



**MINUTES OF THE
ACCEL BOARD OF DIRECTORS MEETING
TUESDAY, FEBRUARY 23, 2016 AT 1:00 PM
RENAISSANCE HOTEL
44400 INDIAN WELLS LANE, INDIAN WELLS, CA 92210**

MEMBERS PRESENT:

Dave Nunley, City of Anaheim
Jimmy Forbis, City of Monterey
Claudia Koob, City of Mountain View
Ann Richey, City of Ontario
Sandra Blanch, City of Palo Alto
Mark Howard, City of Santa Barbara
Patty Haymond, City of Santa Cruz
Charlotte Dunn, City of Visalia

MEMBERS ABSENT:

Jena Covey, City of Bakersfield
Betsy Dolan, City of Burbank
Beverly Jensen, City of Modesto
Deb Hossli, City of Santa Monica

GUESTS AND CONSULTANTS:

Kathy Garozo, City of Ontario
Brendan Schlenker, Carl Warren & Co.
Kelly Ogle, Carl Warren & Co.
Shari Huff, Carl Warren & Co.
Conor Boughey, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services
Daniel Howell, Alliant Insurance Services
Vadim Livshits, Alliant Insurance Services
Brian Frost, AmWins
Brandon Falvey, Markel

Mark Howard called the meeting to order at 1:00 p.m.

B. Consent Calendar

B1. Approval of Minutes

B2. Amended Program Admin Contract

B3. City of Monterey – Appointment of Board Representative



A motion was made to approve consent calendar.

MOTION: Dave Nunley

SECOND: Ann Richey

MOTION CARRIED

	Dave Nunley	Jimmy Forbis	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Charlotte Dunn
Aye	X		X	X	X	X	X	
Nay								
Abstain		X						X

C. General Risk Management Issues

Dave Nunley talked about the upcoming legislation concerning 4850 time. The Board discussed this item and the potential impacts to staffing and claims values. The Board President directed the Program Administrators to bring this item back as an action item at the next Board Meeting.

Daniel Howell asked if anyone has used a company that comes out and uses video to document ongoing construction for pre-loss, plan documentation, and security reasons. A few cities indicated that they use similar services.

Santa Barbara had a water main break under highway 101. The break lasted about an hour before it was shut off. Mark suggests that Members check with their water departments to see how many water mains traverse highway areas to see if they have been sleeved. They should be if they are not.

Dave Nunley would like to talk about Carl Warren at the April Board Meeting. Review of claims services agreement between CW and ACCEL and discuss taking necessary action.

D1a. Board Member Update

Mark Howard introduced Jimmy Forbis of the City of Monterey.

Motion to enter Closed Session pursuant to Government Code 54956.95

MOTION: Ann Richey

SECOND: Claudia Koob

MOTION CARRIED



	Dave Nunley	Jimmy Forbis	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X
Nay								
Abstain								

The Board entered closed session at 1:24 p.m.

Motion to Reconvene

MOTION: Ann Richey

SECOND: Charlotte Dunn

MOTION CARRIED

	Dave Nunley	Jimmy Forbis	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X
Nay								
Abstain								

No reportable action was taken. Direction was given to the Claims Administrator.

Carl Warren gave new instructions to the Board Members on how to report claims.

D2b. Update from Carl Warren

Brandon Schlenker explained that Tim Thompson has left Carl Warren. He introduced Sherri who is taking his spot. She has been with Carl Warren for 8 years and has prior experience working with several Pools.

D3a-e. Financial Items

Conor walked through the financial items, addressing questions as they arose.

Motion to receive and file.

MOTION: Ann Richey

SECOND: Jimmy Forbis

MOTION CARRIED



	Dave Nunley	Jimmy Forbis	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X
Nay								
Abstain								

D4a. State of the Marketplace Report

Conor Boughey presented the State of the Insurance Marketplace report to the Board. Particular attention was drawn to the state of flood coverage in California, and increased frequency of cyber losses. There were no questions.

E1. 30 Years of ACCEL

Conor Boughey presented a draft of what a “30 Years of ACCEL” pamphlet could look like and asked the Board for input. Board Members gave several ideas for changes.

Motion to edit the pamphlet and bring it back at the next Board Meeting, as well as to grant authority to the administrators to commission the creation of a logo for ACCEL for a reasonable price.

MOTION: Ann Richey

SECOND: Dave Nunley

MOTION CARRIED

	Dave Nunley	Jimmy Forbis	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X
Nay								
Abstain								

E2. Program Admin Contract One-Year renewal

Conor Boughey reminded the Board that at the December Board Meeting, the Board instructed the Administrators to present a one-year contract renewal.

