



SHASTA-TRINITY SCHOOLS
INSURANCE GROUP

Serving Schools Since 1980

MINUTES

WORKERS' COMPENSATION COMMITTEE MEETING

Tuesday May 2, 2017 9AM

Executive Committee Members Present:

Robert Fellingner	Redding/ Igo Ono/ Shasta Union ESD
Michelle Glover	Columbia/ Black Butte/ Junction/ North Cow Creek ESD
Heather Brown	Grant ESD
Jason Rubin	Gateway Unified SD

Others Present:

Brooks Rice, STSIG
Leah Grant, STSIG
Kurt Walling, STSIG
Lisa Blakeslee, STSIG

CALL TO ORDER

Robert Fellingner called the meeting to order at 9:05AM.

GENERAL BUSINESS

1. Review of Workers' Compensation through March 30, 2017

Meeting material included information explaining the program and its history. The STSIG Director has the authority to settle claims up to \$50K.

This committee has authority to settle claims between \$50k and \$150k. Claims more than \$150K will be reviewed by the Executive Committee and the Board of Directors. Currently, there are only about 1-2 claims over \$25K in a 6-month period. There are about 10 very old claims that are still open and being managed by SIA.

There are four types of claims: First aid, Medical only, Light duty restricted and Indemnity Claims.

The clock starts on a claim at the moment of notice to the district.

The materials show that the program is well funded at \$12M above the 90% confidence level. The goal and the gold standard is 90% confidence level. The long-term plan is to continue to fund the reserves while maintaining the 90% confidence level for the next 5 years, then stop future rate adjustments while maintaining the reserves at a level that will absorb any claims excesses.

Heather Brown moved to accept the information and goal and to recommend to the board.

Michelle Glover seconded.

Approved: Robert Fellingner, Michelle Glover, Heather Brown, and Jason Rubin.

Opposed: None. Motion carried. Unanimous.

2. 2017-18 Actuarial Study

Two Executive reports are presented- prepared by Bickmore.

The reports reflect that the liabilities have dropped \$500K from last year. Funding is above the 90% confidence level and claims are expected to be lower than last year. The reports do not reflect the full credit due for the progress made by the switch from LWP to SIA. Full credit for the switch and the full positive results of that is expected at the 7-year mark. It is noticed that the earlier report shows \$9M above the 90% confidence level while the most recent report shows \$13M above the 90% confidence level. The actuaries confirm the program is well funded and feel secure in our program. STSIG expects the reserve to peak at between \$17M-\$20M above the 90% confidence level.

3. Modification Rate Calculation Methodology

There are three models presented for consideration.

1. The current method- Considered archaic and not a fair balanced method for a pool.
2. Model 2- Would cap claims at \$50K and would raise rates on those that had higher frequency. This would cap the mod rate at 1.5 and would only move 15% either way when adjusted. This method would be smoother, but reserves would need to be used to pay STSIG's administrative expenses.
3. Model 3- Would give every participant a 5.3% decrease from their current rate resulting in no mod rate change. Reserves would be used to pay for STSIG's administrative expenses. This model would allow the last LWP year to come off everyone's history and the rate and method would be re-evaluated for next year.

Michelle Glover moved to accept Calculation Methodical Model-3 for the 2017-18 year and to re-evaluate for the following year. Heather Brown seconded.

Approved: Robert Fellingner, Michelle Glover, Heather Brown, and Jason Rubin.

Opposed: None. Unanimous.

4. Loss Incentive Program Update and Design

22 Districts earned the Loss Prevention Incentive last year, up from 7 districts two years ago.

1. There are districts that have earned the incentive but are not spending the funds. Over \$72,000 remains in the reserves for those schools.
2. There is confusion as to what constitutes a training credit for the incentive.
 - a. One contact hour will be counted as one incentive credit. This can be counted in half hour increments.

3. STSIG Loss Prevention currently provides training that is more liability focused and not related to workers' compensation or safety. No decision was made to curtail these additional trainings.
4. No formal workers' compensation review process currently exists.
 - a. A one page review summary will be generated by STSIG.
5. Some districts have not shown interest in meeting the basic incentive requirements. The following was suggested by the WC Committee:
 - a. Develop courses of action exploring compulsory safety incentive program participation.
 - b. Provide additional training opportunities at a central location so districts can send employees.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None

ADJOURN

The meeting was adjourned at 11:07AM.