



Alameda County Schools Insurance Group  
(ACSIG)  
5776 Stoneridge Mall Rd., Suite 130 Pleasanton, CA  
94588

## MINUTES Full Board

**Date:** Thursday, November 12, 2020

**Time:** 12:00PM

**Location:** Video Meeting  
Join Zoom Meeting

<https://us02web.zoom.us/j/7358807014?pwd=OWtmZkd mZmVwT0hCZklsNXA4RURXUT09>

**Meeting ID: 735 880 7014**

**Passcode: acsig20**

**I. The meeting was called to order by Annette Heldman at 12:02pm.**

## **II. Roll call**

### **Full Board**

|                      |                |                                    |
|----------------------|----------------|------------------------------------|
| Annette Heldman      | President      | New Haven Unified School District  |
| Susan Kinder         | Vice President | Livermore Valley Joint             |
| USD                  |                |                                    |
| Candi Clark          | Board Member   | Alameda County Office of           |
| Education            |                |                                    |
| Dani Krueger         | Board Member   | Alameda Unified School             |
| District             |                |                                    |
| Jackie Kim           | Board Member   | Albany Unified School District     |
| Suzy Chan            | Board Member   | Castro Valley USD                  |
| Chris Hobbs          | Board Member   | Dublin Unified School District     |
| Anthony Oum          | Board Member   | Eden Area ROP                      |
| Dora Siu             | Board Member   | Emery Unified School District      |
| Marcus Battle        | Board Member   | Fremont USD                        |
| Bryan Wakefield      | Board Member   | Mission Valley ROP                 |
| Candi Clark          | Board Member   | Mountain House Unified School      |
| District             |                |                                    |
| Marie Dela Cruz      | Board Member   | Newark Unified School District     |
| Ruth Alahydoian      | Board Member   | Piedmont Unified School District   |
| Ahmad Sheikholeslami | Board Member   | Pleasanton Unified School District |

|                                      |                     |                            |
|--------------------------------------|---------------------|----------------------------|
| Dr. Kevin Collins<br>District        | Board Member        | San Leandro Unified School |
| Madeline Gabel<br>District           | Board Member        | San Lorenzo Unified School |
| Julie Duncan                         | Board Member        | Tri-Valley ROP             |
| Lisa Hansen                          | Alternate           | Tri-Valley ROP             |
| Kimberly Dennis<br>Schools Insurance | Executive Director  | Alameda County             |
| Celina Flotte<br>Schools Insurance   | Executive Assistant | Alameda County             |
| Tara Cooper-Salaiz                   | Guest               | Keenan & Associates        |
| Patrice Grant                        | Guest               | Keenan & Associates        |
| Ron Martin                           | Guest               | Keenan & Associates        |
| Michael Clark                        | Guest               | Keenan & Associates        |
| Dave Kundert                         | Guest               | Keenan & Associates        |
| Laurena Grabert                      | Guest               | SETECH                     |
| Cathy Huynh                          | Guest               | Alliant                    |
| Heather Daud<br>Associates           | Rubio<br>Guest      | Christy White &            |
| Cary Allison                         | Guest               | Morgan Stanley             |

### **III. Acceptance of the Agenda**

It was moved by Marie Dela Cruz and seconded by Julie Duncan to accept the agenda as presented.

### **IV. Public Comment on Closed Session Agenda Items**

No public present to comment.

### **V. Closed Session**

*Closed session began at 12:06PM.*

### **Open Session**

*Open session began at 12:13 PM.*

### **VI. Public Comment on Open Session Agenda Items**

No public present to comment.

### **VII. Report of Action Taken in Closed Session**

No action was taken during closed session.

