

# MINUTES



## SELF INSURANCE GROUP

### BOARD OF DIRECTORS MEETING

WEDNESDAY, JUNE 16, 2021

1:00 P.M.

This meeting was conducted by **Zoom**. Locations were not provided as the Brown Act has been partially suspended due to Coronavirus (COVID-19)

#### I. CALL TO ORDER

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#### II. ROLL CALL

##### OFFICERS & BOARD OF DIRECTORS PRESENT:

KERMAN UNIFIED SCHOOL DISTRICT

KINGSBURG JOINT UNION ELEMENTARY SCHOOL DISTRICT

ALVINA ELEMENTARY CHARTER SCHOOL DISTRICT

FIREBAUGH-LAS DELTAS JOINT UNIFIED SCHOOL DISTRICT

FOWLER UNIFIED SCHOOL DISTRICT

FOWLER UNIFIED SCHOOL DISTRICT

KINGSBURG JOINT UNION ELEMENTARY SCHOOL DISTRICT

SELMA UNIFIED SCHOOL DISTRICT

SOUTHWEST TRANSPORTATION AGENCY

Kraig Magnussen, President

Dr. Wesley Sever, Treasurer

Mike Iribarren, Secretary

Roy Mendiola

May Yang

Edith Cantu

Carol Bray, Accountant

Daniel Johnson

Lynn Hill

##### MEMBERS

PARLIER UNIFIED SCHOOL DISTRICT

WASHINGTON UNIFIED SCHOOL DISTRICT

Scott Griffin

Chris Vaz/Sal Fonseca

##### ADMINISTRATORS & CONSULTANTS:

KEENAN & ASSOCIATES

KEENAN & ASSOCIATES

KEENAN & ASSOCIATES

MILLIMAN, INC.

POMS & ASSOCIATES

TRISTAR RISK MANAGEMENT

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Tony Zuniga, Claims Analyst

Tyler Houston, Account Executive

Donna Murry, Account Manager

Guy Avagliano

Amy Dolson, Risk Manager

Sharon Castillo, Third Party Administrator

Tom Veale, President

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#### III. APPROVAL OF AGENDA

**2020/2021-39**

##### **ACTION**

The Authority retains the right to change the order in which agenda items are discussed. Subject to review by the Board of Directors, the agenda is to be approved as presented. Items may be deleted or added for discussion only according to G.C. Section 54954.2.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Iribarren with a second by member Bray and unanimously carried to approve the Agenda as presented. Absent: Members Gabriel, Sever, Cantu, and Orozco.

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#### IV. PUBLIC COMMENTS

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

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**V. CONSENT AGENDA**

**2020/2021-40  
ACTION**

The Board of Directors to consider the following items within the Consent Agenda:

- Approval of Minutes of the April 14, 2021 Board of Directors Meeting as Emailed
- Approval of Expenditures for Period Ending May 31, 2021
- Tristar Monthly Claims Expenses for Period Ending May 31, 2021

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Iribarren with a second by member Yang and unanimously carried to approve the Consent Agenda as presented. Absent: Members Gabriel, Sever, Cantu, and Orozco.

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**VI. CORRESPONDENCE**

**2020/2021-41  
INFO**

There was no correspondence to present.

Members Sever and Cantu arrived

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**VII. CLAIMS**

**THIRD PARTY ADMINISTRATOR UPDATE**

**2020/2021-42  
INFO**

Sharon Castillo, Claims Administrator for Fresno County Self-Insurance Group (FCSIG) presented the claims update report for review.

- Stewardship Report as of 4/30/21 was presented. It was a comprehensive report detailing workers' comp incidents by occupations, locations, cause of loss, body part injured, and injury type; with the numbers and incurred costs broken down by fiscal year/dates, providing specific notes and demographics of all claims from 2015 to current. Teachers, aides, custodians, and food service workers are the occupations with the highest number of incidents and strains being the number one injury type. Incurred costs for 2019 and 2020 continue to be lower possibly due to COVID-19. Overall, there were 2,170 total incidents from 2015- 4/30/21 with 10% of the total claims within the reported period still open, 66% of the total incurred dollars have been paid, 169 of the loss time incidents had restricted work days up 6 as compared to the last review.
- Nurse Triage Savings Summary Report for period of 7/01/20 – 5/31/21 had 198 calls of which 62 calls or 38.5% ending as self-care instead of going to see a physician.
- The Utilization Review Summary, which is a request for authorization of treatment was presented. The report indicated a total net savings of \$707,596 from the period of 7/01/20 – 5/31/21.
- Tristar Savings Summary Report from bill review was presented for the period of 7/01/20 – 5/31/21. The report showed a gross savings of over \$1.9M for aforementioned period.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

**CLAIMS TREND OVERVIEW**

**2020/2021-43  
INFO**

Tony Zuniga, Keenan Claims Analyst presented the Claims Trend Overview to the Board.

