



**BOARD OF DIRECTORS' MEETING
Hilton Garden Inn
Yakima, WA**

October 14, 2016, 9:00 a.m.

MINUTES

The Cities Insurance Association of Washington (CIAW) Board of Directors conducted a Board of Directors meeting on October 14, 2016, at 9:00 a.m. at the Hilton Garden Inn, Yakima, Washington. Board members participating: Wes Crago, City of Ephrata; Tim Snead, City of Quincy; Helen Harvey, City of Yakima; Laura Koenig, City of Sultan; Eron Berg, City of Sedro Woolley; and Brian Asmus, City of Liberty Lake. Attorney Paul Rosner from the Law Firm of Soha & Lang participated. Also participating from the Administration Office: Jenni Bates, Ellen Kosa, Eric Homer, Phil Riche, Frank Andrus, Rich Moore, Brian Turnbull, Lance Hammond, Byron Riche, Mark Sherwood, and Angela Eloff representing Clear Risk Solutions.

**ITEM 1
INTRODUCTIONS**

Roll call was taken.

**ITEM 2
ADDITIONS**

Additions were called for; Chair Asmus asked Brian Turnbull to present the Underwriting information that was taken off the workshop agenda, due to time constraints. Turnbull will present after item 3.

**ITEM 3
EXECUTIVE SESSION, RCW 42.30.110 – Pending Litigation (30 minutes).**

Chair Asmus called an executive session at 9:05 a.m. for 30 minutes per the advertised agenda to discuss pending litigation. Attorney Paul Rosner led the discussion. Chair Asmus called the meeting back to order at 9:32 a.m., then announced an additional 10 minutes will be needed. At 9:41 a.m. the meeting was called back to order by Chair Asmus, and he concluded that no action will be taken on the matter.

**ITEM 4
PRESENTATION ON UNDERWRITING**

Turnbull presented to the Board several slides on the history of when the CIAW started and why. He showed how things have changed in the markets and regarding governance since 1988. He talked about rates, services, and brokerage. He spoke of the CIAW's Board objectives, the renewal process, and equity building ideas. All questions were answered in detail.

**ITEM 5
ELECTION RESULTS**

Bates went over the recent election results and announced the Board will stay intact. However, there are still two openings in Area 3 that will need to be addressed in 2017. A letter will go out to the membership in Area 3 re-announcing the openings.

**ITEM 6
APPROVAL OF MINUTES**

The minutes from the August 11, 2016, meeting were presented. Motion Crago to approve the minutes as written. Second by Koenig; motion carried.

ITEM 7

RESERVE ACCOUNT REPORT AND VOUCHER APPROVAL

Andrus gave an overview of the items listed on the voucher summaries. The vouchers presented have been audited and certified by the auditing officer, as required by RCW 42.24.080, and those expense reimbursement claims certified, as required by RCW 42.24.090, which have been recorded on a listing, made available to the CIAW Board of Directors.

As of this date, October 14, 2016, the CIAW Board of Directors approves for payment the presented vouchers and summaries that are further described as: CIAW August voucher #15/16-09 in the amount of \$1,074,718.00, CIAW September voucher #15/16-10 in the amount of \$815,618.88, and October voucher #15/16-11 in the amount of \$1,574,019.45 Motion Snead to approve the above vouchers and summaries as presented. Second by Koenig; motion carried.

ITEM 8

FINANCIAL REPORT

E. Kosa presented the income statement compared with budget ending September 30, 2016. She also presented the balance sheet ending September 30, 2016. All questions were answered in detail.

The bank statements and transfers, to date, were discussed. Motion Koenig to approve the presented bank statements and transfers. Second by Fortier; motion carried.

ITEM 9

FINAL BUDGET AND RENEWAL PACKET

Moore presented the proposed draft final budget to those present. After much discussion, a motion was made by Berg to approve the proposed final budget with two changes:

- The underwriting fee amount needs to be calculated at 8%, which would then be \$988,909.
- Cancel the line items that read "Scholarship" and "Grant in Need" and build a new line item for \$50,000 called "Membership Assistance" to further be used for membership needs. A new committee will be formed to administer this fund, along with the Board of Directors.

Second by Koenig; motion carried. Crago asked that a new budget copy after changes be sent out to all Board members.

After some discussion, a committee was formed to handle the approval process and write the needed documents going forward for this new "member assistance" fund. The committee is: Snead, Koenig, and Berg from the Board, as well as Hammond and Riche from Clear Risk Solutions. They will be scheduling a meeting for January.

The Board reviewed the following document titled "*CIAW 2016-2017 Renewal Report to the Board.*" Those that were present received a copy. Homer and Turnbull went over the highlights of the report and asked for any questions or concerns:

- Program Expiration/Renewal Dates
- Excess Marketing Efforts
- Coverage Changes
- Recommended Coverage Options
- Privacy Protection & Network Liability
- Enhancements
- Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA)
- Under Insured Motorists/Under Insured Motorists (UIM)
- Excess and Surplus Lines Taxes
- Authority to Bind Excess Coverage
- Approval of Renewal Proposal
- Brown and Brown Disclosure Statement

- 2016-2017 colored Chart of Coverage
- Insurance Coverage Review check list
- Professional Services Agreement for Insurance Brokerage Services

Motion by Koenig to approve the renewal packet as presented and to bind coverage with the carriers listed. Second by Berg; motion carried.

ITEM 10

GRANT AND SCHOLARSHIP UPDATE

This item was taken care of in the budget discussion; therefore it was taken off the Agenda.

ITEM 11

ITEMS TAKEN AWAY FOR WORKSHOP AND BOARD MEETING DISCUSSION FOR FUTURE MEETINGS

- Budget Parameters
- Risk Factors and Focus
- Contracts
- Diversity
- Equity goals
- Regional Trainings

ITEM 12


NEXT MEETING

The next meeting of the Board will be held on November 7, 2016, at 3:00 p.m., via a telephone conference, Ephrata, Washington.

Respectfully submitted,



Jenni Bates



Brian Asmus, Chairman