



Monterey Educational Risk Management Authority

P.O. Box 3320, Salinas, CA 93912

[www.merma.org](http://www.merma.org)

**EXECUTIVE COMMITTEE  
WebEx/TELECONFERENCE  
MEETING MINUTES  
November 18, 2020**

The Executive Committee of the Monterey Educational Risk Management Authority held a WebEx/teleconference meeting on November 18, 2020 at 1:30 p.m.

**Executive Committee Members Present via WebEx/Teleconference**

Rory Livingston, President, King City Union School District  
Colleen Stanley, Vice-President, Monterey County Office of Education  
Ana Aguillon, Secretary, Salinas Union High School District  
Veronica Flournoy, Spreckels Union School District  
Yvonne Perez, Carmel Unified School District

**Guests and Staff Present via WebEx/Teleconference**

Ron Wheelehan, Soledad Unified School District  
Marcus Beverly, Alliant  
Matt Gowan, Alliant  
Karen Callahan, Intercare  
Connie Hampson, Intercare  
Marlene Richardson, Intercare  
Jacinto Bernal, McGilloway, Ray, Brown & Kaufman  
Maria Hernandez Sandoval, MERMA  
Hallie Pacheco, MERMA

**A. CALL TO ORDER**

Rory Livingston called the meeting to order at 1:34 p.m.

**B. ROLL CALL**

Present: Rory Livingston, Colleen Stanley, Ana Aguillon, Veronica Flournoy, Yvonne Perez

**C. APPROVAL OF AGENDA AS POSTED**

Motion was made to approve the agenda as posted.

<b>MOTION:</b> Colleen Stanley	<b>SECONDED:</b> Ana Aguillon	<b>MOTION CARRIED</b>
<b>AYES: 5</b> <b>NOES: 0</b>	<b>ABSTAIN: 0</b>	<b>ABSENT: 0</b>
AYES: Colleen Stanley, Ana Aguillon, Veronica Flournoy, Yvonne Perez, Rory Livingston		
ABSENT: 0		

**D. PUBLIC COMMENTS**

None

**E. CONSENT CALENDAR**

The following items were presented:

1. Executive Committee Minutes – August 12, 2020
2. Payment Registers and Board Reports – August, September, October 2020
3. Treasurer’s Reports – June 2020 and September 2020
4. Amendment No. 1 to 2019-20 State National Reinsurance Agreement
5. Pitney Bowes – Postage Meter Add on Accounting Feature

Motion was made to approve items 1 through 5 as presented with a single motion.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Colleen Stanley	<b>MOTION CARRIED</b>
<b>AYES: 5</b> <b>NOES: 0</b>	<b>ABSTAIN: 0</b>	<b>ABSENT: 0</b>
AYES: Veronica Flournoy, Colleen Stanley, Ana Aguillon, Yvonne Perez, Rory Livingston		
ABSENT: 0		

**F. ADMINISTRATIVE REPORTS**

**1. President’s Report**

Rory Livingston stated things are rolling along and we are all dealing with COVID and the constant of maybe opening and not opening.

**2. Pool Administrator’s Report**

Marcus Beverly stated he is just wondering when and how we will open schools. He stated Maria Sandoval has been helping quite a bit, but we are still waiting and standing by to help and do what we can.

Matt Gowan stated that he and Marcus Beverly had dinner with Jerry Stratton, and he says hello and the Yacht Club is open to our annual Board of Directors meeting if Monterey County ever opens up.

**3. Claims Administrator’s Report**

Connie Hampson of Intercare provided the Executive Committee with the following reports:

- Annual and Monthly Claim Results – August, September and October 2020
- New Claim Analysis Received FYTD – as 10/31/2020

- Frequency & Severity Reports FYTD Claims Reported - 7/1/2020 – 10/31/2020
- Claim Closing Analysis FYTD – as of 10/31/2020
- Net Reserve Changes – FYTD – as of 10/31/2020
- MERMA Company Nurse Results – August, September and October 2020
- MERMA Bill Review Results for August, September and October 2020

Marcus Beverly stated there is a fairly severe claim for someone with a heart condition who had to be taken to Stanford Hospital. This is an old future medical claim that happens to be in a year when we had Mission Insurance which has dissolved. He stated this means there is no excess insurance recovery for all of the money we are paying to Stanford.

**4. Executive Committee Report**

Nothing to report.

**G. FINANCIAL REPORTS**

**1. Financial Statements with Accountant’s Compilation Report**

Jacinto Bernal of McGilloway, Ray, Brown and Kaufman presented the Financial Statements with Accountant’s Compilation Report in final format for fiscal years ended 2020 and 2019. The draft report was presented at the October 14<sup>th</sup> Board of Directors meeting.

A motion was made to accept and file the Financial Statements with Accountant’s Compilation Report for fiscal years ended 2020 and 2019 as presented.

<b>MOTION:</b> Colleen Stanley	<b>SECONDED:</b> Ana Aguillon	<b>MOTION CARRIED</b>
<b>AYES: 5</b> <b>NOES: 0</b>	<b>ABSTAIN: 0</b>	<b>ABSENT: 0</b>
AYES: Colleen Stanley, Ana Aguillon, Veronica Flournoy, Yvonne Perez, Rory Livingston		
ABSENT: 0		

**2. Financial Statements for Period Ending September 30, 2020**

Jacinto Bernal of McGilloway, Ray, Brown & Kaufman presented the Financial Statements for Period Ending September 30, 2020.