According to his data, teachers are the occupation which have the longest claim duration. Aides on the other hand have the shortest duration, which is outside the norm for other groups. Back injuries can have a lengthy claim duration, but again for the FCSIG group that is not the case. So far there are no red flags appearing on claim trends, which is a good sign. The older an employee gets, the more likely injuries will occur. This is when your prevention program should take a look at the age and length of employment of your employees. An interesting fact was the category of employment for under 1 year and from 1 to 3 years had higher claim duration when an injury occurs possibly due to lack of training. When having a claim review, he mentioned these trends will be personalized for your district.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

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## VIII. UNDERWRITING

### LEGISLATIVE UPDATE

**2020/2021-44**  
**INFO**

Tony Zuniga presented legislative updates and current events affecting the workers' compensation program. He reported that California is running short of qualified medical evaluators (QMEs) due to those leaving the business from the lack of adequate reimbursement. To solve the problem, California has recently implemented new regulations involving the fees schedule, which will increase the cost of having a claim reviewed by a QME. This ultimately should increase the number of QMEs and expedite the progress of a claim which is seeking a QME review.

The revised Cal/OSHA standards which appeared in the June 4, 2021 News Release by the Department of Industrial Relations will be amended as Cal/OSHA will be meeting the next day to discuss changes to the COVID-19 prevention emergency temporary standards.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: None

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## IX. FINANCIAL

### TREASURER'S REPORT

**2020/2021-45**  
**ACTION**

The FCSIG accountant, Carol Bray presented the Treasurer's Report for period ending May 31, 2021 for review and consideration. Total operating revenues were at 98% with revenues at \$7,313,205 and operating expenses at 67% with expenditures of \$4,120,395.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Iribarren with a second by member Yang and unanimously carried to approve the Consent Agenda as presented. Absent: Members Gabriel and Orozco.

### APPROVAL OF THE MILLIMAN, INC ACTUARIAL REPORT

**2020/2021-46**  
**ACTION**

The Actuary, Guy Avagliano presented the *Summary of Actuarial Analysis as of March 31, 2021* as prepared by his firm Milliman, Inc. for review and consideration. The actuarial analysis uses reserves as of March 31, 2021 and losses up to \$500,000 per claim. The analysis also uses a variety of probability levels from an expected value up to 90% with rates discounted assuming a 1.2% annual interest rate. The study provided Retention levels at \$500,000, \$600,000, and \$750,000. The actuary reported the Frequency has generally declined over time, decreasing over 60% in the last 6 years with Severity increasing modestly. The report showed no change in the funding rate comparison with the exception of the expense provision increasing slightly from 2020-21 to 2021-22.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Bray with a second by member Sever and unanimously carried to accept the Summary of Actuarial Analysis as of March 31, 2021 as prepared by Milliman, Inc. Absent: Members Gabriel and Orozco.

### EXCESS WORKERS' COMPENSATION COVERAGE DETERMINATION

**2020/2021-47**  
**ACTION**

Tyler Houston, Account Executive presented the proposals for the excess Workers' Comp coverage. The proposal from the incumbent, Safety National continued to be the most competitive. Various Self-Insured Retentions (SIRs) were presented, with the current SIR of \$500,000 proving in the actuarial analysis to produce the lowest overall rate for the group. It was his recommendation to stay with Safety National at the \$500,000 SIR.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Sever with a second by member Yang and unanimously carried to stay with Safety National at the \$500,000 SIR for their excess Workers' Comp coverage. Absent: Members Gabriel and Orozco.

**PROBABILITY LEVEL / RATE FOR 2021/2022**

**2020/2021-48**  
**ACTION**

Tyler Houston presented the spreadsheets with various probability levels & rates for review & consideration by the Board. He mentioned at the current 80% probability level, the renewing rate was only \$0.02 higher than the expiring and recommended to stay at the 80% probability level.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Iribarren with a second by member Mendiola and unanimously carried to stay at the 80% probability level and the rate as presented. Absent: Members Gabriel and Orozco.

**CONSIDERATION OF PAYING A REBATE**

**2020/2021-49**  
**ACTION**

The Actuary presented a new three-year actuarial analysis of the rebate calculation to the Board of Directors for consideration. The analysis showed over \$2M was available to return to the members in the current 2020/2021 year. It was mentioned should the districts choose not to take a rebate, the funds should still be available for payment in the future.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Sever with a second by member Mendiola and unanimously carried not to take the rebate for the current 2020/2021 year. Absent: Members Gabriel and Orozco.

**PRELIMINARY BUDGET FOR THE 2021/2022 YEAR**

**2020/21-50**  
**ACTION**

The Account Manager, Donna Murry presented the Preliminary Budget to the Board for their consideration. The final budget will be presented at the next FCSIG meeting in October.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Iribarren with a second by member Sever and unanimously carried to accept the Preliminary Budget as presented. Absent: Members Gabriel and Orozco.

