

## **SECURIS INSURANCE POOL INC.**

### **Minutes of the Meeting of the Board of Directors February 16, 2022**

A meeting of the board of directors of Securis Insurance Pool, Inc., was held on February 16, 2022.

**Members present:** David Tharp: Central Arizona Fire and Medical Authority  
David Maxwell: Daisy Mountain Fire and Medical

**Members via remote access:** Josh Tope: Pinewood Fire District  
Mary Dalton: Arizona Fire and Medical Authority  
Ed Mezulis: Sedona Fire District  
Norman "Brad" Bradley: Northwest Fire District  
Randy Karrer: Golder Ranch 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  
David Dodenhoff: RPA  
Andre Lugo: 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

Russ Sutter, Willis Towers Watson  
Renee Pastor, Industrial Commission of Arizona  
Dale Schultz, Industrial Commission of Arizona  
Nick Simonetta, Pivotal Policy Consulting  
Jessica Rainbow, Pivotal Policy Consulting  
Brian Moore, Daisy Mountain Fire District  
Brian Tobin, Daisy Mountain Fire District  
Jayme Kahle, Rincon Valley Fire District  
Robert Biscoe, Arizona Fire and Medical Authority

## SECURIS INSURANCE POOL INC.

### Minutes of the Meeting of the Board of Directors February 16, 2022

#### B. General Business

1. A motion was made to approve the agenda for February 16, 2022.

Brad Bradley, moved  
Josh Tope, seconded  
Motion passed unanimously

2. A motion was made to approve the minutes of the December 1, 2021 meeting of the board.

Brad Bradley, moved  
Randy Karrer, seconded  
Motion passed unanimously

3. A motion was made to approve the minutes of the December 7, 2021 meeting of the board.

Mary Dalton, moved  
Brad Bradley, seconded  
Motion passed unanimously

4. Financial Reports

Lori Jundt opened the financial report by providing an update on Securis's custody accounts.

Next, Garrett Mahoney presented a summary of Securis's December 31, 2021 financials via the financial dashboard. The dashboard summarized the pool's financial performance: contributions and capitalization, loss expenses, and paid and incurred amounts compared to budget.

Mr. Mahoney then presented the interim financial statements as of December 31, 2021. Total assets were \$5,745,591. The reserve for reported losses and loss expense was \$2,548,205. Claims incurred but not reported (IBNR) increased to \$1,882,270. Total liabilities were \$5,470,147. Net position as of June 30, 2021 was \$275,444.

Mr. Mahoney continued by presenting the statements of revenues, expenses, and changes to the net position for the one-month and six-month periods ending December 31, 2021.

## **SECURIS INSURANCE POOL INC.**

### **Minutes of the Meeting of the Board of Directors February 16, 2022**

The financial report concluded with Mr. Mahoney providing the board a glimpse into the preliminary January 31, 2022 financial statements.

#### **5. Claims Report**

Ginger Schell informed the board of a high-dollar claim that had been reported to Securis a week prior to the board meeting. This prompted a discussion regarding the lag time in claims being reported to the pool. Staff informed the board that this issue will be addressed.

Next, Ms. Schell presented the claims performance reports for Securis. The reports contained 2021/2022 claims data through December 31, 2021.

Ms. Schell advised that open claims through December 31, 2021 showed a gross incurred amount of \$3,894,382, with a total paid amount of \$1,346,178. Next, Ms. Schell reviewed current year-to-date claims organized by loss cause categories.

Ms. Schell concluded the claims report with a Securis nurse case manager update.

#### **6. Management Report**

The following items were discussed in the management report:

- government relations update, led by Nick Simonetta of Pivotal Policy Consulting;
- AFG grant update;
- renewal and marketing update;
- loss control update;
- Origami enhancements;
- ICA renewal; and
- items to be discussed at the next board meeting.

Additionally, John Ashton notified the board that the Industrial Commission of Arizona (ICA) would like to distribute the City of Phoenix COVID plan to membership for informational purposes only. Dale Schultz, ICA chairman, noted that the plan distribution would strictly be informational, and members would not be required to adopt the plan at their districts. The board directed staff to prepare membership before the ICA distributed the plan.

## SECURIS INSURANCE POOL INC.

### Minutes of the Meeting of the Board of Directors February 16, 2022

#### C. New Business

1. Discussion and ratification of Pivotal Policy Consulting agreement

David Dodenhoff reminded the board that at its December 7 meeting, the board approved the engagement of Pivotal Policy Consulting to conduct government relations efforts on behalf of the pool. He then noted that a proposed contract had been reviewed by both Securis staff and Pivotal. Jennifer MacLennan added that as pool legal counsel, she had reviewed and signed off on the contract prior to administration moving forward with it.

A motion was made to ratify the Pivotal Policy Consulting agreement.