#### **A. Settlement Authorization**

- **Claim Numbers:** None

## **B. Settlement Notification**

### **• Claim Numbers:**

|        |                |        |              |         |            |
|--------|----------------|--------|--------------|---------|------------|
| 400615 | Martin         | 545520 | Austin       | 564915  | Johnson    |
| 401321 | Morris         | 546994 | Jensen       | 567987  | Battiste   |
| 418524 | Warren         | 547050 | Umali        | 569668  | Hepburn    |
| 434247 | Saunders       | 547152 | Brown        | 569873  | Reyes      |
| 440466 | Iniguez-Flores | 549267 | Flores       | 571881  | Ingalls    |
|        |                |        |              |         | Damewoo    |
| 483586 | Guillory       | 549623 | Luksin       | 571925  | d          |
| 485947 | Lent           | 549908 | Luksin       | 574097  | Reyes      |
| 495254 | Erickson       | 550199 | Cortez       | 575966  | Richardson |
| 496788 | Gilroy         | 551160 | Austin       | 2206050 | Macias     |
| 510833 | Tronvig        | 552818 | Nguyen       | 2206147 | Vergara    |
| 511030 | Ingalls        | 553479 | Diamond      | 2206787 | Evans      |
| 512621 | Solis          | 554144 | Montes Gomez |         |            |
| 529056 | Scarper        | 555084 | Sanchez      |         |            |
| 529439 | Stanley        | 555111 | Ayende       |         |            |
| 532037 | Ayende         | 555783 | Jensen       |         |            |
| 533459 | Grantham       | 557103 | Chace        |         |            |
| 533952 | Hardy          | 559484 | Flores       |         |            |
| 538617 | Sorensen       | 561418 | Burns        |         |            |
| 543278 | Villalta       | 563789 | Feucht       |         |            |
| 544213 | O'Mara         | 564899 | Villasenor   |         |            |

## **C. CastlePoint/ Reinsurance Update**

Ron Martin of Keenan discussed the status summary memo, loss run and calculation of ACSIG potential exposure.

## **VIII. Approval of Minutes**

The Board reviewed and approved the Executive Committee meeting minutes from May 14, 2020 and the Full Board minutes from May 14, 2020.

It was moved by Susan Kinder and seconded by Ahmad Sheikholeslami to approve the minutes.

Ayes: Heldman, Kinder, Clark, Krueger, Kim, Chan, Hobbs, Oum, Siu, Battle, Wakefield, Dela Cruz, Alahydoian, Sheikholeslami, Collins, Gabel, Barnes, Duncan

Nays: None  
Abstain: None

### **Consent Calendar**

Review Items listed on the consent agenda for any adjustments and adoptions.

- **2019/20 Fourth Quarter Financials**
- **2019/20 Fourth Quarter Investment Report**

It was moved by Dr. Candi Clark and seconded by Madeline Gabel to accept the consent calendar.

Ayes: Heldman, Kinder, Clark, Krueger, Kim, Chan, Hobbs, Oum, Siu, Battle, Wakefield, Dela Cruz, Alahydoian, Sheikholeslami, Collins, Gabel, Barnes, Duncan

Nays: None

Abstain: None

### **General Business**

#### **IX. Recruitment to Executive Committee**

The Board has suggested recruiting ACOE to the Executive Committee.

It was moved by Marcus Battle and seconded by Marie Dela Cruz to recruit ACOE to the Executive Committee.

Ayes: Heldman, Kinder, Clark, Krueger, Kim, Chan, Hobbs, Oum, Siu, Battle, Wakefield, Dela Cruz, Alahydoian, Sheikholeslami, Collins, Gabel, Barnes, Duncan

Nays: None

Abstain: None

#### **X. Annual Report**

The Executive Director reviewed the annual report with the Full Board.

#### **XI. 2019/ 20 Audit**

Heather Daud of Christy White reviewed the Audit with the Board. SETECH provided all necessary support and the audit reflected sound financial practices with no audit findings.

It was moved by Kevin Collins and seconded by Jackie Kim to approve the Audit.

Ayes: Heldman, Kinder, Clark, Krueger, Kim, Chan, Hobbs, Oum, Siu, Battle, Wakefield, Dela Cruz, Alahydoian, Sheikholeslami, Collins, Gabel,

Barnes, Duncan  
Nays: None  
Abstain: None

**XII. 2020/ 21 First Quarter Financials**

Laurena Grabert from SETECH presented the 2020/21 1<sup>st</sup> Quarter Financials.

