.I.G. attorney advised that letters of withdrawal from F.C.S.I.G. should be obtained from both American Union School District and Washington Union High School District prior to their 7/01/11 unification. The motion to accept both letters of withdrawal, (Attachment G) was made by member Ford and seconded by member Williamson. According to the Bylaws, the timing of the withdrawal notification was not an issue. Motion carried.

Washington Unified

Donna Murry presented the request by Washington Unified School District for membership to F.C.S.I.G., (Attachment H). Washington Unified School District is a new district, unifying American Union School District, Washington Union High School District, both current O.S.S. member districts, and West Fresno Elementary School District. The option of accepting Washington Unified as a probationary member would give the JPA additional options if the member's experience exceeds the range established for other members; *F.C.S.I.G. BYLAWS, ARTICLE 1-B*. The motion to accept Washington Unified School District as a probationary member of F.C.S.I.G. contingent upon their agreement to and the signing of the *F.C.S.I.G. JPA Agreement* and the *Agreement to Indemnify and Hold Harmless*, (Attachment I) was made by member Ford and seconded by member Williamson. Motion carried.

Approval of Rates

Donna Murry presented the renewal rates as calculated by the actuary and its comparison to the prior year, (Attachment J). The renewal rate of \$2.02 with a \$500,000 retention and continued probability level of seventy-five percent (75%) had taken a ten percent (10%) increase from the year prior. The motion to accept the renewal rate of \$2.02 was made by member Bauler and seconded by member Iribarren. Motion carried.

NOTE: *Tucker-Alexander will notify Fresno County Office of Education of the districts' rates.*

Rebates

As per the actuarial study, no rebates are available to pay out for the 10/11 year. This was due to a variety of factors:

1. Adverse loss development on claims for prior years, approximately \$1.3 million greater than at last year's study.
2. Projected income investment is down, comparing negatively from the 09/10 & the 08/09 years.
3. The extraordinary rebate payment made in 08/09 meant fewer funds available for rebates for the current year.

No action taken for paying out rebates for the 10/11 year.

Action Items

Cont.

Budget Carol Williamson presented the 11/12 budget, (Attachment K). The motion was made by member Johnson and seconded by member Sutton to approve the F.C.S.I.G. budget as presented for the 11/12 year. Motion carried.

At-Large Membership The motion to retain the current slate of at-large members to the Board, (Attachment L) was made by member Williamson and seconded by member Ford. Motion carried.

Board Member Report President Cederquist asked if any member had items to report. There was no response.

Closed Session There were no items for closed session.

Next Meeting/Adjournment The next quarterly meeting is scheduled for 1:30 p.m. on **Tuesday, October 11, 2011**. With no further business, the motion to adjourn the meeting was made by member Sutton and seconded by member Ford. Motion carried and the meeting adjourned at 2:21 p.m.

Prepared by,

Approved by,

Donna Murry
MJ:dm

Marc Johnson
F.C.S.I.G. Secretary