

**APPROVED MINUTES
ALLIANCE OF SCHOOLS FOR COOPERATIVE INSURANCE PROGRAMS
(ASCIP)**

EXECUTIVE COMMITTEE MEETING

Thursday, December 5, 2013

A meeting of the ASCIP Executive Committee was held on Thursday, December 5, 2013 at 10:00 a.m. at ASCIP Headquarters, 16550 Bloomfield Avenue, Cerritos, California 90703.

I. CALL TO ORDER – Vice President Kelsch

The ASCIP Executive Committee (Executive Committee) Meeting was called to order at 10:12 a.m. by Vice President Kelsch.

II. ROLL CALL - Clerk of the Executive Committee

Members Present

Mr. Michael Fine, President
(attended by phone)
Ms. Corinne Kelsch, Vice President
Mr. John Vinke, Treasurer
Ms. Lydia Cano, Member
Mr. John Didion, Member
Ms. Susan Hume, Alternate
Mr. Michael Johnston, Member
Ms. Angela Jones, Member
Ms. Janece Maez, Member
Mr. Vahe Markarian, Member
Dr. Nancy Nien, Alternate
Mr. Kris Olafsson, Member
Ms. Barbara Ott, Alternate
Ms. Cheryl Plotkin, Member
Ms. Andrea Reynolds, Alternate
Ms. Joanne Schutlz, Alternate
Mr. Fred Williams, Member

Members Absent

Mr. Rick Bagley, Alternate
Dr. Michael Conroy, Alternate
Ms. Teresa Dreyfuss, Alternate
Ms. Mays Kakish, Alternate
Ms. Karen Kimmel, Alternate
Ms. Thuy Nguyen, Alternate
Mr. Quynh Tran, Alternate
Ms. Ann Sparks, Member

Others Present

Mr. Reshan Cooray
Ms. Shilo Gorospe
Ms. Coni Hernandez
Mr. Jonathan Lackey
Mr. Russell O'Donnell
Mr. Sunny Okeke
Mr. Brian Pelham
Mr. Dan Sanger
Ms. Lynn Truong
Ms. Felicia Williams

Mr. Fritz J. Heirich, ex officio

III. APPROVAL OF AGENDA – Vice President Kelsch

On **MOTION** of Ms. Jones, **SECONDED** by Ms. Cano, and **CARRIED**, the Agenda was approved as presented.

IV. Minutes of the Regular Executive Committee Meeting of October 24, 2013

On **MOTION** of Mr. Johnston, **SECONDED** by Ms. Cano and **CARRIED**, the Minutes of the Regular Executive Committee Meeting of October 24, 2013, were approved as presented.

V. PUBLIC COMMENTS – Vice President Kelsch

There were no attendees from the public.

VI. PRESIDENT’S REPORT – Vice President Kelsch

VII. COMMITTEE REPORTS

A. FINANCE/INVESTMENT COMMITTEE – Chair Olafsson

Chair Olafsson reported that the Finance/Investment Committee met on November 27, 2013, and reviewed the third quarter investment report, and financial audit and investment strategies.

B. CLAIMS/COVERAGE COMMITTEE – Chair Cano

Chairperson Cano reported that the Claims/Coverage Committee met earlier in the morning and reviewed claims in Closed Session. She reported that the Committee gave direction to staff regarding approvals and recommendations.

VIII. TREASURER’S REPORT – Lynn Truong, CFO

Ms. Truong submitted the Treasurer’s report for the period ending October 31, 2013 requesting the Executive Committee receives and file. In addition, Ms. Truong highlighted members’ contributions, ASCIP expenditures, and cash balances.

On **MOTION** of Ms. Cano, **SECONDED** by Ms. Maez, and **CARRIED**, Item #VIII was approved as presented.

IX. CHIEF EXECUTIVE OFFICER’S REPORT – Fritz J. Heirich, CEO

Mr. Heirich reported on the progress of ASCIP’s property/liability claim operations strategic initiatives.

X. SCHOOLS EXCESS LIABILITY FUND (SELF) REPORT – Fritz J. Heirich, CEO

Mr. Didion reported on the recent activities of SELF.

XI. BOARD MEMBER COMMENTS

There were no board member comments.

XII. INFORMATION AND DISCUSSION ITEMS

A. Draft Agenda for the Annual Membership Meeting

Mr. Heirich reviewed the draft agenda for the Annual Membership Meeting that will be held on March 6, 2014 at the Wyndham Hotel in Costa Mesa.

B. 2013/14 Strategic Planning Meeting

Mr. Heirich announced that the Strategic Planning Meeting will be held April 23-25, 2014 at the Island Hotel in Newport Beach. He also announced that a CIPA board meeting will occur immediately after the conclusion of the Executive Committee meeting.

