

**FRESNO COUNTY SELF INSURANCE GROUP
(F.C.S.I.G.)**

Quarterly Board Meeting

1:30 p.m. Tuesday, October 10, 2006

J. Frank Parks Education Center
Selma Unified School District
3036 Thompson Avenue
Selma, California

Meeting Minutes

Call to Order Vice President Paul Cannon called the meeting to order at 1:33 p.m.

Attendance

Alvina Elementary School District
Paul Cannon

Selma Unified School District School District
Larry Teixeira

Kings Canyon Joint Unified School District
Terri Bechtel

Kingsburg Joint Union School District (Elem)
Dr. Mark Ford
Carol Williamson

Sanger Unified School District
Marc Johnson

Guests:

Joe Igoa – *Mullen & Filippi*

Sharon Castillo – *Tristar*

Tom Veale - *Tristar*

Bill Tucker - *Tucker-Alexander Ins.*

Donna Murry – *Tucker-Alexander Ins.*

Riverdale Unified School District
Vicky Rocha

Introductions The attending directors & guests introduced themselves.

Approval of Agenda The motion was made by member Ford and seconded by member Teixeira to approve the agenda. Motion carried.

Public Hearing Session Vice President Cannon asked if anyone wished to address the Board. There was no response.

Consent Agenda The motion was made by member Teixeira and seconded by member Ford to approve the consent agenda which included the following:
A. Approval of the minutes of the June 13, 2006 meeting as mailed.
B. Approval of expenditures (Attachment A).
Motion carried.

Treasurer's Report Carol Williamson, the F.C.S.I.G. accountant presented the financial statement for quarter ending September 30, 2006, (Attachment B). The accountant reported on receipt of the 1st installment deposit premium payment for the 06/07 year which was due October 02, 2006. She mentioned there were three districts that did not meet this deadline. One of the three had since made their payment which did include the 10% penalty for not meeting the deadline. The motion to accept the Treasurer's Report and to adhere to the Bylaws and impose the 10% penalty to the two remaining districts that were late with the option to make an appeal to the Board was made by member Johnson and seconded by member Teixeira. Motion carried.

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Broker's Report The broker, Bill Tucker Jr. presented the analysis which addressed the prior question of whether a
Withdrawn Member Assessment withdrawn member could be assessed for re-opened claims. The analysis of assessing withdrawn members was prepared by John Phillips from the law firm of Wild, Carter & Tipton, (Attachment C).

Excess W/C Policy It was mentioned a copy of the current policy for the excess workers' compensation coverage written through Continental Casualty Company will be distributed to all member districts with the minutes, (enclosed).

Claims Cost Analysis The broker presented the Claims Cost Analysis for year ending June 2006 and for period ending September 2006, (Attachment D). It was pointed out the claim costs incurred in the more recent period compared to that of the year prior were noticeably lower. The broker felt the improvement was attributed to the changes in the law.

Serious & Willful Misconduct Claims The broker presented Joe Igoa from the law firm of Mullen & Filippi. Mr. Igoa addressed the Board on the subject of *serious & willful misconduct* workers' comp. claims, or 132a violations. Judgments from these types of claims are not covered under the FCSIG coverage document or that of the excess carrier. Handling the defense of these types of claims with that of the underlying workers' comp. claim is the most cost effective way for districts to proceed. It was the consensus of the Board to handle the defense of serious & willful misconduct claims with that of the underlying workers' comp. claim.

Administrator's Report Sharon Castillo, the F.C.S.I.G. claims administrator reported on the larger indemnity claims for
Claim Activity period ending September 30, 2006 along with a comparison of 1st quarter verses 4th quarter claims activity, (Attachment E).

WCIRB Summary Tom Veale, Tristar president, presented the *Workers' Compensation Insurance Rating Bureau of California of March 31, 2006 Insurer Experience*, (Attachment F). He reiterated the broker's comments that the new laws have started to show in the experience of the insurers.

Loss Control Report No report was available.

Action Items The motion to accept the Public Self Insurer's Annual Report for Joint Powers Authority and
Annual Report Members, (Attachment G) as presented by the broker was made by member Ford and seconded by member Johnson. Motion carried. This report is filed annually with the State of California, Department of Industrial Relations and is used to calculate the User Funding and Fraud Assessments.

Board Member Report Vice President Cannon asked if any member had items to report. There was no response.

Closed Session There were no items for closed session.

Next Meeting/Adjournment The next quarterly meeting is scheduled for 1:30 p.m. on **Tuesday, January 9, 2007**. With no further business, the motion to adjourn the meeting was made by member Teixeira and seconded by member Rocha. Motion carried and the meeting adjourned at 2:32 p.m.

Prepared by,

Approved by,

Donna Murry
MJ:dm

Marc Johnson
F.C.S.I.G. Secretary