

**MINUTES OF THE  
ACCEL BOARD OF DIRECTORS MEETING  
THURSDAY JUNE 11, 2015 AT 2:30 PM  
HOTEL PACIFIC  
300 PACIFIC STREET  
MONTEREY, CA 93940**

**MEMBERS PRESENT**

Dave Nunley, City of Anaheim  
Jena Covey, City of Bakersfield  
Betsy Dolan, City of Burbank  
Beverly Jensen, City of Modesto  
Rhonda Combs, City of Monterey  
Claudia Koob, City of Mountain View  
Ann Richey, City of Ontario  
Sandra Blanch, City of Palo Alto  
Charlotte Dunn, City of Visalia

**MEMBERS ABSENT**

Deb Hossli, City of Santa Monica  
Patty Haymond, City of Santa Cruz  
Mark Howard, City of Santa Barbara

**GUESTS AND CONSULTANTS**

Conor Boughey, Alliant Insurance Services  
Michael Simmons, Alliant Insurance Services  
Daniel Howell, Alliant Insurance Services  
Vadim Livshits, Alliant Insurance Services  
Tim Thompson, Carl Warren & Company  
Brandon Schlenker, Carl Warren & Company  
Tim Farley, Farley Consulting Services

**A. CALL TO ORDER**

President Ann Richey called the meeting to order at 3:00 p.m. on Thursday, June 11, 2015

President Ann Richey called the meeting to order at 8:30 a.m. on Friday, June 12, 2015

**B. CONSENT CALENDAR**

**B1. Minutes of the April 16 and 17, 2015 Board Meeting**

Motion to accept and file.



**MOTION:** Charlotte Dunn    **SECOND:** Jena Covey    **MOTION CARRIED**

	Dave Nunley	Jena Covey	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Charlotte Dunn
Aye	X	X	X	X	X	X	X
Nay							
Abstain							

### B2. Claims Handling Policy & Procedure

Conor Boughey explained that the Claims Committee and Claims Committee chair have made their final changes to the policy based on input from the Board. The Policy and Procedure is now complete and being presented for approval.

### C. GENERAL Risk Management Issues

The Board requested that the Administrators present a Milestone report/Ongoing Action Items at future meetings.

Jena Covey inquired when Tim Thompson would visit her City. Administrators answered that he will work to schedule meetings. He would like to visit all Cities in each region at the same time if possible.

Bakersfield is having a marathon on City streets. Jena Covey believes that the CHP and Sheriff will probably want indemnity coverage. Ann Richey says their City has a standard contract for that kind of thing.

Claudia Koob reports that Mountain View and Palo Alto will be hosting Super Bowl 50 events in their Cities. Events will start about a month prior to the Super Bowl. Their Police Officers are going to be double-badged and officially be City of Santa Clara officers as well. She believes that quite a few problems will stem from this and the contract the City was presented with leaves each City on their own. Sandra Blanch reports that Palo Alto City Council approved the contract earlier this week. She thinks the City might consider a Special Event Policy. Michael Simmons explained that this wouldn't be covered by a Special Event Policy. Claudia would like to know if this would be covered by ACCEL. Dave thinks this would be Santa Clara's responsibility.

Ann Richey would like to schedule an Underwriting Committee teleconference to discuss the Super Bowl police coverage issue. Administrators will schedule the meeting and send the underwriting criteria.



Beverly Jensen asked if anyone uses an acknowledgement letter for claims. She asked Members who do send her a copy.

Rhonda asked how other cities handle notifying council that wages are not included under the ACCEL MOC.

There is an understanding that the MOC alludes to past wages and it will be clarified in the future. ACCEL stands behind Monterey in the event that they have a settlement hits the ACCEL layer.

Michael Simmons would like to have a discussion on back wages at a future date.

### D. CLAIMS COMMITTEE

#### D1. Presidents Report

#### D2a. The ACCEL Board of Directors entered into Closed Session pursuant to Government Section Code 54956.95

A motion was made to enter into closed session at 3:30 p.m. pursuant to Government Section Code 54956.95.

**MOTION:** Beverly Jensen **SECOND:** Charlotte Dunn **MOTION CARRIED**

**No vote required**

A motion was made to come out of closed session at 4:20 p.m.

**MOTION:** Beverly Jensen **SECOND:** Jena Covey **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy Dolan	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

Board Members requested that when the Claims Administrators present Claims that involve things such as defects, they provide details such as sizes and offsets.



### D2b. 2015 Liability Claims Audit

Tim Farley presented the draft Liability Claims Audit.

Tim reported that excess claims reporting is an ongoing area of concern and it will be an area of concern until there is 100% performance. He added that timely status updates are now in compliance.

