

## **PURMIT Board of Trustees Meeting**

September 30, 2015

10:00 a.m. – 2:00 p.m.

Phone: 1-888-757-0729, Passcode: 5037785471#

Offices of Davis, Wright, Tremaine LLP, 1300 SW Fifth Avenue, Suite 2400, Portland OR

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### **Agenda**

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1. Call to Order, Roll Call, Welcome
2. Review and Approval of Minutes from June 25, 2015 PURMIT Board of Trustees Meeting, June 29, 2015 PURMIT Board of Trustees Meeting
3. Property Renewal Discussion – presented by Arthur J. Gallagher
4. Actuarial Study Review - PWC
5. Claim administration discussion – Berkley Risk
6. Accounting/Financial Discussion
7. University of Oregon – premium allocation
8. Legal Counsel items
  - a. Tax filing/budget
  - b. Approval to file annual forms with OID
  - c. Banking/PUF update
  - d. DWT Engagement Letter and Conflict Waiver Form
9. Other items
  - a. AGRiP – Designated Representative Form

b. Subrogation claim

10. Adjournment

## Agenda Item #2.

### PURMIT Board of Trustees Meeting

July 23, 2015

2:50 p.m. – 5:00 p.m.

Minutes

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Trustees Present: Chair Patrick Hughes (OSU); Eric Yahnke (WOU); George Marlton (OIT); Vice Chair Brian Roy (PSU); Deb Donning (UO)

Trustees Absent: Lara Moore (EOU)

Others Present: James Parker (DWT); Ryan Britz (Berkley); Jon Paulsen (Berkley Risk); Ashley Grealish (PURMIT)

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#### **Call to Order**

Chair Patrick Hughes called the meeting to order at 2:50 p.m.

#### **Roll Call**

Roll call was taken of those present

#### **Review and approval of meeting minutes**

Meeting minutes from the June 25 Board of Trustees meeting and minutes from the June 29 Board of Trustees meeting were reviewed and discussed.

#### Action:

A motion was made by Mr. Morris to approve the June 25 minutes. The motion was seconded by Mr. Marlton. The motion carried with no objections. A second motion was made by Mr. Morris to approve the June 29 minutes. The motion was seconded by Mr. Marlton. The motion carried with no objections.

#### **Berkley transition update**

Mr. Britz provided an update regarding the administration transition progress. Berkley is working closely with Ms. Grealish and the staff at Perkins to finalize the accounting process.

Berkley has met with all other PURMIT vendors and has established contacts with each. Mr. Britz also informed the Board that they have the transition complete by August 1, 2015.

Action:

A motion was made by Mr. Roy to have Mr. Parker provide notice and terminate Statement of Work (PURMIT Staffing) between the USSE and PURMIT and the Service Provider Host Agreement between OSU and PURMIT effective September 1, 2015. The motion was seconded by Mr. Morris. The motion carried with no objections.

**Independent financial auditor request for proposal review**

Mr. Britz provided an update regarding the status of the independent auditor request for proposal responses. Ten auditors were solicited for bids. Three firms provided quotes for services: McGladrey; K Financial; and Cummings & Keegan. The Board discussed proposals and decided to move forward with reference checks on two firms: McGladrey and K Financial. Mr. Britz was instructed to perform reference checks on both firms and report back to the Board Chair with results. Following discussion with Mr. Hughes, Mr. Britz will schedule a meeting of the Board to finalize the selection process.

Action:

No action taken at this time.

**Claims procedures and protocol**

Mr. Britz began the discussion with processes and procedures that Berkley Risk utilizes for other clients. Berkley's main responsibility for current clients is to protect and authorize the release to the member/trust/boards assets. This is in contrast to the model currently in use by PURMIT, where the members have authority to distribute and pay claims using PURMIT funds with limited oversight from PURMIT governing body. Mr. Parker commented on this situation, stating that when the universities were all one entity with a common funding source, they were spending their own funds. Now that the Trust has been formed, the funds are the responsibility of the Trust and there is a need for oversight and representation for the benefit of the Trust. Mr. Parker continued, informing the Board that many pools have a third party administrator that would perform certain claim handling functions, which serve to look out for the pool. An entity to perform these functions is important to the success of the Trust. Mr. Marlton asked whether or not the items being discussed were the function of the claim committee. Mr. Roy stated that

the claims situation being discussed is more involved than what could be expected from the claims committee. Mr. Morris commented that there could be a perceived conflict of interest if an individual member were to control all aspects of the claim handling process. Mr. Parker provided three potential options to consider for handling the issue:

1. Expand services of the existing or another TPA. A TPA could become involved in with all aspects of claims process.
2. Have a TPA involved in the supervision of the claims but leave the litigation and claims handling with the member.
3. A combined approach of the two previously mentioned.