A motion was made to accept and file the Financial Statements for Period Ending September 30, 2020 as presented.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Ana Aguillon	<b>MOTION CARRIED</b>
<b>AYES: 5</b> <b>NOES: 0</b>	<b>ABSTAIN: 0</b>	<b>ABSENT: 0</b>
AYES: Veronica Flournoy, Ana Aguillon, Colleen Stanley, Yvonne Perez, Rory Livingston		
ABSENT: 0		

## **H. JPA BUSINESS**

### **1. Claims Audit – 2020**

Marcus Beverly stated that MERMA has a claim audit conducted every two years and North Bay Associates was used this year. He stated Intercare scored 91.7% with a rating of exceeds expectations, declining from prior audit score of 94.6%. A portion of that decline is due to the medical only conversion recommendation, and delay in converting or closing those claims. He stated this has been due to the pandemic, not neglect, as there has been a delay in medical treatment.

Marcus stated we have been using the PRISM Audit Standards and will look at the service and audit standards for the next claims audit. Matt Gowan stated that PRISM has the toughest standards in the State. If we're getting over 90% on PRISM Standards, that's fantastic. Marcus stated Intercare is doing a great job and overall he is very happy with the audit.

Karen Callahan presented Intercare's response to the claims audit. She stated Intercare had many categories that they faired very well in, but audits are good for are showing us what areas we need to focus on. The areas that need to be addressed are, Initial Employee Contact, Reserves Revised Timely and Appropriately, and Member Settlement Authority Requests. Karen stated that Marlene Richardson has met with the team to focus on areas needing improvement and Intercare has a training program already in place. As far as the medical only conversions, for several months we could not get injured workers into the doctor to get their releases. She stated instead of converting them to indemnity claims and impacting the caseloads for indemnity adjusters, we left those as medical only claims.

A motion was made to accept the Claims Audit Report conducted by North Bay Associates.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Ana Aguillon	<b>MOTION CARRIED</b>
<b>AYES: 5</b> <b>NOES: 0</b>	<b>ABSTAIN: 0</b>	<b>ABSENT: 0</b>
AYES: Veronica Flournoy, Ana Aguillon, Colleen Stanley, Yvonne Perez, Rory Livingston		
ABSENT: 0		

### **2. Loss Control Update and Needs**

Maria Hernandez Sandoval provided an update on loss control activities for the past month. She stated she has continued to provide CPR and First Aid training, in person ergonomic evaluations, and is working with a couple of districts to have forklift training provided. She stated the Injury and Illness Program is an ongoing process. She is meeting one-on-one with the safety coordinators for each school. She stated she will be attending a virtual meeting the next day with several members in regard to surveillance testing.

Maria also provided information on injury stats. She stated that wearing the proper shoes could prevent a lot of the slip, trip and fall injuries. Discussion held regarding programs and options for employers to provide proper shoes to their employees depending on job classification. Matt Gowan stated he will follow-up with Maria about what some other pools are doing with providing shoes for their employees through a contract with a shoe company.

**3. State of the Market**

Matt Gowan provided a presentation on the state of the insurance market to provide an early update on what to expect on the insurance side for next year. He stated global losses grew this year which will affect us. Wildfires, storms, civil disorders and social inflation are concerns that our underwriters have. Settlements are growing at an alarming rate for public entities with large verdicts. COVID remains an unknown and is affecting all lines of coverage. Matt stated workers' comp is one of the more stable environments and is expecting decent news on the workers' comp front. He will have some early estimates at the next meeting.

**I. CLOSING COMMENTS**

Veronica Flournoy stated there is a meeting tomorrow afternoon with the Monterey County Superintendent of Schools, Maria Hernandez Sandoval representing MERMA, Roxanne Buckner representing MCSIG, Terriny O'Brien representing CBT, and a couple others from the County Office to discuss surveillance testing. Lengthy discussion held.

Yvonne Perez stated her district has some nurses that want to use an N-95 mask, but you must have a fit test. She would like to have someone within her district get trained so that they can provide the training to the employees themselves. Maria stated she can provide the training. She stated that Pinnacle provides respiratory fit testing and other mobile companies do that as well. Maria stated she will send information to her.

**J. UPCOMING MEETINGS**

Executive Committee Meeting – January 27, 2021, 1:30 p.m.  
Board of Directors Meeting – May 12, 2021, 1:30 p.m.

**K. ADJOURNMENT**

Motion was made to adjourn the meeting at 3:32 p.m.

<b>MOTION:</b> Colleen Stanley	<b>SECONDED:</b> Ana Aguillon	<b>MOTION CARRIED</b>
<b>AYES: 5</b> <b>NOES: 0</b>	<b>ABSTAIN: 0</b>	<b>ABSENT: 0</b>
AYES: Colleen Stanley, Ana Aguillon, Veronica Flournoy, Yvonne Perez, Rory Livingston		
ABSENT: 0		

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Rory Livingston, President: *Rory L Livingston*

Marcus Beverly, Executive Director: \_\_\_\_\_

Date: January 27, 2021