Tim looks at all claims of over \$50,000 incurred, and he looks at all City open claims to confirm nothing is out of the ordinary that needs to be noted.

Tim Farley complimented Tim Thompson on his claims handling especially in light of the transition at Carl Warren.

Reserves were all set accurately.

Administrators will send any changes to Tim by next week.

Motion to receive and file the report.

**MOTION:** Dave Nunley      **SECOND:** Charlotte Dunn

**MOTION CARRIED**

	Dave Nunley	Jena Covey	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Charlotte Dunn
Aye	X	X	X	X	X	X		X
Nay								
Abstain							X	

### D3a-e. Financial & Treasurers

Claudia Koob reported on financial and treasurer's items.

Ann Richey reports that, going forward, the use of Target Safety is now free for CSAC-EIA members for all non-emergency services.

Conor Boughey explained quarterly report and the Member Account Summary. After a period of relative inactivity there have now been several large claims payments. Due to the Claims Payments the IBNR is not ready to present and must be revised.



Members requested an email from admin outlining CSAC-EIA’s policy on reimbursement for actuarial study subsidies.

Motion to receive and file items D3a – D3e.

**MOTION:** Betsy Dolan      **SECOND:** Dave Nunley      MOTION CARRIED

	Dave Nunley	Jena Covey	Betsy Dolan	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

**D4. PROGRAM ADMINISTRATOR**

**D4a. Coverage Counsel Discussion**

Conor Boughey reports that David Garthe is retiring and has become unavailable for the purpose of Coverage Counsel. The Board will need to decide which course of action to take regarding this issue.

Michael Simmons explains that the Pool has used Byrne Conley in the past as General Counsel and he also does Coverage Counsel work. The Board needs to decide if they would like to go out to RFP, for the Administrators to make a recommendation, or some other course of action.

Rhonda Combs would like to know how much this service costs. Michael explains that it tends to be between \$175 and \$205 per hour.

Dave Nunley would like the Administrators to present 2-3 people and then the Board can discuss it. The Members agree with this.

The Administrators will vet 2-3 coverage counsel attorneys and present them to the Board. Dave noted that he would like to have knowledge of the junior attorneys.

**D6. Election of Officers**

Sandra Blanch reported that she has contacted members and received no interest.

Betsy contacted members and got the following interest:



Mark Howard – President  
Rhonda Combs – Vice President  
Ann Richey – Secretary  
Dave Nunley – Treasurer

Motion to nominate the above slate.

**MOTION:** Betsy Dolan      **SECOND:** Charlotte Dunn      **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy Dolan	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

The Board would like to offer thanks to Ann Richey for the work she has done as the Board President.

**E1. ACCEL’s June 30, 2015 IBNR**

Conor Boughey explained that Administrators have been working with John Alltop and David Kim on the IBNR report. The expected incurred development did not match the actual incurred due to claims paid out this program year. Because of that, and ongoing activity on claims, the IBNR report needs to be revised. The next time this will be presented, the report will once again state that claims payments will be much higher than expected. This will be reported on again at the October Board Meeting.

**E2. Adoption of the 2015/16 Administrative Budget & Resolution 1516\_01**

Conor Boughey explained that every Member will be charged for Administrative Expenses, but then given a credit for said expenses. This budget is the same as presented at the April Board Meeting.

Motion to accept the budget.

**MOTION:** Rhonda Combs      **SECOND:** Beverly Jensen      **MOTION CARRIED**



	Dave Nunley	Jena Covey	Betsy Dolan	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

### E3. 2015 RPC Calculation

Conor Boughey explained the retro calculation and the update that has been made since the April Board of Directors meeting.

The City of Burbank has a negative figure on their retro, but a positive test year. They have submitted a letter asking to move the assessment forward to the next year. This has previously been allowed for other members.

At the October board meeting, administrators will propose freezing all years before 2004/05.

Motion to allow City of Burbank to waive their deficit position and adopt the retro calculation.

**MOTION:** Jena Covey    **SECOND:** Claudia Koob    **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy Dolan	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X
Nay									
Abstain			X						

### E4. ACCEL Excess Liability Program Renewal

Daniel Howell reported on the Excess Program Renewal. CV-Starr has stopped servicing the California market, so the lead layer had to be marketed. Previously, it was reported that pricing may be unfavorable. It turns out that favorable pricing was offered by two carriers, AmTrust and Markel. AmTrust offered several options, including a two-year rate lock, subject to not having over \$2.5 million in new incurred claims. The other option is Markel. Markel prefers to write reinsurance in order to not issue their own form, and instead follow form with ACCEL's MOC.