Mr. Roy agreed with Mr. Parker's comments and indicated that there needs to be oversight from an entity specific to the Trust layer. Mr. Britz outlined how Berkley provides the combined claim handling approach on a program they currently administer. On that program, a Berkley employee works with member to set the Trust's reserves, provides notice to excess carriers, and provides assistance through the life of the claim. The individual member remains involved with the claim in conjunction with Berkley's oversight and assistance. Mr. Hughes requested that Berkley provide options and costs for: full claim adjudication services, combination approach with member involvement and administrator oversight and collaboration with claim process, and local TPA options. Mr. Morris requested Berkley to provide specific details on claims handling procedures, what controls need to be in place, items to be in place so the Trust can move forward. Board agreed next steps for Berkley are to provide specifics around both requested claim handling processes and present at next Board meeting. Mr. Morris also requested Mr. Britz have a similar discussion with the Risk Council to get their thoughts and direction.

Action:

No action taken.

**Property renewal update**

Mr. Britz provided an update on the renewal process for the October 15 property renewal. PURMIT's broker is processing the exposure information and has plans in place to receive terms and conditions by September 21. Specific items that PURMIT's broker has been requested to provide include: market options, single carrier or a blended carrier approach; DIC and stand-

alone quote coverage options in the event coverage is moved from the incumbent carrier; explore making property form proprietary to PURMIT. Board requested all items be explored during the renewal process.

Action:

No action taken

**Financial Review**

Mr. Britz provided a financial update to the Board. The financial information was as of May month end due to June month end information was not yet complete. Mr. Britz reported that PURMIT was in a strong position surplus position after two years of operations. Berkley Risk continues to work with the Trust's accounting firm (Perkins) and Ms. Grealish to round out the monthly and yearly financials. Mr. Britz indicated that the Board will start to see format changes to the accounting reports, as Berkley Risk will be moving the accounting to a pool accounting structure. In addition, Berkley Risk will provide ongoing financial metrics for the Board to compare quarterly reports and yearly reports, which will assist with the financial review of the Trust.

Action:

No action taken

**Sedgwick claim review**

Ms. Grealish provided an update regarding the claim review call with Sedgwick. The call addressed current open claims being handled by Sedgwick. Ms. Grealish reported that the call went well. Mr. Hughes expressed concern with subrogation process in place with Sedgwick and would like a greater sense of urgency around these efforts. Mr. Hughes requested Berkley look into this in the near future. In addition to the Sedgwick claim discussion, it was determined that PURMIT needs to have an authorized individual representing the entity in regards to MMSEA procedures.

Action:

Mr. Morris made a motion to have Berkley be the authorized signor on the MMSEA document. The motion was seconded by Mr. Hughes. The motion carried with no objections.

## **SAIF**

Currently Ms. Grealish is representing PURMIT regarding SAIF items that needs Trust attention. As a result of the change in administrator to Berkley, the Board determined that it would specifically delegate Berkley as the administrator on behalf of PURMIT.

### Action:

Mr. Morris made motion to delegate authority to Berkley to engage SAIF for access to claims data, retro meetings, quarterly payroll reporting, policy documents, electronic access to SAIF web data/"Business on line" website, and other confidential information as needed to conduct business. Motion was seconded by Mr. Hughes. The motion carried with no objections.

## **Workers Compensation Broker**

The Board requested that Arthur J. Gallagher serve as the broker on the Workers Compensation coverage under the existing brokerage services agreement.

