

**MINUTES OF THE SELF-INSURANCE TRUST BOARD MEETING  
SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48  
Ed Center, Room - Old Main, 7575 E. Main, Scottsdale, AZ 85251  
October 28, 2021 at 3:00 PM**

The meeting was called to order at **3:10** pm on October 28, 2021.

- I. Call to Order – Ms. Shannon Crosier called the meeting to order.

Due to the COVID-19 (aka Coronavirus) emergency, Centers for Disease Control and Prevention guidelines, and pursuant to guidelines from the Arizona Attorney General regarding compliance with the Open Meeting Law during this national emergency, this meeting was conducted in person with masks, online, or via phone.

- II. Roll Call-

Board Trustees in attendance were in-person with masks, telephonically and via Teams video, Patty Beckman, Governing Board Member (online), Shannon Crosier, Trust Board Administrator, Melinda Gulick, Trustee (Chairperson newly elected), Eloy Yndigoyen, Trustee, Valerie Shannon, Trustee.

- III. Introduction of Trustees, Staff, and Visitors – All were introduced for the first meeting of 2021-2022 school year. Visitors: Tanya Edwards, Jeremy Larson, Jennifer Sherman (Kairos), Kendra Callaghan (In for Ryan Cole), Tyler Tayrien (Wells Fargo - online).

### **INFORMATION/DISCUSSION AND POSSIBLE ACTION**

- A. Selection of Chairperson (Trust Document 3.4) – Action

The Board has chosen Melinda Gulick to serve as the Chairperson for the 2021-2022 school year.

Valerie Shannon Moved to Approve Melinda Gulick Chairperson for the Self-Insurance Trust 2021-2022. Eloy Yndigoyen Seconded the motion. The motion was approved with a vote of 5 – 0.

- B. Approval of SUSD Self-Insurance Trust Minutes from June 17, 2021, meeting. - Action  
No discussion of the Minutes.

Patty Beckman Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of June 17, 2021. Melinda Gulick Seconded the motion. The motion was approved with a vote of 5 – 0.

- C. Property/Casualty/Workers Comp Claims Report (ARRT) – Information

Kendra Callaghan (filling in for Ryan Cole), from the Trust, presented Financial reports concerning Property/Casualty and Worker's Compensation.

21/22 Property and Liability Premium:	\$2,008,533
21/22 Workers' Compensation Premium:	\$927,441 (Est)
21/22 Health Benefits Premium:	\$16,051,022 (Est)

Trust Claims have been trending down since 2017/2018 through 09/30/2021.

- Total number of claims processed as of 9/30/2021: 14
- Total incurred as of 9/30/2021: \$73,323

Trust Loyalty Credit: District History

<b>Year</b>	<b>Amount Earned</b>
2020/2021	\$191,030
2019/2020	\$72,236
2018/2019	\$77,481
2017/2018	\$102,262
2016/2017	\$93,137
<b>5-Year Total</b>	<b>\$536,146</b>

Trust Loyalty Credit: 2021/2022

- Opportunity to earn 5% back
  - Tier 1: 2%
  - Tier 2: 3%
- Prerequisites:
  - Participate in core coverages
  - Membership for 3 consecutive years
  - Timely payment of annual contribution
  - Continued membership for 2022/2023
- Tier 1: 2%
  - 3-Year loss ratio of 80% or less
- Tier 2: 3%
  - Viewing of Vector Solutions, K12 edition by 20% of district's full-time equivalent employees
  - Attending transportation Leadership in Training
  - Submission of the district's emergency operations plan for review and follow-up
  - Attending one of the Risk Management Summit events
  - Conducting a cyber-phishing and training campaign
  - Providing proof of an air gap backup (to protect against ransomware)
  - Attending all the Trust property-related webinars
  - Participating in either the June 2021 or October 2021 Trust Leadership Academy

Alliance Rating Retrospective Plan

- Scottsdale joined retro plan effective July 1, 2019
- Designed for members with a higher appetite for risk
- Member pays for losses and various expenses (admin, excess insurance, tax, contribution to surplus)

