



All Board Sit Down Meeting Ephrata, WA 98823

June 29, 2009
10:00 a.m.

The United Schools Insurance Program Board of Directors conducted an all Board Sit Down meeting on Monday June 29, 2009 at 10:00 a.m. in Ephrata WA at the Administration Office. Board Members participating: Dan Hornfelt, Pullman S/D; Glenn Johnson, Cashmere S/D; Brian Talbot, Nine Mile S/D; Rob Clark, Cascade S/D; Patsy Guglielmino, North Port S/D; Ed Rothlin, Adna S/D and John Adkins, Soap Lake S/D. Also, participating from the Administration Office: Jenni Bates, Eric Homer, Phil Riche, Jim Cherf, Ellen White and Shane Heston representing Canfield & Associates.

The meeting was called to order by Chairman Hornfelt at 10:00 a.m.

ITEM 1 INTRODUCTION AND ROLL CALL

Introductions were conducted.

ITEM 2 ADDITIONS TO THE AGENDA

Additions to the Agenda were called for; there were none.

ITEM 3 RESERVE ACCOUNT REPORT & VOUCHER APPROVAL

Riche 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, June 29, 2009 the Board does approve for payment for those vouchers included in the above list and further described as follows: June voucher # 08/09-11 in the amount of in the amount of \$306,537.02. Motion Clark, second Talbott. Motion carried. As of this date, June 29, 2009 the Board does approve the payment for those fiscal committee approved voucher included in the above list and further described as follows: May voucher # 08/09-10 in the amount of \$357,902.81. Motion Talbott, second Johnson. Motion carried.

Riche went over several of the on going cases, all questions were answered.

**ITEM 4
RENEWAL 2009-2010**

Cherf and Homer presented the 2009-2010 USIP renewal information to the USIP Board of Directors. They discussed at length the challenges of placing the excess insurance this year. The current carrier (Travelers) had presented a renewal that was not acceptable. Homer discussed the marketing efforts with other carriers and received quotes from One Beacon as well as Munich Re America. After considerable discussion the board decided on Munich Re America's proposal all things taken into consideration. Homer handed out several exhibits that were also shared previously with the USIP renewal committee. He explained at length the change from Insurance to a Memorandum of Coverage (MOC) using reinsurance. He also reminded the Board that with a MOC product the policy is not subject to the state guaranty fund. Exhibits (see attached) included current structure vs. proposed structure, renewal coverage comparisons and the chart of coverage's. In addition Cherf and Homer went over the Brown and Brown Public Entity Compensation disclosure, personal services agreement, the inclusion in the budget of claims fees under the MOC for the reinsurer and the coverage check list (see attached). Homer also went over the quote from Aspen Insurance UK for the Board of Directors errors and omissions liability policy.

Motion Clark to purchase and provide E & O coverage for the Board of Directors with Aspen Insurance UK. Second Talbott, motion carried unanimously.

Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA) was explained in detail all questions were answered. Motion Talbott to reject the above coverage presented as (TRIPRA). Second Clark, motion carried unanimously.

Motion Hornfelt to give authority to C & A to bind coverage for the 2009/2010 policy year with Munich Re America and execute all documents to accomplish the same. In addition to adopt the MOC for the 2009/2010 policy year. Second Clark, motion carried unanimously.

**ITEM 5
BUDGET 2009-2010**

Cherf presented the final budget for 2009-2010. He went over in detail each line in the budget. Combined property casualty aggregate was explained in further detail along with the Medicare/Medicaid reporting and options to fund the budget as well as provide additional funding for the anticipated WAC changes.

Motion Clark to adopt the 2009-2010 budget with a 4% increase to the membership, include Cat Med coverage and \$125,000.00 going to equity. Second Talbott, motion carried unanimously.

**ITEM 6
RESOLUTION 08/09-01**

Motion Talbott to approve resolution 08/09-01 showing Canfield & Associates an authorized agent regarding section 111 of the Medicare and Medicaid and SCHIP extension act (MMSEA) of 2007. Second Hornfelt, motion carried.

**ITEM 7
DRIVERS TRAINING SIMULATOR (DTS)**

Cherf explained to the board the allocation of reimbursement that the program receives and the costs involved to operate the DTS and how it is billed (see attached).

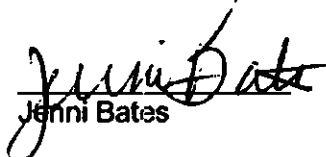
**ITEM 8
UP-COMING WAC HEARING**

Bates went over the dates of all up-coming hearings. Talking points will be discussed as there are four major concerns with the way the WAC is currently written and proposed. The Board will attend in person as their schedule allows.

**ITEM 9
NEXT MEETING**

Motion Hornfelt to adjourn the meeting of June 29, second by Clark. Motion carried, the next meeting will be a fiscal committee call July 10, 2009 at 9:00 a.m.

Respectfully submitted,


Jenni Bates


Dan Hornfelt, Chairman