### Action:

No action was taken

## **Tax Return Status**

Mr. Parker discussed the tax return status of the Trust, specifically as how it relates to the 115 Tax exempt status for governmental business. Mr. Parker commented that it is likely that PURMIT qualifies for this status. However, a private letter ruling from the IRS would be required to confirm it. Mr. Parker indicated there will be additional legal and administrative costs to request a formal ruling. The Board directed Mr. Parker to develop a formal proposal and present to the Board at next meeting for Board decision.

### Action:

No action taken

## **Davis Wright Tremaine engagement letter**

Mr. Parker requested the Board review and approve signature for the Davis Wright Tremaine LLP engagement letter and conflict of interest form in order to comply with the firms engagement rules. Mr. Hughes requested additional time for review by OSU's general counsel.

### Action:

No action taken

### **AGRiP Membership**

Mr. Hughes presented to the Board the AGRiP membership information, benefits, cost and duration of membership. The Board agreed to join AGRiP.

#### Action:

Mr. Morris made motion for PURMIT to join AGRiP. Motion was seconded by Mr. Hughes.

Motion carried with no objections.

Mr. Morris made motion to adjourn meeting. Mr. Yahnke seconded the motion. Motion carried with no objections.

## **PURMIT Board of Trustees Meeting**

August 6, 2015

1:00 p.m. – 1:30p.m.

Minutes

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Trustees Present: Chair Patrick Hughes (OSU); Eric Yahnke (WOU); George Marlton (OIT); Vice Chair Brian Roy (PSU); Deb Donning (UO)  
Trustees Absent: Lara Moore (EOU)  
Others Present: James Parker (DWT); Ryan Britz (Berkley); Ashley Grealish (PURMIT)

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### **Call to Order**

Chair Patrick Hughes called the meeting to order at 1:00 p.m.

### **Roll Call**

Roll call was taken of those present



### **Financial auditor discussion**

Mr. Britz commented that he had made contact with five of the six references offered by each of the selected firms (McGladrey and K Financial). References came back as expected. References for each firm were positive and all recommended their firm for the job. The Board discussed the products offered, pricing, and engagement terms. Board determined that K Financial would be best fit for PURMIT.

#### Action:

A motion was made by Mr. Hughes to authorize Mr. Parker and Berkley to negotiate a personal services contract with K Financial and to have Mr. Hughes approve the contract. Once approved by Mr. Hughes, Berkley is authorized to execute the agreement. Motion was seconded by Mr. Roy. Motion carried with no objections.

### **Claims protocol and procedures discussion**

Mr. Britz presented two options for consideration regarding the claim handling procedure. The first option was a collaborative approach between Berkley and the PURMIT members, working together from the first notice of loss through the entirety of the claim. Berkley would provide the data repository, oversight on behalf of the Trust and work with the member to appropriately adjudicate the claim. This approach is designed to align the interests of the member and PURMIT during the claim adjudication process. The second option was a claim administration approach where the member would hand the claim over to Berkley for full adjudication responsibilities and minimal involvement from the member. Mr. Roy expressed the desire to have the member involved in the claim handling process while having the oversight and guidance from Berkley through the adjudication process. Mr. Morris requested this information be presented to Risk Council to obtain their feedback and recommendation regarding preferred option. Mr. Roy agreed with Mr. Morris that Berkley should discuss with Risk Council and obtain their thought and direction. Mr. Roy also requested that Berkley put parameters around the adjudication process, Board notification and involvement, policies and procedures framework that will be put into place should the Board elect this option and the price for the additional service.

#### Action:

No action taken

Motion made by Mr. Hughes to adjourn. Motion seconded by Mr. Roy. Motion passed with no objection.

