

**Minutes of the
MBASIA Executive & Finance Committee Teleconference
Tuesday, April 2, 2019 at 9:30 AM**

**PRIMARY LOCATION:
Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor,
San Francisco, CA 94111**

MEMBERS PRESENT

Jamie Goldstein, City of Capitola
Rene Mendez, City of Gonzales
Brett Miller, City of Hollister
Layne Long, City of Marina

MEMBERS ABSENT: None

GUESTS & CONSULTANTS

Michael Simmons, Alliant Insurance Services
Conor Boughey, Alliant Insurance Services
Lorissa Huey, Alliant Insurance Services

A. CALL TO ORDER

Jamie Goldstein called the meeting to order at 9:32 AM.

B. CONSENT CALENDAR

B1. Approval of Minutes – March 6, 2019 Executive Committee Meeting

A motion was made to approve the consent calendar.

MOTION: Brett Miller **SECOND:** Rene Mendez **MOTION CARRIED**

	Jamie Goldstein	Rene Mendez	Brett Miller	Layne Long
Aye	X	X	X	X
Nay				
Abstain				

C. ORAL COMMUNICATIONS & PUBLIC COMMENTS

No public comments were made.

D. EXECUTIVE AND FINANCE COMMITTEE

D1. Workers Compensation Indemnity Claims Payments and Vouchers

Alliant reported that they recently became aware that MBASIA’s Workers Compensation program was originally structured to have Member’s pay the Temporary Disability (TD); the salary (indemnity) portion of the claim, directly from the City through their payroll system with the TPA sending a voucher to the Member for the amount covered under the State WC Code (the payment to the claimant from the City should be similar to the voucher, but may have some variations).

Unfortunately, inequities can develop if a Member of a Pool pays the TD portion of all injured workers’ claims when the Pool is funding this as well. For instance, the Pool’s financials need to post the reserves and IBNR, and not the city. In addition, the Loss Run may not properly capture this data so the actuary can’t properly calculate who’s responsible for what portion. More importantly, the Pool formulas use these losses to calculate each Member’s share of funding, and this could lead to inequity in deposits.

Alliant has reviewed the claims data provided by AIMS since they took over the program and we have been able to determine the amount vouchered to Members for TD (Indemnity).

MBASIA has been asking Members to fund claims using their claim experience that they are ending up paying directly, and not through the Pool. The key problem is that MBASIA uses all of the claims loss data to determine each Members’ share of risk funding.

A motion was made to fix this going forward by creating a credit back to each of the Member equal to the CY 2018 total included in the agenda packet and continuing this practice in following years. MBASIA would continue to reimburse the TD (indemnity payments after calendar year end as part of the next fiscal year budget. This allows Members to receive reimbursement, and correct any voucher issues prior to payment to the Member. Also, to review the historical impact and create a Policy and Procedure so that the Financial Auditor recognizes this process.

MOTION: Rene Mendez **SECOND:** Brett Miller **MOTION CARRIED**

	Jamie Goldstein	Rene Mendez	Brett Miller	Layne Long
Aye	X	X	X	X
Nay				
Abstain				

ADJOURNMENT

Jamie Goldstein adjourned the meeting at 10:09 AM.