Motion to accept the contract as presented in the agenda.

MOTION: Ann Richey

SECOND: Charlotte Dunn

Motion Carried



	Dave Nunley	Jimmy Forbis	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X
Nay								
Abstain								

E3. Liability Pool Funding and Potential Offset of Quota Share Layer

Conor Boughey introduced a representative from Markel, Brandon Falvey.

Daniel Howell explained that the Pool has shown interest in reinsuring some of the \$4Mx1M layer. This would move some of the risk to a reinsurer. Ann Richey asked if Reinsurance is a reimbursement. Dan explained that is correct, it is a pay on behalf policy covering the existing ACCEL MOC.

Brandon summarized his work with Pools in the State. He has been with Markel for 3 years and prior to that was with MunichRe doing work exclusively with Pools and has had a very good relationship with California Pools. He explained that with Reinsurance, the City/Pool handles its claims whereas insurance companies handle claims for the clients. That results in more control for the Pool.

Mark Howard asked what the true benefit of reinsurance is. Brandon explained that they follow form with the MOC and it leaves claims handling with the Pool. Conor asked if the Pool has a coverage opinion from its own counsel, will Markel accept that, or are there times when they may contest the opinion. Brandon said there are times when they might go outside for another coverage opinion, but that is a dialogue they would have with the Pool.

Dan asked how a reinsurer would respond when the Pool has a dispute with a member. For example, the Member settled without authority. Brandon explained that they would follow the intent of the MOC.

Conor asked what happens if an MOC gets modified. The reinsurer will need to accept the modifications, but they accept them 99% of the time.

Brendan explained that they need 30 days to give a pricing indication. Dan asked about multiple-year agreements. Brendan said that may be possible and can be looked into. Dan reminded the Board that money spent on reinsurance doesn't go into dividends and doesn't earn interest.



Dan asked how the reinsurance would handle a new City joining the Pool. Brandon explained that they would need to look at loss data and payroll and incorporate it into the existing loss data and then work up a premium.

Brendan needs to receive losses the week of March 1st.

E4. ICRMA Update

Conor gave an update on the current situation at ICRMA.

F1. Status Report of Excess Liability Program Renewal

Conor reminded that the Pool has a 2-year rate guarantee from last year for the \$10M xs. \$5M layer. There have been no indications from carriers that they would like to leave the program, so the excess renewal is looking, at this point, to be flat.

Sandra Blanch asked what to budget on excess. Dan Howell explained that members should budget just their payroll increase. The renewal is looking pretty flat.

Members received this item, no action was taken.

F2. Optional Excess Workers' Compensation Renewal

Second round of Estimates is provided to members who participate in CSAC EIA programs.

Members are interested in increasing limits for crime coverage.

F3. CSAC EIA Rating Methodology

Ann explained that CSAC EIA underwriting committee has been reviewing the rating methodology for the EWC program, and trying to change the way they identify members who have a high ratio of safety payroll to overall payroll because these members are leading to more frequent severe claims in the excess layers. This is leading to a very high increase for some Members.

F4. Financial Audit Contract Renewal

Conor Boughey explained that the financial audit contract is up for renewal. Crowe-Horwath has been ACCEL's audit team since 2009. This is their second contract renewal. The Members may choose to authorize the agreement or issue an RFP. They are asking for a \$1500 increase, their first since 2009. Conor explains that while the firm has stayed the same, the person doing the audit has changed several times through the years.

A motion was made to enterer into a 2-year renewal agreement.



MOTION: Dave Nunley

SECOND: Jimmy Forbis

MOTION CARRIED

	Dave Nunley	Jimmy Forbis	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X
Nay								
Abstain								

F5. Election of a Vice President

Conor Boughey explained that the position of Vice President has become vacant. The bylaws mandate that at the next Board Meeting should have an election to replace vacant positions.

Ann Richey nominates Sandra Blanch to be Vice President.

MOTION: Ann Richey

SECOND: Patty Haymond

MOTION CARRIED

	Dave Nunley	Jimmy Forbis	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X
Nay								
Abstain								

F6. Next Two Meetings Schedule

Administrators will negotiate rates at hotels in both Cities of Mountain View and Palo Alto and reply to the Board. If a favorable rate in those Cities cannot be found, the City of Santa Cruz may be used as a backup option.

MOTION: Ann Richey

SECOND: Dave Nunley

ACCEL

Authority for California Cities Excess Liability

c/o Alliant Insurance Services, Inc.

Corporation Insurance License No. 0C36861

100 Pine Street, 11th Floor, San Francisco, CA 94111



	Dave Nunley	Jimmy Forbis	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X
Nay								
Abstain								

Mark Howard adjourned the meeting at 4:37