**Agenda Item #3.**

**Agenda Item #4.**

**To Be Distributed at Meeting**

**Agenda Item #5.**

**BERKLEY RISK**  
**SPECIAL CLAIM HANDLING INSTRUCTIONS**

**Version & Effective Date:** January 1, 2016

**Client Name (Group):** Public Universities Risk Management & Insurance Trust (PURMIT)

**Program Name:** PURMIT

**Program Details:**

- Program Type: Property and Liability Lines of Business
- Program Description: Universities of State of Oregon
- Program Structure: Excess Liability and Excess Property over Trust Self Insured Retention
- Services Provided: Educator Legal Liability, General Liability, Commercial Auto/Property
- Contract Dates: TBD
- Insurance Carriers (primary & excess): Property - FM Global; Casualty - United Educators
- Deductibles/SIR: Property - \$500,000; Liability - \$1,000,000

**Internal Program Contact(s):**

Jon Paulsen  
Managing Director/Chief Underwriting Officer  
612-766-3347  
[jpaulsen@berkleyrisk.com](mailto:jpaulsen@berkleyrisk.com)

Ryan Britz  
Assistant Vice President, Reinsurance & Program Services  
612-766-3352  
[rbritz@berkleyrisk.com](mailto:rbritz@berkleyrisk.com)

**Claim Fee Structure:**

- Annual Flat Fee - \$215,000 initial 12 months; \$195,000 each month thereafter

**Client Claim Contacts:**

**University Contacts – TBD**

**Agent Client Contacts**

Kendal Trump  
Arthur J. Gallagher  
6399 South Fiddlers Green Circle, Ste. 200  
Greenwood Village, CO 80111  
303 889-2570  
[Kendall.Trump@ajg.com](mailto:Kendall.Trump@ajg.com)

Karen Graham  
Arthur J. Gallagher  
6399 South Fiddlers Green Circle, Ste. 200  
Greenwood Village, CO 80111  
303 889-2570  
[Karen.Graham@ajg.com](mailto:Karen.Graham@ajg.com)

**Administrator Client Contacts**

Lee Ingrassia  
Berkley Risk  
222 South 9<sup>th</sup> Street, Suite 2700  
Minneapolis MN 55402  
612 766-3809  
lingrassia@berkleyrisk.com

Individual Adjusters as assigned - TBD

**Carrier Contacts**

United Educators  
James K. Smith  
7700 Wisconsin Ave., Suite 500  
Bethesda MD 20814  
301 215-6430  
jsmith@ue.org

Excess Property Carrier  
TBD

**Initial Claim Reporting:**

Members will report all claims to Berkley Risk within 48 hours from knowledge of a claim. Any claims that arrive via lawsuit should be reported as soon as practical or within 24 hours of knowledge. In urgent or time-sensitive instances, Members should contact PURMIT via phone or e-mail to receive assistance.

Insured members should report claims to Berkley Risk via the following options:

E-mail: [\\_\\_\\_\\_\\_@berkleyrisk.com](mailto:_____@berkleyrisk.com)

Phone: 800-XXX-XXXX

Mail:  
Berkley Risk  
P.O. Box 59XXX  
Minneapolis, MN 55402

**Claim Assignments:**

Berkley Risk will assign a claims professional to each new claim. The assignment decision will be based on the type of claim, complexity of the claim, expertise and experience level of the claims professional and the conditions of the applicable insurance policy(ies).

**Claim Acknowledgement:**

Berkley Risk will send Claim Acknowledgement e-mail to reporting Member upon establishment of each new claim. Berkley Risk will send First Party claimants a Claim Acknowledgement letter upon establishment of each new claim.

**Claim Handling:**

Berkley Risk Claim staff will contact designated Member within 24 hours of Notice of Loss.

The handling adjuster will complete an investigation of each claim. Each investigation will vary in scope, and is dependent on the complexity and type of claim. In general, the investigation should be completed within 30 days of notification of the claim unless the investigation cannot reasonably be completed within that time.

While an investigation remains incomplete, written notification to the first-party claimant stating the need and reasons for the additional time shall be sent no later than 45 days after notification of the claim and every 45 days thereafter while investigation remains incomplete.

**Reserves:**

Reserves are the most probable estimate of the total anticipated cost or exposure for a claim. Reserves must take into consideration all facts, liabilities, comparative negligence, and damages. Reserves are subjective but based on realistic estimates of future costs. The reserves must accurately reflect changes that occur in the course of the claim that would cause the exposure to change, resulting in an increased or decreased expectation of damages or successful defense.

Files must be initially reserved within 30 days of receipt of the claim based on the preliminary facts known at that time. Reserves must be reviewed and updated as applicable at 90 days and 180 days from receipt and every 180 days thereafter.

