



San Mateo County Schools Insurance Group JPA BOARD MEETING MEETING SUMMARY

San Mateo County Schools Insurance Group
Web Conference/Telephonic Meeting

Thursday, November 7, 2024
9:00 a.m.
Second Meeting – 2024-2025

Members Present

Patrick Gaffney - President
Kevin Bultema – Vice President
Valerie Miller
Amy Wooliever
Marites Fermin
Roberta Zarea
Tina Van Raaphorst
Rick Edson
Aida Gamba
DeWayne Davis
Hanwool Kim

Members Absent

B. Adoption of Agenda

The Agenda was adopted unanimously.

E. Meeting Minutes

The May 16, 2024 meeting minutes were approved unanimously.

F. Consent Agenda

Consent Agenda items were approved. Items included Ratification of P/L Check Register, Ratification of Accounts Payable, Deposit Permit Summary, Quarterly Investment Report, Quarterly Financial Report, Investment Policy Review, Policy Review: Capital Target Review, Conflict of Code Policy, and Underwriting Policy.

G1. Early Rate Indication

Matt Gowan from Alliant met with Bermuda reinsurers. He reported that the two hurricanes, Helene and Milton, were not as bad as indicated from an insurance point of view looks like earning events. It affects insurance earnings and doesn't affect their capital reserves which the carriers likely will not raise rates as they did during Katrina or other big hurricanes in the years past. The carriers described the slowing the already softening of the market. Reinsurer

objectives for 2025 are 20% growth, meaning they are going to be aggressive, more competition, which tightens rates up. There is an additional hurricane in the Gulf, Rafael, and hopes that it doesn't cause any other issues. From a world event standpoint, we are looking pretty good.

From workers compensation, continues to look to relatively flat and likely to only have inflationary increases.

School liability is continues to be the bad news. Market continues to be extremely hard. No slowing of the nuclear verdicts. There hasn't been any London, European or Domestic carriers coming back in the liability market yet, resulting in the markets still being tight. We will see some significant increases. Carriers are tightening coverages, reporting rules, litigation oversight and corridor deductibles are becoming norm. Good news we are not seeing this from our specific carriers and have no indication to change coverage. Tom will meet with the carriers next week.

January is when they will finish the insurance trees and will have more solid information and once approved, we will get renewal applications and real insurance indications.

G2. Workers Compensation / Loss Control Update

SMCSIG and InterCare, our TPA for Workers' Compensation, hold bi-weekly meetings to review claims utilization. InterCare has added two new Claims Administrators to its team. Members assigned a new Claims Administrator will receive an introductory call with their contact information.

Sentinel Occupational Software continues to enhance the management of workers' compensation claims, offering:

- Comprehensive comparison of open claims against a national database for insights into claim duration and cost.
- The "Return to Work Advisor" feature has reduced Paid Lost Days by 55%, saving 2,238 days.

ESM Update:

5 Districts have completed audits: Bayshore, Brisbane, Millbrae, Portola Valley, and Woodside. ESM is currently working on inspecting the following districts: Menlo Park, Pacifica, San Carlos, and San Mateo Foster City.

G3. Property / Liability Update

A review of open SAM claims within all layers and the related litigation. Recap of coverage limits for AB 218 claims and its potential impact on member Districts.

SAM CLAIMS SUMMARY 10/16/2024

Total SAM Claims	28
Non-litigated SAM claims	9
Total Litigated SAM Claims	19
Total AB218 SAM Claims	11
Total Incurred	\$ 5,511,407.25

G4. Strategic Planning Retreat

It will be a one-day retreat and the tentative date is either February 10th or February 12th. We are currently working on securing a moderator and location.

H1. Elections

Aida Gamba was elected to be on the Executive Committee Board for the term until 6/30/2026.

H2. Financial Audit

The June 30, 2024 and 2023 financial audit completed by Sampson & Sampon, LLP has been approved by the JPA Board. There were no audit findings.

The audit will be filed with the State Controller's office and with the San Mateo County Auditor.

H3. Strategic Reallocation of Funds

The JPA board approved moving \$15M from a combination of the county treasury and Wells Fargo to Chandler Investments.

To align with our target for county funds and bolster mid to long-term reserves for self-insured workers' compensation, we will move \$15M from a combination of the county treasury and Wells Fargo to Chandler investments.

This approach will support our capital needs and maintain coverage for claims and risk margin.

H4. Contract with Alliant as Healthcare Consortium and Employee Benefits Broker

The JPA Board approved Alliant as the broker of record for both the Healthcare Consortium and Employee Benefits.

Financial Impact:

- **2024 / 2025 Transition Period:** During the transition, Alliant will receive \$8,000 per month while completing the RFP for a new platform and assisting members through the transition process.

- **January 2026 Contract:** We will enter into a four-year contract with Alliant, with the first three years at a fixed annual rate of \$315,000. In the fourth year, the contract will include a 5% rate increase.

H5. For The Good Of The Order

Two guidelines requests were made:

- Coverages for vendors
- DUI coverage

Meeting Calendar

The next meeting will be January 16, 2025.