

**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
April 2, 2020 at 3:00 PM**

The meeting was called to order at **3:00** pm on April 2, 2020.

- I. Call to Order – Ms. Erika Coombs, Chairperson called the meeting to order
- II. Roll Call-
Board Trustees in attendance were telephonically and via Teams video, Sandy Kravetz, Governing Board Member, Jeff Gadd, Trust Board Administrator, Erika Coombs, Chairperson, Megan Burke, Wally Graham

A. INFORMATION/DISCUSSION AND POSSIBLE ACTION

- III. Approval of SUSD Self-Insurance Trust Minutes from January 23, 2020 meeting.
Minutes were discussed.

Sandy Kravetz Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of January 23, 2020. Jeff Gadd Seconded the motion. The motion was approved with a vote of 5 – 0.

- IV. Investment Earnings Report – Information – Tyler Moore presented a review of the investment accounts and the earnings year to date (July – February) for fiscal year 2019/2020.
 - Investment Gains Summary for all accounts - \$438,812 July 2019 – February 2020
 - Investment Gains for Medical - \$268,388 (61% of the total Investment Income)
 - Investment Gains for Property Casualty - \$76,624 (17% of total Invest. Income)
 - Investment Gains for Worker’s Comp. - \$93,800 (21% of total Invest. Income)
 - Buying Safe Haven’s during this uncertain time per Tyler Tayrien and Tom Hedges
- V. Property/Casualty/Workers Comp (Alliance) Claims Report (ARRT) – Information - Ryan Cole presented the trend of Trust claims from 2016-2017 to 2019-2020. Handout was given reflecting the Trust, Alliance (Worker’s Compensation), and Kairos (Medical). Trust claims are down significantly for the 2019-2020 school year. Alliance staff will continue to provide quarterly updates on Scottsdale’s performance.

Property Casualty

- Trust 2020/2021 Renewal - Exposure changes • ADM: 3% increase • Total Insurable Value: 23.8% increase • Due to update of property values (buildings increased to \$200/sf and contents to 15% building value) • Vehicles (APHD & ATOL): -0.06% decrease • Estimated 2020/2021 contribution • \$1,969,009 • 12.9% increase of Property Liability

Worker's Compensation

- Alliance Rating (Retrospective Plan)
 - New rating plan as of 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) • Estimated 2019/2020 payroll: \$125,115,862 • Estimated 2019/2020 contribution: \$839,972
 - 19/20 retrospective rating program contribution • Incurred Losses* \$604,797 • Unallocated Loss Adjustment Expense* \$90,417 • Administrative Expense \$70,440 • Excess Insurance and Tax Expense \$58,679 • Contribution to Net Position \$15,639 • Total \$839,972 *Loss rated at 90%
 - Adjusted elements as of 2/29/2020: • Incurred Losses: \$206,045 (budgeted \$604,797)
 - ULAE: \$30,804 (budgeted \$90,417) • 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 2020.
 - 2019/2020 Alliance claim count to date: 65
 - Alliance 2020/2021 Renewal • Estimated 2020/2021 Payroll: • \$130,705,960 (4.5% increase) • Estimated 2020/2021 Contribution: • 3% increase, subject to final underwriting
 - PPA/TIP Balances • Trust Prepaid Account Balance as of 03/20/2020 • \$387,414.80 • Trust Investment Pool Balance as of 03/20/2020 • \$40,372.12

VI. Medical Claims/Financial Reports Specific to Medical Program – Jeremy Larson presented the Medical Claims report for the first five months of the fiscal year as of January 31, 2020

- Average Loss Ratio for the District is: 83.8%.
- Expense Ratio: 1.3%
- Combined Ratio: 85.1%
- YTD Increase in Net Position: \$1,305,774
- Net Position: \$6,311,835
- YTD Net Investment Income \$37,935
- Employees: 1,905
- Lives: 2,575
- Claims report may be lower with Coronavirus as surgeries and doctor appointments are not happening currently as usual. We may have a spike with the virus and people going to the hospital for Covid 19.

Questions: 1. Have the insurance members increased due to the virus and spouses losing their job to need to seek health insurance? We will watch the numbers of benefited employees and report any increases. 2. Have we had any members been diagnosed with virus? Not as of yet but will be asking the question.

VII. Approval of Insurance Benefit Rates and Plan Changes for 2020-2021 – Action

- A. Benefit Rate Changes for the 2020-2021 school year are included in Exhibit A. There are no rate changes recommended from 19/20 to 20/21, except for Short Term Disability and Dental, both of which are employee paid. The plan changes have been reviewed by the SUSD Insurance Committee.

Megan Burke Moved to Approve the Proposed Scottsdale USD Insurance Benefit Rates and Plan Changes for 2020-2021. Wally Graham Seconded the motion. The motion was approved with a vote of 5 – 0.

VIII. Proposed Self-Insurance Trust Board Meeting Dates 2020-2021 -Information

1. October 29, 2020
2. January 21, 2021
3. March 25, 2021
4. June 17, 2021

IX. Future Agenda Items – Added a meeting on May 14, 2020.

X. Adjournment -

At **4:09** PM, Sandy Kravetz moved to adjourn the meeting. Jeff Gadd seconded the motion. The motion was approved with a vote of 5 – 0.

Dated this 2nd day of April 2020.

Minutes approved May 14, 2020