

SECURIS INSURANCE POOL INC.

Minutes of the Meeting of the Board of Directors September 22, 2021

A meeting of the board of directors of Securis Insurance Pool, Inc., was held on September 22, 2021.

Members present: David Tharp: Central Arizona Fire and Medical Authority
Mary Dalton: Arizona Fire and Medical Authority
Josh Tope: Pinewood Fire District
David Maxwell: Daisy Mountain Fire and Medical

Members via remote access: Ed Mezulis: Sedona Fire District
Randy Karrer: Golder Ranch Fire District

Members absent: Norman "Brad" Bradley: Northwest Fire District

Staff Present: John Ashton: RPA
Tracy Foss: RPA
Roshell Lee: RPA
Garrett Mahoney: RPA
Lori Jundt: RPA
Ginger Schell: RPA
Catie Bassett: RPA
Tara Zika: RPA
David Dodenhoff: RPA
Andre Lugo: RPA
Macy McPhilliamy: RPA
Jennifer MacLennan: Gust Rosenfeld, PLC

A. Opening of the Meeting

1. Call to order

David Tharp called the meeting to order at 11:02 a.m.

2. Welcome visitors

Todd Lundmark, Lundmark, Barberich, LaMont & Slavin, PC
Patrick Moore, Bullhead City Fire Department
Lisa Elliot, Verde Valley Fire District
Brian Tobin, Daisy Mountain Fire District
Renee Pastor, Industrial Commission of Arizona

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B. General Business

1. A motion was made to approve the agenda for September 22, 2021.

Mary Dalton, moved
Josh Tope, seconded
Motion passed unanimously

2. A motion was made to approve the minutes of the June 23, 2021 annual meeting of membership.

Josh Tope, moved
Randy Karrer, seconded
Motion passed unanimously

3. A motion was made to approve the minutes of the June 23, 2021 annual meeting of the board.

Mary Dalton, moved
David Maxwell, seconded
Motion passed unanimously

C. Executive Session

1. A motion was made to enter into executive session.

Mary Dalton, moved
Josh Tope, seconded
Motion passed unanimously

D. Open Session

1. A motion was made to re-enter open session.

Mary Dalton, moved
Josh Tope, seconded
Motion passed unanimously

2. A motion was made to approve the executive session minutes from the June 23, 2021 annual meeting of the board.

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Josh Tope, moved
Mary Dalton, seconded
Motion passed unanimously

David Tharp then advised that no action was needed at this time on executive session item C.2, and counsel confirmed.

B. General Business Continued

1. Financial reports

John Ashton provided a brief update on the preliminary results of the presumptive cancer actuarial study. He advised that staff was still reviewing the information provided by Willis Towers Watson. He then led the board in a discussion of the potential financial impact of the new presumption legislation and possible options for funding sources. The board directed staff to continue to explore options and provide an update at the December 1 meeting.

Garrett Mahoney presented the Securis June 30 financial dashboard. The dashboard summarized the pool's financial performance related to contributions and capitalization, loss expenses, and paid and incurred amounts compared to the budget.

Mr. Mahoney then presented the interim financial statements as of June 30, 2021. Total assets were \$3,911,311. The reserve for reported losses and loss expense was \$723,359. Claims incurred but not reported (IBNR) increased to \$1,409,422. Total liabilities were \$3,200,847. Net position as of June 30, 2021 was \$710,464.

Mr. Mahoney continued by presenting the statements of revenues, expenses, and changes to net position for the one-month and twelve-month periods ending June 30, 2021.

Finally, Mr. Mahoney provided a snapshot of July 2021 financial dashboard. He advised that the information was preliminary, and the statements were still pending final completion.

2. Claims report

Ginger Schell presented the claims performance reports for Securis. The reports contained the 2020/2021 year-end data through June 30, 2021, as well as current 2021/2022 claims data through August 31, 2021.

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Ms. Schell advised that open claims through June 30, 2021 showed a gross incurred amount of \$1,835,973, with a total paid amount of \$898,904.

Ms. Schell also provided the board with a brief summary of year-to-date claims by various loss cause categories.

3. Loss control report

Roshell Lee presented an update on the Securis Loss Control Program. Her report included developments and program implementations thus far:

- Fitness Training Assessment Pilot Program;
- loss questionnaire; and
- loss control resource groups.

Ms. Lee explained that staff continues to work toward expanding the loss control program, and further updates and details will be presented at future meetings of the board.

4. Management report

The following items were discussed in the management report:

- nurse case manager update,
- excess insurance presumption follow-up,
- RPA Administration Agreement follow-up,
- lithium battery storage fire safety,
- annual conflict-of-interest statements,
- new member update,
- member survey results,
- Origami rollout,
- future cancer screening grant opportunities, and
- items to be discussed at next board meeting.

Staff advised the board that there would be follow-up on possible removal of presumption claims under the excess insurance placement, along with potential credits; and recruitment of member volunteers for the lithium battery storage fire safety group.

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E. New Business

1. Discussion of claims audit report

Ginger Schell presented findings of the internal claims audit. She noted that Susan Stickler, an independent auditor, completed a review of 10 claims for July 1, 2020 through June 30, 2021. The audit addressed the following issues:

- regulatory compliance,
- department operations, and
- claims handling best practices.

Ms. Schell noted that the audit identified limited concerns, and that those issues had no impact on the outcome or management of the individual claims. She further noted that process improvements had already been implemented to address any issues.

2. Discussion and approval of 2021/2022 Budget—Rev. 2

John Ashton and Garrett Mahoney discussed changes made to Budget—Rev. 1, which included contributions, capitalization, and expenses for the remaining new Securis members not included in the previous budget presented in June 2021.

A motion was made to approve the 2021/2022 Budget—Rev. 2.

Josh Tope, moved
Mary Dalton, seconded
Motion passed unanimously

F. Adjournment

David Tharp adjourned the meeting at 1:28 p.m.



Received and approved by David Tharp
Board President
Securis Insurance Pool, Inc.