Brad Bradley, moved  
Mary Dalton, seconded  
Motion passed unanimously

2. Discussion and approval of signature authority

Lori Jundt explained that authority levels of individuals working on behalf of Securis need to be reviewed annually by the board of directors. She presented the updated matrix for review by the board.

A motion was made to approve the authority matrix.

Randy Karrer, moved  
Brad Bradley, seconded  
Motion passed unanimously

3. Discussion and ratification of 2022–2023 actuarial services

John Ashton presented the pool contracts with Willis Towers Watson to perform 2022/2023 actuarial studies, including:

- 2022/2023 rate analysis for the program year; and
- June 30, 2022 IBNR (incurred but not reported) analysis to be performed in the summer of 2022.

Mr. Ashton explained that in future years approval of this contract will occur on the same schedule as other pool contracts.

## SECURIS INSURANCE POOL INC.

### Minutes of the Meeting of the Board of Directors February 16, 2022

A motion was made to ratify engagement with Willis Towers Watson to perform 2022/2023 actuarial services

Brad Bradley, moved  
Ed Mezulis, seconded  
Motion passed unanimously

#### 4. Discussion of five-year pro forma

During the meeting, staff presented a five-year pro forma template for review and discussion by the board. The pro forma allows for various financial assumptions. The goal of this exercise was to help the board better understand the impact of rate and program changes over time.

#### 5. Discussion and approval of Budget—Rev. 0 and 2022/2023 plan rates

John Ashton explained that annually the board must approve a budget for pool operations and plan rates for the upcoming fiscal year. Mr. Ashton introduced Russ Sutter of Willis Towers Watson, Securis's actuary. Mr. Sutter presented an overview of his process, approach, and findings. His report included the proposed actuarial rates for the 2022/2023 program year. The actuarial rates were broken out into categories for presumptive cancer, COVID, and all other workers' compensation.

Next, Mr. Ashton advised that as the board contemplates the budget for 2022/2023, it should be noted that an assessment for 2021/2022 is anticipated. Currently, the amount is estimated at \$3.7 million.

Then, Mr. Ashton presented the key budget provisions and the assumptions incorporated into Budget—Rev. 0 for the year ending June 30, 2023.

Finally, staff asked the board to considered plan rates for the 2022/2023 policy year and suggested a 105% rate increase to maintain the healthy financial position of the pool.

The board expressed concern with this substantial rate increase and possible assessment. It was determined that the board would be in a better place to make a decision in late March, once updated actuarial information and a government relations status update were available.

Jennifer MacLennan informed the board of two options:

## SECURIS INSURANCE POOL INC.

### Minutes of the Meeting of the Board of Directors February 16, 2022

1. Table Budget—Rev.0 and defer rate-setting until a future board meeting.
2. Tentatively approve Budget—Rev.0 with a 105% increase.

David Maxwell made a motion to table Budget—Rev.0 and defer any rate-setting until a future board meeting. President Tharp asked for a second. A second was not received, and the motion failed.

A motion was made to tentatively approve the Budget—Rev.0 with a 105% increase for the year ending June 30, 2023.

Brad Bradley, moved

Mary Dalton, seconded

Motion passed with four yes votes, one no vote, and two non-votes due to board member absences

Following the passed motion, the board set a special board meeting for March 23, 2022 at 11:00 a.m. and directed staff to send a letter to membership communicating the outcomes of this discussion.

#### 6. Discussion and approval of 2022/2023 meetings of the board

Roshell Lee explained that the board needs to establish a regular meeting schedule, per the bylaws of the corporation. Ms. Lee presented a schedule of meeting dates for the 2022/2023 policy year, with a start time of 11:00 a.m., as follows:

- September 14, 2022;
- November 30, 2022;
- February 22, 2023; and
- June 21, 2023 (annual meeting).

A motion was made to approve the schedule of regular meeting dates for the 2021/2022 policy year with a start time of 11:00 a.m.

Mary Dalton, moved

Randy Karrer, seconded

Motion passed unanimously

**SECURIS INSURANCE POOL INC.**

**Minutes of the Meeting of the Board of Directors  
February 16, 2022**

7. Discussion and approval of board member tier nominations

Roshell Lee reminded the board that Brad Bradley and Ed Mezulis are currently serving as Tier 2 directors, with terms expiring on July 1, 2022. Ms. Lee suggested that the board follow the same election procedures as in the 2021/2022 policy year, which included allowing members the opportunity to submit nominations before sending out the official ballot.

A motion was made to approve the member nomination process and nominees for the Tier 2 director positions expiring on July 1, 2022.

Dave Maxwell, moved  
Brad Bradley, seconded  
Motion passed unanimously

**D. Adjournment**

David Tharp adjourned the meeting at 2:31 p.m.

Dave Tharp

Digitally signed by Dave  
Tharp  
Date: 2022.03.30  
11:13:19 -07'00'

---

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