Alliance Contribution History

<b>Year</b>	<b>Rating Model</b>	<b>Contribution</b>
2021/2022	Retrospectively Rated	*\$927,441

2020/2021	Retrospectively Rated	*\$648,060
2019/2020	Retrospectively Rated	*\$437,563
2018/2019	Guaranteed Cost	\$958,573
2017/2018	Guaranteed Cost	\$877,064
2016/2017	Guaranteed Cost	\$873,457

\*Estimated contribution. Loss elements are adjusted for 5 years

#### Alliance Rating Retrospective Plan

- 2021/2022 Retrospective Rating Program Contribution
  - Incurred Losses\* \$665,157
  - Unallocated Loss Adjustment Expense\* \$112,559
  - Administrative Expense \$75,500
  - Excess Insurance and Tax Expense \$56,997
  - Contribution to Net Position \$17,228
  - **Total** **\$927,441**
  - \*Loss rated at 90%
- 2021/2022 adjusted elements as of 09/30/2021:
  - Incurred Losses \$174,454 (budgeted \$665,157)
  - ULAE \$ 29,521 (budgeted \$112,559)
- Alliance staff will continue to provide quarterly updates on Scottsdale's performance.
- A final adjustment based on actual losses and payroll will be conducted in July 2022.

Prepaid Account/TIP Balances for the District as of 09/30/2021:

- Trust Prepaid Account Balance as of 09/30/2021= \$159,847
- Trust Investment Pool Balance as of 09/30/2021= \$ 40,638

#### D. Medical Claims/Financial Reports – Information – Tanya Edward presented an overview of Kairos, Trust and Alliance

Medical Claims/Financial Reports – Information – Jeremy Larson presented  
Jeremy Larson presented financial and health reports from Kairos Health Arizona – High-Cost claimants Overview paid through August 2021.

- High-Cost Claims Total Top 1% = \$ 735,344
- High-Cost Claims Total 2-5% = \$ 476,428
- High-Cost Claims Total 6-10% = \$ 136,711
- High-Cost Claims Total 11-25% = \$ 139,410
- High-Cost Claims Total 26-50% = \$ 54,026
- High-Cost Claims Total 51-100% = \$ 592

Plan Participation:

- PPO = 26% Participants
- HDHP 1500 = 28% Participants
- HDHP 2800 = 39% Participants
- HDHP 5000 = 07% Participants

#### G. Trust Financial Update – Information

Shannon Crosier presented the Checking and Investments Accounts for Fiscal Year 2021 and 2022 as of September 30, 2021.

- Accounts are growing on average. Total in each of the three accounts are:
  - Medical - \$41,865,921.30
  - Property/Casualty - \$7,984,689.58
  - Workman's Comp - \$7,533,852.17
- Patty Beckman has asked for Shannon to explain these accounts in relation to minimum and maximum amounts. These funds are not flexible to be able to use for teacher salaries.
  - The Property/Casualty account was decided not to be funded for 20/21 or 21/22 to bring down the account totals. SUSD chose Property/Casualty because it is not a health insurance type situation.

Tyler Tayrien from Wells Fargo is presenting the Financial Market Investment Update. Three investment accounts as of 9/30/2021:

- Medical- 53 Securities/Accounts - 29.8 million (.87% Book Yield)
  - Unrealized Gains \$190,000 without accrued Interest.
  - Cash Flow \$17,854,000
- Property and Casualty – 13 Securities/Accounts - 7.8 million Portfolio Size (.72 Book Yield)
  - Unrealized Gains \$22,000 without accrued Interest.
  - Cash Flow \$4,546,000
- Worker's Compensation- 13 Securities/Accounts - 6.7 million (.58 Book Yield)
  - Unrealized Gains \$(2) without accrued Interest.
  - Cash Flow \$4,754,000

H. Future Agenda Items – No future items were added.

#### I. Adjournment

At **4:35 PM**, Eloy Yndigoyen Moved to adjourn the meeting. Melinda Gulick seconded the motion.

The motion was approved with a vote of 4 – 0, Patti Beckman left around 4:00 pm.

Dated this 28th day of October 2021.

Approved January 20, 2022