

Finance Committee Meeting  
October 1, 2021, 8:30 am  
Shasta-Trinity Schools Insurance Group  
MINUTES

**Members Present:**

Robert Fellingner  
Adam Hillman  
David Flores  
Sara Long  
Cathleen Serna  
Jill Ault

**Others Present:**

Brooks Rice, STSIG  
Leah Grant, STSIG  
Kurt Walling, STSIG  
Lisa Blakeslee, STSIG  
Dave Wiesner and Eric Leventhal, EPIC  
Francis Orejudos, Moss Adams

Robert Fellingner called the meeting to order at 8:30 am. Confirmation of a quorum.

**GENERAL BUSINESS**

**1. Approve minutes for the June 18, 2021, Finance Meeting.**

Adam Hillman moved to approve the minutes from the June 18, 2021, Finance Committee Meeting.  
Cathleen Serna seconded.

Approved: Robert Fellingner, Adam Hillman, David Flores, Sara Long, Jill Ault, and Cathleen Serna.

Opposed: None. Motion carried. Unanimous.

**2. Loss Ratios**

Brooks Rice reported on the loss ratios for the health programs through June 30, 2021. All programs are stable. Ratios are as follows:

Program	Current Year YTD Loss Ratio		Previous Year YTD Loss Ratio	
	Fiscal	Plan	Fiscal	Plan
Medical	93.19%	93.46%	95.05%	94.12%
Dental	85.09%	81.62%	79.93%	75.20%
Vision	72.54%	70.05%	57.52%	51.05%

No action is needed.

**3. Investment Report Review / Treasurer's Report**

The investment reports as of June 30, 2021, were presented and reviewed. Robert Fellingner reviewed and signed the Treasurer's report.

The investment report as of June 30, 2021, states we have \$48.1M in total cash with \$3.2M in LAIF receiving a rate of return of .33% and \$21.0M in CAMP earning .57%. The remaining \$23.8M is split between Merchant Bank of Commerce Bank and Accounts with Partners.

CAMP activity is accounted for by the accrual method of accounting, which is consistent with PFM's best practices during the year with an annual adjustment to fair market value by the Auditors. The difference between the unaudited financials and the CAMP securities statement is the aggregate FMV adjustments made by the Auditors. The total CAMP assets are reported as cash and accrued interest receivable.

	Investments	Accrued Interest Receivable	Total
<b>Medical</b>	\$7,582,562	\$31,744	\$7,614,306
<b>Workers' Comp</b>	\$11,663,428	\$48,828	\$11,712,256
<b>Dental</b>	\$973,279	\$4,075	\$977,354
<b>Vision</b>	\$458,002	\$1,917	\$459,919
<b>Total</b>	\$20,677,270	\$86,564	\$20,763,835

David Flores moved to approve the investment reports, as presented. Adam Hillman seconded.  
Approved: Robert Fellingner, Adam Hillman, David Flores, Sara Long, Jill Ault, and Cathleen Serna.  
Opposed: None. Motion carried. Unanimous.

#### **4. Expenditures**

Expenditures from May 1, 2021, to June 30, 2021, were presented and reviewed.

Cathleen Serna moved to approve the expenditures as presented. David Flores seconded.  
Approved: Robert Fellingner, Adam Hillman, David Flores, Sara Long, Jill Ault, and Cathleen Serna.  
Opposed: None. Motion carried. Unanimous.

#### **5. Unaudited Financial Reports**

Brooks Rice presented the unaudited financial reports through June 30, 2021.

The scorecard and details were reviewed. The scorecard amounts were before adjustment for IBNR. The combined health programs reported a surplus of almost \$1.8M. The combined workers' compensation programs report a surplus of \$2.5M. Claims continue to increase each month, so the surplus is expected to adjust downward.

There was an error on the Workers' Compensation balance sheet, which carried forward and affected the scorecard. This error will be corrected and presented at the Executive Committee meeting on October 15, 2021.

The Workers' Compensation program continues to reduce outstanding liabilities due to claim management by SIA.

Workers' Compensation rates could take another reduction in the future as outstanding liabilities continue to drop; however, we are at or close to the bottom rate when we stop reductions and keep rates stable for the long run.

David Flores moved to approve the unaudited financial reports as presented. Cathleen Serna seconded.

Approved: Robert Fellingner, Adam Hillman, David Flores, Sara Long, Jill Ault, and Cathleen Serna.  
Opposed: None. Motion carried. Unanimous.

## **6. Confirmation of Current STSIG Insurance Coverages**

Per the STSIG bylaws and Policies & Procedures, The Finance/Audit Committee will review the Authority's insurance coverage and confirm the Authority has sufficient coverage to protect the Authority. The following is a summary of the Authority insurance coverage. STSIG believes there is adequate coverage.

- Workers' Compensation: Member of STSIG pool
- Property & Liability coverage: NCSIG MOC, 7/1/21 to 7/1/22
- Cyber Liability coverage: EVO 3.0 of Lloyd's, \$10K deductible with \$5M limit, 01/27/21 to 01/27/22
- Directors & Officers (D&O) coverage: Travelers, 5/13/21 to 5/13/22
- Collateral agreement:
  - ◆ Merchant Bank of Commerce, \$10M plus, valid December 31, 2017, to current

Adam Hillman moved to accept the Authority's current insurance coverage outlined in the meeting materials as sufficient to protect the Authority's interests. Jill Ault seconded.

Approved: Robert Fellingner, Adam Hillman, David Flores, Sara Long, Jill Ault, and Cathleen Serna.  
Opposed: None. Motion carried. Unanimous.

## **7. Medical Claims Audit**

For CAJPA accreditation, we are required to complete a medical claims audit every three years. Moss Adams has prepared the audit in the past and has completed it for this term. The audit period is October 1, 2019, to September 30, 2020. The audit report is in the meeting materials and shows that the audit was favorable. The purpose of the audit is to test the overall performance of Anthem claims. The audit sample included 225 claims and \$5M in paid claims. The audit shows that financial, payments, and processing sections and all scored above 97% accuracy, which meets all industry best practices benchmarks.

Moss Adams concluded that Anthem is performing well with only two errors described in the audit report.

David Flores moved to accept the Moss Adams medical claims audit as presented. Jill Ault seconded.

Approved: Robert Fellingner, Adam Hillman, David Flores, Sara Long, Jill Ault, and Cathleen Serna.  
Opposed: None. Motion carried. Unanimous.

## **PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA**

None.

**ADJOURN** – Robert Fellingner adjourned the meeting at 9:17 am.