|                                         |               |               |               |               |              |            |
|-----------------------------------------|---------------|---------------|---------------|---------------|--------------|------------|
| Statutory Benefits                      | 88,316        | 36,288        | 88,316        | (5,847)       | 94,163       | (6.62)     |
| Health & Welfare                        | 51,190        | 47,741        | 51,190        | 18,501        | 32,689       | 36.14      |
| Employer Tax Expense                    | 4,769         | 5,048         | 4,769         | 2,086         | 2,683        | 43.74      |
| Net Pension Expense                     | 51,788        | 365,809       | 74,804        | 43,024        | 31,780       | 57.52      |
| Telephone & Internet                    | 7,350         | 4,625         | 7,926         | 509           | 7,417        | 6.42       |
| Supplies Office                         | 4,200         | 3,593         | 3,000         | (0)           | 3,000        | (0.00)     |
| Supplies - Other                        | 4,200         | 1,181         | 4,000         | 189           | 3,811        | 4.73       |
| Eligibility Processing                  | 246,077       | 205,013       | 250,000       | 51,607        | 198,393      | 20.64      |
| Brokerage Fees-Dental-ACSIG             | 294,000       | 281,605       | 325,000       | 94,732        | 230,268      | 29.15      |
| Brokerage Fees-Dental-MD                | 425,000       | 500,851       | 500,000       | 109,639       | 390,361      | 21.93      |
| Travel and Conferences                  | 23,100        | 13,770        | 22,000        | 4,102         | 17,898       | 18.65      |
| Mileage                                 | 8,925         | 7,255         | 8,500         | 1,551         | 6,949        | 18.24      |
| Dues & Memberships                      | 7,350         | 7,635         | 12,000        | 150           | 11,850       | 1.25       |
| Postage & Meter                         | 10,000        | 2,963         | 8,000         | 557           | 7,443        | 6.97       |
| Insurance Expense-PIPS&NCR              | 24,950,383    | 22,199,152    | 24,818,844    | 6,000,461     | 18,818,383   | 24.18      |
| Insurance Expense-PY Adj                | 2,000,000     | 476,909       | 1,000,000     | --            | 1,000,000    | --         |
| Utility - Operating-Rent                | 36,461        | 38,074        | 48,432        | 9,576         | 38,856       | 19.77      |
| Advertising                             | 600           | --            | 2,000         | --            | 2,000        | --         |
| Contract Services - Actuarial           | 31,275        | 8,570         | 32,414        | --            | 32,414       | --         |
| Contract Services -Claim Audit          | --            | 15,750        | 20,000        | --            | 20,000       | --         |
| Contract Services                       | 6,375         | --            | 3,125         | --            | 3,125        | --         |
| Audit Fees                              | 16,275        | 14,025        | 15,000        | --            | 15,000       | --         |
| Other Services/Operating Expenses       | 10,500        | 9,744         | 27,248        | 519           | 26,729       | 1.90       |
| Capital Equipment/Depreciation          | 3,900         | 592           | 4,000         | 592           | 3,408        | 14.80      |
| Repairs & Maintenance                   | 3,675         | --            | 3,500         | --            | 3,500        | --         |
| Legal                                   | 2,100         | --            | 10,000        | --            | 10,000       | --         |
| Accounting Services                     | 15,750        | 15,000        | 15,500        | --            | 15,500       | --         |
| County Courier                          | 4,200         | 3,945         | 4,200         | --            | 4,200        | --         |
| Shredding                               | 2,100         | 966           | 1,080         | 329           | 751          | 30.47      |
| Copier & Scanner                        | 15,000        | 7,927         | 16,700        | 2,784         | 13,916       | 16.67      |
| Claims Administration Services          | 174,000       | 140,232       | 155,000       | 67,500        | 87,500       | 43.55      |
| Self-Insurance Fee                      | 325,000       | 432,095       | 431,959       | --            | 431,959      | --         |
| Claims Paid-WC                          | 1,750,000     | 725,255       | 1,250,000     | 778,935       | 471,065      | 62.31      |
| Claims Paid-PL                          | 100,000       | 82,411        | 100,000       | 2,120         | 97,880       | 2.12       |
| Physical Abilities Testing              | 35,000        | 4,165         | 50,000        | --            | 50,000       | --         |
| Training                                | 40,000        | --            | --            | --            | --           | --         |
| First-Aid Program                       | 30,000        | 8,384         | 50,000        | 784           | 49,216       | 1.57       |
| Food Service Training                   | --            | --            | --            | --            | --           | --         |
| Risk Mgmt Prev Program                  | 30,000        | 85,115        | 100,000       | --            | 100,000      | --         |
| EPA Program                             | --            | 29,602        | 100,000       | 22,378        | 77,622       | --         |
| Safety Inspections                      | 12,446        | 12,446        | 12,446        | --            | 12,446       | --         |
| Bank Charge & WC Penalty Reimb          | 41,000        | 4,144         | 25,000        | --            | 25,000       | --         |
| Cobra Premiums                          | 250,000       | 225,931       | 270,000       | 67,563        | 202,437      | 25.02      |
| Dental Insurance Premiums               | 123,120,000   | 106,421,564   | 163,000,000   | 31,217,110    | 131,782,890  | 19.15      |
| Vision Insurance Premiums               | 3,950,000     | 3,676,970     | 4,375,000     | 1,169,199     | 3,205,801    | 26.72      |
| Claim Development Expense               | (2,000,000)   | (3,540,853)   | 1,000,000     | (327,405)     | 1,327,405    | (32.74)    |
| ACA Fees                                | --            | --            | --            | --            | --           | --         |
| Total Operating Expenditures            | 156,434,222   | 132,905,324   | 198,579,546   | 39,407,382    | 159,172,164  | 19.84 %    |
| Net Increase/(Decrease) from Operations | 2,004,989     | 10,926,176    | (157,434)     | 625,893       | (783,327)    | (397.56) % |
| Non Operating Income/(Expense)          |               |               |               |               |              |            |
| Interest Income                         | 376,500       | 734,156       | 574,500       | 284,662       | 289,837      | 49.55      |
| Net Increase/(Decrease) in Fair Value   | --            | 663,387       | --            | 247,671       | (247,671)    | --         |
| Realized Gain/(Loss) on Investments     | --            | 645           | --            | 23,809        | (23,809)     | --         |
| Cumulative effect of GASB 68            | --            | --            | --            | --            | --           | --         |
| Interfund Trans, Other Inc/Exp          | --            | --            | --            | --            | --           | --         |
| Total Non Operating Income/(Expense)    | 376,500       | 1,398,188     | 574,500       | 556,142       | 18,357       | 96.80 %    |
| Net Increase/(Decrease) in Net Position | \$ 2,381,489  | \$ 12,324,364 | 417,066       | \$ 1,182,035  | \$ (764,970) | 283.42 %   |
| Beginning Balance Prior Year End        | \$ 32,386,515 | \$ 32,386,515 | 44,710,878    | \$ 44,710,878 | \$ 592       | 100.00 %   |
| Ending Balance, as of 09/30/2020        | \$ 34,768,004 | \$ 44,710,878 | \$ 45,127,944 | \$ 45,892,913 | \$ (764,378) |            |