Daniel explained the pricing. AmTrust offers a one year and two year options. The quote for the 10x15 layer is very competitive. For the 10x25 layer, Daniel suggests staying with Endurance,



instead of Argonaut, as he is concerned that losing endurance at that layer may affect the 5x45 layer that endurance also insures.

Daniel recommends the two-year rate with AmTrust. He thinks that next year the losses may cause a rate jump, so it is a good idea to lock in now.

Members would like to go with AmTrust, locking in the two year rate

Rhonda Combs asked what the primary differences between reinsuring the MOC and the Insurers forms. Daniel explained that Insurers Form includes dam coverage, medical give-back, inverse condemnation, non-owned aviation for planes less than 45 seats, etc. Conor added the Insurers Form includes an endorsement to reimburse EPL Claims. Rhonda asked why the differences. Daniel explained that a lot of it goes back to the time the MOC was written, and the changes made along the way. Ann Richey added that ANML covers more than just Cities, which leads to broader coverage. Rhonda asked if it is common to have differences between MOC and underwriting. Daniel explained that it is.

Rhonda would like a one-page memo made up on the differences between the MOC and underwriting and presented to the Board this year.

Members took action on the following items:

*1. Adoption of a pool layer rate*

Motion to self-fund and not purchase excess and adopt a pool rate of \$.475 to be fully funded by ACCEL

**MOTION:** Charlotte Dunn    **SECOND:** Betsy Dolan    **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy Dolan	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

*2. Pool Administration Fee*

Motion to adopt the Pool Administration Fee

**MOTION:** Betsy Dolan    **SECOND:** Dave Nunley    **MOTION CARRIED**





	Dave Nunley	Jena Covey	Betsy Dolan	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

### 3. Excess Liability Renewal

Motion to bind with rate guarantee with limits purchased last year as quoted + \$2500 to account for Endurance in 10x25 layer.

**MOTION:** Dave Nunley      **SECOND:** Beverly Jensen      **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy Dolan	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

### 4. Additional limits

Beverly Jensen has indicated that the City of Modesto may want to move up to \$50 million in coverage.

Administrators will circle back with Modesto to check about increasing the rate.

### E5. Optional Excess Workers Compensation Program

Conor Boughey explained the Excess Workers Compensation renewal. Everyone who participates has received their proposal. Anaheim will receive a proposal with an amended SIR.

Modesto would like to see a \$750k SIR.

### F1. Retrospective Rating Plan Rating Refund Requests

The City of Mountain View has requested a retro refund of \$300,000.

Conor Boughey reminded the Board that they have until December 31, 2015 to make a request.



### F2. Approval of ACCEL’s Declarations Page

Conor Boughey explained that declarations pages are adopted annually. Specific underlying and named entities are listed.

Dave asked why the CCRU is listed for Anaheim. Conor explained that it is this way because it is the only public document that shows that it is revisited every year.

Members would like to make changes to their endorsements. Administrators will provide them with their endorsement lists and ask for feedback.

The Board President gave direction to the Administrators to separate “other named insureds” “scheduled underlying” and “exclusions,” and present at the October Board Meeting. At the meeting, the Board will also discuss scheduling Special Events Policies as endorsements, or if they’re part of the MOC.

Administrators will send an email asking for entities that Members would like covered, any scheduled underlying, and scheduled underlying that Members would like to exclude.

Motion to approve declarations pages with individual changes and bring this discussion back at the October meeting for further discussion

**MOTION:** Betsy Dolan      **SECOND:** Jena Covey      **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy Dolan	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

### F3. Other Insurance Renewals

#### F3a. Public Employee Dishonestly Insurance

Conor reported that the renewal for crime is flat at \$950. There are no changes to the Policy.

Motion to renew the policy.

**MOTION:** Dave Nunley      **SECOND:** Charlotte Dunn      **MOTION CARRIED**



	Dave Nunley	Jena Covey	Betsy Dolan	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

### F3b. Trustees Errors and Omissions Insurance

Conor reports that this renewal is flat. No changes from last year.

Motion to approve.

**MOTION:** Dave Nunley **SECOND:** Sandra Blanch

**MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy Dolan	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

### F4. Next Two Meetings

The next two meetings are scheduled to take place in Santa Barbara and San Francisco.

### Correspondence and Info

Administrators will gauge interest in committee membership from Members

Motion to adjourn meeting on Thursday at 5:10 p.m. and continue on Friday at 8:30 a.m.

**MOTION:** Beverly Jensen **SECOND:** Charlotte Dunn **MOTION CARRIED**

Ann Richey adjourned the meeting at 10:45 a.m.