If no suit is filed, legal defense reserves will not be set. Reserving for legal expenses is required on after a defense lawyer has been hired. The claim does not necessarily have to be in litigation in order to have a legal expense reserve.

**Reserve Authority:**

The Berkley Risk claims professional will contact designated Member prior to establishing new reserves above authority levels outlined below.

Commercial Auto/Property:	\$25,000
Commercial General Liability:	\$50,000
Educator Legal Liability:	\$50,000

Any claim with a new reserve set at or above \$100,000 will be reviewed by PURMIT Claims Committee at the next quarterly meeting. If initial reserve exceeds \$250,000, written notification should be sent to PURMIT Claims Committee within 30 days.

Subsequent reserves changes at or above the authority levels listed above are subject to the same notification protocols.

Any disputes between client member and Berkley Risk will brought to the attention of Jon Paulsen.



**Settlement Authority:**

Berkley Risk maintains the authority to settle claims within the same authority levels per type of claim noted for Reserve Authority. If the total incurred on a claim exceeds the Member SIR, any settlement on that claim must be approved by either the PURMIT board chair or vice chair. The Board of Trustees has the option to designate a level of settlement authority to the Member or designee.

**Action Plan / Diary:**

Berkley Risk claim professionals will establish an action plan on each claim. Initial action plans are due at 30 days from receipt of claim and should be updated frequently enough to allow one to understand the next steps in the claim but no less than every 90 days unless otherwise documented in claim notes.

Berkley Risk claims professionals will maintain claim diaries on all open claims. The file should be reviewed on or before the diary date. Corresponding notes should be entered into claims system to document current events. Diaries should then be updated with a new reminder and due date. Each open file should reflect at least one open diary.

Berkley Risk supervisors/managers will provide direction as necessary, taking into consideration the expertise and experience level of the claim professional assigned to the claim. Supervisors should maintain a diary on all claims with exposures beyond the claim professional's authority level unless otherwise documented in claim notes.

**Coverage/Liability Determination:**

Coverage follows the excess policy language for claims within the self-insured retention (SIR). Claims within the SIR represent the majority of all claims. Claims professionals are responsible for reviewing the applicable policy(ies) in relation to the facts given in a specific claim.

Decisions on accepting or denying liability and/or coverage must be made in consultation with Berkley Risk claims supervisor/manage and insured member. In instances of disputed coverage, a notification letter should be sent to Member designee within one week of knowledge noting the coverage item in question.

Berkley Risk will notify Member in writing confirming or denying coverage within 30 days of knowledge of that coverage may not apply by sending a reservation of rights letter. The investigation may continue under a reservation of rights. The claims professional will continue to move the claim forward without a commitment on coverage and communicate with claimant(s) that coverage is under investigation.

**Litigation Management:**

Both Member Counsel and Outside Counsel may be involved in the litigation process in various capacities. Most litigation is oriented to the defense of lawsuits brought against the Member and its employees. In the event of conflicts of interest, individually named employees, lawsuits, or special circumstances requiring specific expertise, Outside Counsel may be retained.

## COUNSEL SELECTION

- Member retains chose of Outside Counsel for legal matters involving the Member.
- Attorneys must have no conflicts of interest in matters relating to PURMIT or its Members.
- In some circumstances, Member may recommend the use of Outside Counsel if there is a need for specialized expertise, if there is a lawsuit, and/or if constraints require such.
- Members should consult the applicable insurance policy to determine if the insurer requires prior approval of both counsel and legal defense costs.

## GUIDELINES FOR OUTSIDE COUNSEL

*These guidelines should be conveyed to Outside Counsel as general expectations.*

## SCOPE OF ACTIVITIES

- Acknowledge assignment.
- Keep Member Counsel advised of activities through telephone calls, e-mails, fax, status reports, legal filings and legal staffing.
- Identify liability issues, potential defenses; analyze the basis for damage claims.
- Consider third party actions.
- Coordinate activities including investigation and discovery with Member Counsel in matters that require multiple defense counsel.
- Develop defense strategies based on legal and factual analysis and communicate the defense plan and reasons for the strategy to Member Counsel.
- Provide status reports to Member Counsel or its designated excess insurance carrier as requested.