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It was moved by Kevin Collins and seconded by Jackie Kim to approve the

1st Quarter Financials.

Ayes: Heldman, Kinder, Clark, Krueger, Kim, Chan, Hobbs, Oum, Siu, Battle, Wakefield, Dela Cruz, Alahydoian, Sheikholeslami, Collins, Gabel, Barnes, Duncan

Nays: None

Abstain: None

### **XIII. 2020/ 21 First Quarter Investment Report**

Cary Allison from Morgan Stanley presented the 2020/21 1<sup>st</sup> Quarter Investment report.

#### ***Time Weighted Performance Summary (Net of fees) – September 30, 2020***

|                    |                 |
|--------------------|-----------------|
| Total Ending Value | \$22,775,472.15 |
|--------------------|-----------------|

#### ***Rolling Periods***

|                                        |       |
|----------------------------------------|-------|
| Quarter to Date                        | 0.13% |
| Year to Date                           | 3.76% |
| Last 12 Months                         | 4.09% |
| Last 3 Years                           | 2.68% |
| Last 5 Years                           | 1.89% |
| Since 7/12/10 Inception (annualized %) | 1.61% |

#### ***Calendar Years***

|                     |        |
|---------------------|--------|
| 2020 YTD            | 3.76%  |
| 2019                | 3.69%  |
| 2018                | 1.01%  |
| 2017                | 0.59%  |
| 2016                | 0.99%  |
| 2015                | 0.87%  |
| 2014                | 1.01%  |
| 2013                | -0.03% |
| 2012                | 2.44%  |
| 2011                | 1.91%  |
| 2010 (partial year) | 0.29%  |

#### ***Fiscal Years***

|             |        |
|-------------|--------|
| 2020-21 YTD | 0.13%  |
| 2019-20     | 4.74%  |
| 2018-19     | 1.31%  |
| 2017-18     | -0.42% |
| 2016-17     | -0.35% |
| 2015-16     | 2.13%  |
| 2014-15     | 1.09%  |
| 2013-14     | 1.32%  |
| 2012-13     | 0.48%  |
| 2011-12     | 1.75%  |

It was moved by Candi Clark and seconded by Kevin Collins to approve the 1st Quarter Investment Report.

