

RISK MANAGEMENT ADVISORY COMMITTEE (RMAC)

Meeting Minutes
September 21, 2021

A meeting of the State Risk Management Advisory Committee was held on this date in Room WW17, Statehouse, Boise, Idaho. Chairman Reynolds called the meeting to order at 1:30 p.m.

Members Present:

Keith Reynolds, Director, Department of Administration and Committee Chair
Faith Cox, Administrator, Division of Insurance and Internal Support, Department of Administration
Representative John Gannon
Christine Starr, Deputy Director, Idaho Department of Correction (IDOC)
Kip McBean, Boise State University (BSU) (via teleconference)
Charlene McArthur, Idaho Transportation Department (ITD)

Members Absent:

Senator Steven Thayn

Others Present:

Steve Bailey, Deputy Director/CFO, DoA
Kris Coffman, Risk Management Program Supervisor, Office of Risk Management (ORM)
Kristie Fields, Technical Records specialist, ORM
Will Villwock, Claims Adjudicator, ORM
Max George, Risk Management Analyst, ORM
Tracy Whigam, Loss Control Program Manager, ORM
David Hahn, Analyst, Division of Financial Management (via teleconference)
Cari Lautenschlaeger, Grainger (via teleconference)
Kim Rau, Program Specialist, Department of Administration
Welcome

Chairman Reynolds

- **Action Item:** Approve May 18, 2021, Meeting Minutes

MOTION: Ms. Cox moved, and it was seconded by Representative Gannon that the minutes of the May 18, 2021, Risk Management Advisory Committee meeting be approved as written. The motion passed unanimously.

FINANCIAL REVIEW

Steve Bailey, Deputy Director
Department of Administration

FY21– FY23 Cash Analysis Report, ending 6/30/21

Mr. Bailey provided a cash analysis report highlighting FY23 projections, FY22 projections, and FY21 actuals. A healthy ending balance is projected for FY22 at just under \$19,075,588. Agency receipts, interest, transfers, and miscellaneous receipts this year are at \$13,796,696. Expenses and claims paid out this year are \$6,742,306, and insurance premiums paid out this year are \$3,507,447.

He also explained that premiums were less this year because the state self-funded for cyber security, saving \$558,376. Fy21 ending balance of \$1,5640,629, while still healthy and above estimates, comes in at 5% lower than the last report. This is due to most revenue had come in but there was still about

\$1,000,000 in expenses and claims that processed post the last report. Towers and Watsons accuracy report ending cash balance is in line with recommendations.

Chairman Reynolds added that, yes, we came in almost as projected. Due to the results, we will experience a decrease in FY23 regarding overall risk insurance expenditures.

We will go to an 80% actual reserve, a higher level of certainty that sufficient cash reserves are available to satisfy outstanding liabilities. The reason for this is due to the uncertainty going on in the world right now.

Update from Statewide Risk Manager

Faith Cox, Statewide Risk Manager

Department of Administration

- **FY 21 Claims Update:** Ms. Cox referenced a 3-year trend handout, a trend reflects a decrease in our auto/physical damage claims. 25% decrease. Chairman Reynolds added that some of that is due to some things that had been approved by this committee, including a loss control program. Liability claims have remained steady, with little increase.
- **July Insurance Renewal Update:** had a stable renewal comparatively speaking. Recently hosted about 25 states this year for STRIMA conference and found a common theme throughout the states. Strategically our state had more benefit, using Traveler's.
- **Origami RMIS Update:** Growing system, and dashboards, would love input from the different agencies. Ms. Cox referenced a handout that reflected the last 10-year coverage per agency.
- **New Liability Premium Modeling Effective FY23:** SWICAP billings for the next year for the agencies. Using factors that are concrete that are measurable. Based on exposures. This rectifies inequities regarding charges to agencies.
- **New Reinsurance Premium Modeling Effective FY23:** challenges regarding data collection because of variety of entities is problematic. Our no loss control program manager will be very progressive and go out in person to agencies that had these exposures to gather data as well as build relationships with and try to obtain other markets for our reinsurance. On the last renewal we were unable to obtain any carrier that would quote medical malpractice. As a result, the State is covering 100% of medical malpractice. Premium went up 85% with a reduction in coverage.
- **Cyber Update** 100% rate increase with their cyber coverage. Faith to help other states with policy. Way ahead of most of the states with our cyber security, at least top ten if not number one. As of this year our experience has been so great that the cyber liability coverage premium is waved. This committee was strategic in agreeing to go self-funded in 2020 for cyber security.

OTHER BUSINESS

2022 meeting schedule: 1/25/2022, 5/24/2022, and 9/27/2022

ADJOURNMENT

Representative Gannon moved and it was seconded by Ms. Cox that the September 21, 2021, meeting of the Risk Management Advisory Committee be adjourned at 2:07 pm. The motion passed unanimously.

Kimberly Rau, Program Specialist
Department of Administration