



**Enduris
Board of Directors
Special Meeting Minutes**

August 26, 2020

To meet both the Open Public Meetings Act and COVID-19 social distancing requirement announced by Governor Inslee in Proclamation No. 20-28, the Board's special meeting was an online video/telephone conference meeting via GoToMeeting. A link and access code were provided to those requesting to join the meeting.

Call to Order: Chair Patsy Martin called the meeting to order at 8:30 a.m.

ATTENDEES

Board Members Present: Patsy Martin, Chair; Vicki Carter, Vice-Chair; BiJay Adams, Secretary/Treasurer; Kim Bedier, Board Member; Noel Hardin, Board Member; Matt Schanz, Board Member; Jeri Sevier, Board Member; and Sheryl Brandt, Executive Director.

Others Present: Doug Wozniak, Senior Vice President, Alliant Insurance Services; Donna Watts, Port of Pasco; Cheryl Duryea, Enduris General Counsel; Rafaela Ortiz, Enduris Chief Operating Officer; Susan Looker, Enduris Director of Claims; Kimberly Millikan, Enduris Director of Finance; Joe Davis, Enduris Director of Risk Management and Member Relations; Alric Balka, Enduris Information Systems Coordinator; and Joy Jelsing, Enduris Administrative Associate.

Approval of Enduris Memorandum of Coverage for Policy Year 2021

Board Policy GC-3.11 states that the Board will evaluate and approve coverages, including any changes to the Memorandum of Coverage (MOC).

Ms. Martin stated that at the August 20 Board meeting, the Board agreed to have the Administration gather more information from the reinsurers on the proposed communicable disease exclusion to present at this Special Meeting for further discussion and approval.

Ms. Brandt provided a white paper regarding communicable disease exclusions and the impact of COVID on the insurance industry. This white paper is what the industry is looking at for the standard, and the Administration received it from two credible sources (Alliant and GEM). All our reinsurers currently have or will have a communicable disease exclusion by 10/1/20. It could be

catastrophic to the financial viability of Enduris to not follow our reinsurers and add the exclusion. Some key points from the white paper to consider:

- Viral outbreaks and pandemics are uninsurable
- Insurance is based on actuarial analysis and have history and claims experience, where there is none with this pandemic
- The exclusion in reinsurance leaves insurers three options:
 - ✓ Non-renew policies with large pandemic exposures, leaving some policyholders with no coverage
 - ✓ Allow potential exposure to communicable disease, which may not be reinsured, to accumulate on their balance sheets, threatening the insurers' stability and solvency, and necessitating rate adjustments to account for the risk
 - ✓ File for parallel communicable exclusions with state insurance regulators

A variety of scenarios and options were discussed. Several board members expressed their concerns that this exclusion would exclude coverage such as E. coli or other similar bacterium, which is currently covered in the Enduris MOC.

Ms. Bedier stressed the importance of communicating the exclusion coverage to the membership.

BEDIER/SCHANZ moved to approve the communicable disease exclusion with the caveat that the Executive Director and General Counsel create an exception to this exclusion that gets coverage back that is similar to what we have done before, with an aggregate sublimit of a certain amount, and include a per occurrence limit. In addition, the Board instructs the Administration to develop a strategic communication plan specifically related to this exclusion. Motion carried.

Approval of 2021 Meeting Calendar

Board Policy GC-6 states that the Board will follow an annual work plan that includes continued monitoring and review of all policies and activities to improve Board performance.

August is the month to set Board meeting dates for the next year. All meetings for 2021 will be held at the Enduris office in Spokane.

ADAMS/BEDIER moved to approve meeting dates for February 18, May 6, August 19 and November 18 for 2021. Motion carried.

Approval of Work Plan for Policy Year 2021

Board Policy GC-6 states that the Board will follow an annual work plan that includes continued monitoring and review of all policies and activities to improve Board performance.

Ms. Brandt provided the PY 2021 Work Plan for the Board's approval. Ms. Bedier asked if there needed to be a change in the Work Plan to avoid coverage changes going into effect after the members' renewal is processed. Ms. Brandt stated that most years, the changes are insignificant, but she will do her best to avoid any impactful changes prior to processing members' renewals. Mr. Wozniak stated that this year was unique, where the lack of communication and last-minute quotes from the reinsurers was a real struggle.

HARDIN/SEVIER moved to approve the Board Work Plan for Policy Year 2021. Motion carried.

Election of Directors for Policy Year 2021

Board Policy GC-3.15 states that the Board will ratify the annual Board election results.

On behalf of the Board Development Committee, Ms. Bedier read the results for the PY 2021 Board of Directors' elections.

Results: Position #6 – Jeri Sevier: 119 votes
Position #7 – Matt Schanz: 120 votes
One write-in for Position #6 – David Walker

BEDIER/HARDIN moved to ratify the results of the Enduris election of directors for Policy Year 2021 for 119 votes for Jeri Sevier and 120 votes for Matt Schanz. Motion carried.

Election of Board Officers for Policy Years 2021

Board Policy GC-4 states that the officers of the Board are those listed in the Board Governing Policies. Their duties are those assigned by this policy, and others required by law.

In accordance with Article IV, Section 1 of the Enduris By-Laws, the Board of Directors shall select from among themselves a Chair, Vice-Chair, Secretary/Treasurer to serve for a term of two years beginning the next fiscal year.

Board officers were last elected in August 2019 for PY 2020 and PY 2021. Current officers are Patsy Martin, Chair; Vicki Carter, Vice Chair; and BiJay Adams, Secretary/Treasurer; and their term expires August 31, 2021.

Board Development Committee Appointments for Policy Year 2021

Board Policy GC-4.6 states that the Chair will appoint members of all Board committees with the ratification of the full Board. **Board Policy GC-5.5** states that three members of the Board Development Committee are appointed by the Chair, none of whom are up for election the next policy year.

Ms. Martin recommended appointments for the Board Development Committee for PY 2021.

SCHANZ/HARDIN moved to ratify the appointments of Noel Hardin as Chair, Kim Bedier, and Jeri Sevier to the Board Development Committee for Policy Year 2021 as recommended by the Board Chair. Motion carried.

BOARD SELF-ASSESSMENT

Board Policy GC-2.3 states that the Board will carry out a summative self-assessment with full, honest and timely participation by all directors. The assessment will include evaluation of the Board as a whole, based on Governance Culture (GC) and Board-Executive Director Relations (B/EDR) policies. Board assessment of progress on Results and the Executive Director's summative evaluation will drive targets for the following year.

A survey was sent to Board members prior to the meeting to carry out the Board's self-assessment. Ms. Martin stated that most results were favorable.

GOOD OF THE ORDER

Ms. Brandt expressed the importance of exercising the generative thinking process especially in the current situation. She values the Board's direction, discussions, and opinions and encouraged the Board to allow time for this process. The Board agreed and asked Ms. Brandt to schedule a special meeting in early October.

Ms. Martin also asked the Board to set aside time on their schedule for some time the day prior to the November 19 meeting to avoid rushing all the items in one day.

ADJOURNMENT

Ms. Martin adjourned the Board meeting at 9:37 a.m.

HARDIN/SCHANZ moved to adjourn the meeting. Motion carried.



Patsy Martin, Chair

The Enduris Board meeting minutes are intended to be a reasonable summary of the Board's deliberations and action. The minutes are not a verbatim record of everything said at the meeting. The minutes include all actions taken by the Board.