



**MINUTES OF THE
ACCEL SPECIAL BOARD OF DIRECTORS
MEETING**

Thursday, June 24, 2021 at 3:30 PM

**LOCATION:
TELECONFERENCE**

Link: <https://alliantinsurance.zoom.us/j/95181479770?pwd=cERURkkwNjhqUDB6NithZVg4czBJdz09>

Meeting ID: 951 8147 9770

Passcode: 488943

Dial: (669) 900-6833

MEMBERS PRESENT:

Tracey Matthews, City of Anaheim (*joined at 4:02 PM and left at 4:27 PM*)
Jena Covey, City of Bakersfield
Betsy McClinton, City of Burbank
Jiles Smith, City of Modesto
Sarin Roth, City of Monterey
Claudia Koob, City of Mountain View
Kathy Garozzo, City of Ontario Alternate
Sandra Blanch, City of Palo Alto
Rhonda Combs, City of Salinas
Mark Howard, City of Santa Barbara
Ross Brandon, City of Santa Cruz Alternate
Oles Gordeev, City of Santa Monica
Charlotte Dunn, City of Visalia

MEMBERS ABSENT: None

GUESTS AND CONSULTANTS:

Michael Simmons, Alliant Insurance Services
Daniel Howell, Alliant Insurance Services (*left at 4:02 PM*)
Conor Boughey, Alliant Insurance Services
Lorissa Huey, Alliant Insurance Services
Marcus Beverly, Alliant Insurance Services

A. CALL TO ORDER

Jena Covey called the meeting to order at 3:31 PM.



B. UNFINISHED BUSINESS

B1. ACCEL FY 21/22 Excess Liability Program Renewal Update

Conor Boughey and Daniel Howell provided a recap of the actions taken at the June 15 and 16, 2021 Board Meeting.

Subsequent to that meeting, the Program Administrators obtained additional quotes up the tower. Conor and Daniel provided a handout and walked through the quotes with the Board.

1st Motion

A motion was made to adopt the ANML form for the \$5,000,000 excess \$5,000,000 layer.

MOTION: Mark Howard **SECOND:** Jiles Smith **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													

2nd Motion

A motion was made to delegate binding authority to the President and Vice President not to exceed 5% of the total premium shown in the budget document that was provided to the Board as a handout. If the premiums are more than 5%, direction was given to schedule a Special Board Meeting.

MOTION: Jiles Smith **SECOND:** Tracey Matthews **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													



The Cities of Anaheim, Bakersfield, Burbank, Modesto, Mountain View, Ontario, Palo Alto, Santa Cruz, Santa Monica, and Visalia will purchase limits to \$55,000,000.

The Cities of Monterey, Salinas, and Santa Barbara will advise the Program Administrators by June 28, 2021 if they will increase limits to \$55,000,000.

B2. Excess Liability Renewal: Aggregates and Retained Layers

Michael Simmons and Conor Boughey reminded the Board that this item was brought back from the June 15 and 16, 2021 Board Meeting.

For the past 10 or so years, ACCEL purchased excess coverage at the \$5,000,000 attachment point with no Policy or General Aggregates (only a Products and Competed Operations Aggregate). This means that ACCEL had coverage that would sustain repeated large claims, without concern for aggregate erosion. At July 1, 2021, ACCEL is likely to have a 4 times (“4x”) or 2 times (“2x”), per layer aggregate (e.g. \$10,000,000 limit with a “2x” aggregate would be \$20,000,000 of total limits available).

In addition, ACCEL has a long history of recognizing itself as a \$9,000,000 excess \$1,000,000 pool, even when purchasing excess insurance at the \$5,000,000 attachment point. ACCEL’s Bylaws, Financial Plan, and descriptions all reference the \$9,000,000 excess \$1,000,000 layer as ACCEL’s program.

The purpose of today’s discussion was for the Board to consider if ACCEL should update its layer of responsibility up to \$20,000,000 from \$10,000,000. By doing this, ACCEL would potentially be taking responsibility for aggregate exhaustion in these higher layers of coverage that are insured, but have some new aggregate erosion potential.

A motion was made to direct the Program Administrators to create a Policy and Procedure by July 2021 that documents ACCEL’s obligation is a minimum of \$24,000,000 excess of \$1,000,000. Depending on the final excess liability renewal outcome, if it is critical to bring back to the Board for further discussion, direction was given to schedule a Special Board Meeting in July 2021. If it is not critical, the Policy and Procedure will be agendized for the October 2021 Board Meeting.

MOTION: Betsy McClinton **SECOND:** Mark Howard **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye		X	X			X	X	X	X	X	X	X	X
Nay													
Abstain				X	X								



B3. Approval of ACCEL’s Declarations Page

Conor Boughey reported that at the June 15 and 16, 2021 Board Meeting, ACCEL took action to move to a \$9,000,000 excess \$1,000,000 pooled layer of coverage. When ACCEL last retained this much risk, each Member had a 3 times (“3x”) aggregate, which is \$27,000,000.

The key issue on the Declarations Page is that ACCEL is silent on the issue of aggregates, which means there are no aggregate limits in the pooled layer. The Board should discuss the desired aggregate treatment.

A motion was made to approve ACCEL’s Declaration Page showing a 3x aggregate per Member and the list of the Additional Named Covered Parties as shown in the agenda packet.

MOTION: Mark Howard **SECOND:** Jiles Smith **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													



B4. Retrospective Rating Plan (RRP) Payment Plan and Requests

Conor Boughey reported that after the June 15 and 16, 2021 Board Meeting, the City of Ontario submitted a request for a payment plan because of its 2021 Retro Assessment. Per the Financial Plan, the Board will consider any requests to establish a payment plan at a Board Meeting prior to the June Board Meeting, however, since Ontario’s request was late the Board should consider an exception.

A motion was made to approve the City of Ontario’s payment plan request.

MOTION: Mark Howard **SECOND:** Charlotte Dunn **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordecv	Charlotte Dunn
Aye		X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													

C. PUBLIC COMMENTS - No public comments were made.

ADJOURNMENT

Jena Covey adjourned the meeting at 4:45 PM.