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**X. ADMINISTRATION**

**ELECTION OF OFFICERS**

**2020/2021-51**  
**ACTION**

The Board of Directors elected their officers for the 2021/2022 year. Currently the office of Vice President was open. Kraig Magnussen nominated Gary Geringer to fill the office of the Vice President.

PUBLIC COMMENTS: None

BOARD CONSIDERATION: Motion by member Sever with a second by member Mendiola and unanimously carried to re-elect the current slate of officers with Gary Geringer filing the office of the Vice President. Absent: Members Gabriel and Orozco.

**CLAIMS AUDIT SERVICES**

**2020/2021-52**  
**ACTION**

The Account Manager, Donna Murry presented the claims audit proposal for \$9,500 as submitted by Timothy Farley with Farley Consulting Services, LLC. His firm performed the claims audit two years ago with the price remaining the same. He was the only one to respond to the Request For Proposal. It was suggested by member Sever to try to find additional claims auditors for assurance of competitive pricing.

PUBLIC COMMENTS: None

COMMITTEE CONSIDERATION: Motion by member Sever with a second by member Yang and unanimously carried to accept the proposal as submitted by Farley Consulting Services, LLC. Absent: Members Gabriel and Orozco.

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**XI. RISK MANAGEMENT UPDATES**

**2020/2021-53  
INFO**

The Risk Manager Amy Dolson with Poms & Associates Risk Services presented the updates on Loss Control services.

- **FCSIG Strategic Plan – will be updated and presented at the October 2021 Board of Directors meeting**
- **Future Training Workshops:**
  - Virtual Pesticide Handler Safety Training – June 17, 2021
  - Workers’ Compensation Workshop with Tristar Fall 2021 – (date & location TBD)
- **ADA Interactive Process in the Era of COVID-19 Workshops with Rachel Shaw – future workshops for consideration:**
  - August 20 - ADA Disability Compliance and Mental Health
  - November 19 – Developing Your Post-COVID ERA ADA Leave Management Program
- **Claim Review Meetings with Tristar – ongoing**
- **Ergonomics Evaluations (virtual & onsite) – ongoing**
- **Monthly Safety Spotlight Topics 2021-2023** - revisions in progress – updated topics will be provided July 2021.
- **Credit from Excess Carrier for safety training.** A check is expected from Safety National for the amount of \$5,037 to be used for off-setting training classes provided by FCSIG. This was a new program offered by Safety National.
- **Revised Cal/OSHA COVID-19 Prevention Emergency Temporary Standard**
  - June 9, 2021, Cal OSHA Standards Board voted to rescind its amendments/revisions (passed on June 3rd) to the Covid-19 Prevention Standard.
  - June 11, 2021, Updated “New” revisions were made public.
  - June 17, 2021, Board will meet to vote on the new revisions. The soonest the new revision would become effective would-be June 28th. A notice will be sent to all members on what those new changes are.
  - The current ETS that has been in effect since 11-30-20 will remain in effect.
- **Poms Risk Control Webinar Series “Legislative, Safety and Security Updates” – June 18, 2021 @10am**  
PUBLIC COMMENTS: None  
BOARD CONSIDERATION: None

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**XII. INFORMATION**

**MEMBER COMMENTS**

No Comments

**ADMINISTRATION COMMENTS**

Tyler Houston thanked everyone for their attendance at the meeting.

Donna Murry also mentioned the next scheduled meeting in October will be in person at Legends, with lunch being served before the meeting.

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**XIII. AGENDA ITEMS NEXT MEETING**

Members and others may suggest items for consideration at the Board of Directors’ meeting scheduled for **1:00 p.m. on Wednesday, October 13, 2021** to be held at **Legends**, 2910 Pea Soup Anderson Blvd, Selma. Currently scheduled items include:

- Approval of the Final Budget for the 2021-2022 Year
- Third Party Claims Administrator Update
- Claims Trend Overview.
- Treasurer’s Report
- Approval of Financial Audit for Years Ending June 30, 2021 and 2020
- Approval of SETECH Report
- Approval of Public Self Insurers’ Annual Report

**XIV. ADJOURNMENT**

With no further business, the meeting adjourned at 2:45 PM.

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**Americans with Disabilities Act:**

Fresno County Self-Insurance Group, Workers' Compensation JPA conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the Fresno County Self-Insurance Group, Workers' Compensation JPA, shall be made to: Donna Murry, Account Manager, Keenan & Associates, P.O. Box 1404, Selma, CA 93662. Documents and materials relating to an open session agenda item that are provided to the F.C.S.I.G. Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 3036 Thompson Ave; Selma, CA