C. Report on the 2013 CIPA Board of Directors Meeting

Mr. Heirich provided a report on the November 6, 2013 CIPA Board of Directors meeting.

D. Update on the Liability Claims Quality Improvement Initiative

Mr. O'Donnell provided a status update on the progress of the liability claims quality improvement initiative.

E. Update on Onsite Care Program

Mr. Sanger reported on the status of the onsite care program.

XIII. CONSENT ITEMS

A. Resignation of an Executive Committee Alternate for the K12; 1-15,000 Governance Category

B. ASCIP 2013 Third Quarter Investment Summary Report

C. Approval of Health Benefits Committee Policy

On **MOTION** of Mr. Didion, **SECONDED** by Ms. Jones and **CARRIED**, Item #XIII.A through Item #XIII.C were approved as presented.

XIV ACTION ITEMS

A. Approval of Finance Audit as of June 30, 2013

On **MOTION** of Mr. Didion, **SECONDED** by Mr. Markarian and **CARRIED**, Item #XIV.A. was approved as presented.

B. Approve the Revisions to the Investment Portfolio Benchmark

The Executive Committee approved a number of recommendations made by ASCIP's Investment Manager/Advisor (PFM) and approved by the ASCIP Finance/Investment Committee:

1. Establishing separate PFM custodial accounts for both the assets of the property/liability program and for the assets of the workers' compensation program effective July 1, 2014.
2. Lengthening the duration of the assets under management by PFM from a 1-3 year to a 1-5 year mandate to more accurately reflect the duration of ASCIP's liabilities. The Committee did not approve PFM acquiring individual securities with a maturity greater than 5 years.
3. Changing the performance benchmark from the Merrill Lynch 1-3 year government index to the 1-5 year AAA-A US corporate & government index.
4. Systematically reallocating assets now held in the Los Angeles County Treasurer's pool into fixed income securities managed by PFM. The goal is to reallocate between \$15 million to \$25 million per quarter.

On **MOTION** of Mr. Olafsson, **SECONDED** by Mr. Vinke and **CARRIED**, Item #XIV.B was approved as presented.

C. Approve the Master Service Agreements:

1. MyBrighter

The Executive Committee approved the Master Service Agreement with MyBrighter as recommended by the Health Benefits Committee.

On **MOTION** of Ms. Jones, **SECONDED** by Mr. Markarian and **CARRIED**, Item #XIV.C.1 was approved as presented.

2. McCarthy Designs

The Executive Committee ratified staff's decision to enter into a Master Service Agreement with McCarthy Designs.

On **MOTION** of Ms. Jones, **SECONDED** by Ms. Cano and **CARRIED**, Item # XIV.C.2 was approved as presented.

D. Approval of Extension of the Consulting Agreement with AON Risk Services

The Executive Committee approved the contract with AON Risk Services through June 30, 2014.

On **MOTION** of Mr. Didion, **SECONDED** by Mr. Olafsson and **CARRIED**, Item #XIV.D was approved as presented.

E. Approval of December Holiday Closure

The Executive Committee approved the closure of the ASCIP office from December 23, 2013 through January 3, 2014.

XV. ADJOURNMENT TO CLOSED SESSION – 12:02 p.m.

By order of **GENERAL CONSENSUS**, the Executive Committee adjourned to Closed Session for discussion of the following matters.

- A. Summary of Open Claims Reported to ASCIP's excess insurers and reinsurers: SELF, MARP, Markel, and Brit
- B. Claims for Review/Action/Information

1. Roxanne Perez vs. North Orange County Community College District

On **MOTION** of Ms. Jones, **SECONDED** by Ms. Cano, and **CARRIED**, the Executive Committee took action in Closed Session on Roxanne Perez vs. North Orange County Community College District. Committee Member Williams abstained.

2. Bryan Zavala vs. Newport-Mesa Unified School District

On **MOTION** of Ms. Cano, **SECONDED** by Ms. Jones, and **CARRIED**, the Executive Committee took action in Closed Session on Bryan Zavala vs. Newport-Mesa Unified School District.

XVI. RETURN TO OPEN SESSION

By order of **GENERAL CONSENSUS**, the Executive Committee returned to Open Session at 12:10 p.m. Vice President Kelsch announced that the Executive Committee took action in closed session on Item XV.B.1 and XV.B.2.

XVII. FUTURE MEETINGS

The Executive Committee was provided a list of all future meetings.

XVIII. ADJOURNMENT

By order of **GENERAL CONSENSUS**, the Executive Committee adjourned at 12:10 p.m.

The next regular meeting of the Executive Committee will be held on Thursday, January 23, 2014, at ASCIP Office, 16550 Bloomfield Avenue, Cerritos, CA 90703.