Ayes: Heldman, Kinder, Clark, Krueger, Kim, Chan, Hobbs, Oum, Siu, Battle, Wakefield, Dela Cruz, Alahydoian, Sheikholeslami, Collins, Gabel, Barnes, Duncan

Nays: None

Abstain: None

### **XIV. Delta DHMO Program**

The Executive Director discussed the Delta DHMO Program that ACSIG can now offer to its membership through the ACSIG/ EDGE pool. The DHMO program would not change in its offerings, only the ability to centrally manage this program for membership. This would allow a more streamlined process for members.

**XV. Delta Rate offset/ Rebate**

The Executive Director discussed having a rate offset/ rebate in the dental program. The ACSIG Dental program continues to improve its net position. Due to the pandemic, the financial position improved significantly as more members were unable to access dentists. At the May Board meeting, there was discussion of evaluating all membership usage January 2020 – December 2020 for the fixed rate members. If usage was indeed less, ACSIG would return a portion of their premium to them. This applies only to the fixed rate membership, as self-funded members benefited from the reduction in usage immediately. The Board agreed to approve a \$1.00 per employee premium for January for fixed rate districts and to revisit the rebate options for all districts (including self-funded) at the next Executive Committee meeting in February 2021.

It was moved by Kevin Collins and seconded by Ruth Alahydoian to approve the dental rate offset/ rebate.

Ayes: Heldman, Kinder, Clark, Krueger, Kim, Chan, Hobbs, Oum, Siu, Battle, Wakefield, Dela Cruz, Alahydoian, Sheikholeslami, Collins, Gabel, Barnes, Duncan

Nays: None

Abstain: None

**XVI. Underwriting Policy Review**

The Executive Director reviewed the underwriting policy with the Board.

It was moved by Marcus Battle and seconded by Susan Kinder to approve the Underwriting Policy.

Ayes: Heldman, Kinder, Clark, Krueger, Kim, Chan, Hobbs, Oum, Siu, Battle, Wakefield, Dela Cruz, Alahydoian, Sheikholeslami, Collins, Gabel, Barnes, Duncan

Nays: None

Abstain: None

**XVII. Strategic Planning**

The Executive Director updated the Board with the progress of the strategic plan.

**Workers Compensation**

**XVIII. Service Plan 2020/ 2021**

The service team reviewed the 2020/21 Service Plan, this year the service team developed a plan to better document responsibilities and timelines.

**XIX. Workers Compensation Claims History**

The Executive Director and Michael Clark of Keenan Associates reviewed a 3-year claims history report. As resources are dedicated to improving frequency and severity of injuries within ACSIG, it is important to review claims data to evaluate the effectiveness of programs. Through analysis, we can identify trends within the districts.

**XX. EAP Update**

The Executive Director provided an update on the EAP Program with the Executive Committee. The current participants are: ACOE, Fremont, Piedmont, Pleasanton, San Leandro, San Lorenzo, and Tri-Valley ROP.

**XXI. AB 218 Revived Liability Funding Plan Update**

The Executive Director provided an update with Schools Excess Liability Fund (SELF) with the Executive Committee. In April, SELF (Schools Excess Liability Fund) announced that they would invoice members to prefund an AB218 account in anticipation of the receipt of old, abuse/molestation claims. The amount charged would be determined by an actuary and each member District would be charged directly. ACSIG requested a detail of which members of the ACSIG program were members of SELF for which years, since the majority of those membership years predated me. We have enclosed their membership records. Not long after issuance of April memo, SELF notified Districts that they wouldn't be sending invoices right away due to the pandemic and the drastic financial state within California due to lost revenue. October 16, 2020, they issued a new memo which indicated that invoices will be issued before the end of the calendar year and will be payable within 60 days.

**XXII. Future Planning**

**XXIII. This meeting was adjourned by Annette Heldman at 1:37 PM.**