



BOARD OF DIRECTORS Meeting Minutes

*Wednesday, December 14, 2016
Westbrook Corporate Center Conference Room
9:30 a.m.*

I. CALL TO ORDER

With the absence of Chair Gargano, Chair-Elect Clark called the meeting to order. Ely called the roll and a quorum was declared.

II. CONSENT AGENDA

A motion was made by Irvin and seconded by Wachtel to approve the consent agenda. A voice vote was called and the motion carried.

A. The following reports, for information only, can be found in the Member Section of the IRMA website – <http://www.irmarisk.org/Publications/IRMA-Reports.aspx>

- IRMA Financial Statements
- IRMA Investment Portfolio
- IRMA Payables
- Quarterly Investment Performance Report
- Membership Recruitment Report
- Claims Operational Report
- Quarterly Claims Analysis Report
- Risk Management Services Report

B. Standing Committee Documents

Membership Relations Committee

- Workers' Compensation Focus Program – 3rd Quarter Reports

Executive Director/Staff Report

- Calendar of 2017 IRMA Meetings Executive Director Margo Ely introduced IRMA's new Risk Management and Training Manager, Jennifer Swahlstedt who was a claims adjuster for 10 years with IRMA prior to this promotion.

III. CHAIR'S REPORT

A. Changes in IRMA Delegates/Alternates

Clark welcomed the following Delegates/Alternates:

Tom Friel, Alternate – Morton Grove
Argelia Garbacz, Alternate – Indian Head Park
Tim Barker, Delegate – Sugar Grove
Brent Eichelberger, Alternate – Sugar Grove
Ashley Engelmann, Alternate – Lincolnwood
Dawn Davis, Delegate – Richton Park

IV. ACTION ITEMS

A. Approval of Board of Directors Meeting Minutes of October 19, 2016

A motion was made by Irvin and seconded by Wachtel to approve the October 19, 2016 minutes of the BOD meeting. A voice vote was called and the motion carried.

B. Nominating Committee Report-Slate of Candidates for 2017 Officers

Drew Irvin presented the nominations for 2017 officers. A motion was made and seconded to approve the slate of candidates. A voice vote was called and the motion carried.

C. Village of Arlington Heights Membership Application

The membership application by Arlington Heights was discussed. The IRMA staff has analyzed the Village's claims experience and found them to be very compatible with the pool and would be a very good member for the pool. Their five-year average number of claims is 70 compared to an IRMA target of 138. Their severity is about \$1.3 million over that period of time. We're anticipating that they will choose the \$100,000 deductible and their annual contribution or premium would be approximately \$1.2 million. They would come in as IRMA's largest member and there would be a reduction in the pool's contribution rate from 2.205 to 2.192. Arlington Heights would contribute in excess of \$300,000 to the pool's administration costs.

The coverage limits that they would receive through IRMA would be greater than what they currently have in several lines of coverage, with the exception of excess coverage. IRMA provides excess coverage for liability at \$10 million, but Arlington Heights currently has \$12 million in excess coverage. In order to assure that the IRMA option provides richer coverage in every respect, staff recommends that the pool provide excess coverage for Arlington Heights at \$15 million. The cost for this additional coverage is approximately \$1,300 a month, which is certainly offset by their membership contributions. IRMA does not anticipate a need for additional staff to accommodate Arlington Heights.

Staff explained that Arlington Heights' current insurance is diversified with different carriers, deductibles and staggered expiration dates. Their excess pool expires April 30, 2018; their TPA contract expires April 30, 2017, etc. We expect a membership inception date for Arlington Heights might be May 1, 2017.

There was a motion and a second to approve Arlington Heights for membership into IRMA, which passed.

D. 2017 Final Budget

The budget for 2017 was discussed, which was primarily consistent with the preliminary budget that was approved by the Board in October. The final budget is \$31,732,769. After discussion, there was a motion and a second to approve the final 2017 budget, which passed.

E. 2016 Interest Income Credit

The recommended interest income credit distribution for 2016 is \$9.7 million, after a deduction of \$1.5 million for rate stabilization in the 2017 budget year and \$3 million transferred into the new APCC loan fund for false conviction cases. There was a discussion of the 5 year look back for interest income distributions and future years, considering both claims paid and investment earnings received. After discussion, there was a motion and a second to approve the 2016 interest income credit distribution of \$9.7 million to the IRMA membership, which passed.

IV. EXECUTIVE SESSION

V. CONFIRMATION OF NEXT MEETING

Clark reported that the next meeting of the Board of Directors was scheduled for Wednesday, March 22, 2017 at 9:30 a.m. at Westbrook Corporate Center Conference Room.

VI. ADJOURNMENT

A motion was made by Irvin and seconded by Donahue to adjourn the meeting. A voice vote was called and the motion carried.

Submitted by:

Approved by:

Margo Ely
Executive Director

David Clark
IRMA Chair-Elect