## COSTS AND BILLING

- Notify the Member of unusual or unanticipated costs and when applicable, provide a budget
- Notify the Member of and explain reason for the proposed use of any experts or need for co-counsel.
- Members should consult with PURMIT and/or insurers for reasonable and customary rates for their area for common billing categories: partner, associate, paralegal, document copies, etc.

## **Claim Reporting Requirements:**

Berkley Risk will report claims to excess carriers in each line of coverage according to reporting requirements found within each excess insurance policy. When a reserve is established at or more than 50% of PURMIT retention level, an initial report detailing the facts of the claim is required to be sent in writing to excess carrier and Member. After the initial report e-mail updates, attorney status reports and telephone communications are acceptable.

Some insurance policies outline conditions under which the Member must report occurrences or claims that may reasonably and likely give rise to ca claim under the policy and/or involve particular types of bodily injury for fatalities (examples include, but are not limited to major paralytic conditions, 2<sup>nd</sup> or 3<sup>rd</sup> degree burns to 25% or more of body, amputation, loss of sight, sexual molestation, and bodily injury resulting from medical services.

When one of these conditions arises, an initial report detailing the facts of the claim is required to be sent in writing to excess carrier and Member. After the initial report e-mail updates, attorney status reports and telephone communications are acceptable.

**Loss Fund Details:**

The Berkley Risk P&C staff will issue checks from claims systems that will draw directly from the PURMIT account.

**Approved Defense Firms:**

TBD

**Vendor Management:**

Independent Adjusters will report loss developments to Berkley Risk staff assigned to the claim. Berkley Risk will maintain appropriate reserves, grant settlement authority and direct further claim handling. Independent Adjusters will have no check authority.

**Special Coding Requirements:**

TBD

**Monthly Reporting Package:**

Monthly Loss Runs by client Member will be generated and sent to each designated university contact. Loss Runs will be maintained and distributed as follows:

XXXXX

**Subrogation/Recovery:**

Berkley Risk will make a special effort to identify subrogation potential, to thoroughly investigate the possibility of recovery, and to pursue recovery aggressively.

All claims will be evaluated for subrogation potential. If potential exists, investigation of the third party (or product) will be completed in conjunction with the standard investigation. If there is a contract, the claims professional should obtain the contract to review for any language barring the ability to seek recovery.

If the investigation suggests potential for liability of a third party, that party and/or the insurance carrier will be put on notice of a possible claim.

Subrogation Settlement Authority is the same as Settlement Authority (if no reduction is taken). If the amount collected is not a full recovery, the supervisor must approve the write-off amount. If the amount is in excess of the Member SIR, then the claims supervisor and Member designee should agree to the write-off amount. A write-off can be done only when all efforts to recover have been exhausted without results. Any write-off over the claims professional's settlement authority must be approved by the claims supervisor. The reason for any write-off should be documented in claim notes. If the amount is in excess of the Member SIR, then the claims supervisor and Member or designee should agree to the write-off amount.

Outside Counsel and/or collection agency will be utilized only when necessary. The claims professional is to exhaust all means available to them before turning over a subrogation file to an outside source. Outside Counsel and/or collection agency's fees for subrogation will be on a contingency basis; any exception must be clearly explained and documented.

**Other Comments and/or Instructions:**

**Appendix:**

PURMIT Claims Procedures – Technical Guidelines and Standards

**Agenda Item #6.**

**To Be Distributed at Meeting**

**Agenda Item #8.**



## *Standard Terms of Engagement for Legal Services*

This statement sets forth the standard terms of our engagement as your lawyers. Unless modified in writing by mutual agreement or superseded by contrary controlling law, these terms will be an integral part of our agreement with you. Therefore, we ask that you review this statement carefully and contact us promptly if you have any questions. We suggest that you retain this statement in your file.

### **The Scope of Our Work**

You should have a clear understanding of the legal services we will provide. Any questions that you have should be dealt with promptly.

Our firm will provide the services requested, keep you informed of developments and progress in the matter, and respond promptly to your inquiries. You agree to be truthful and cooperative and apprise us of all developments relating to your needs and our services, to be available to attend all requested appearances and depositions, settlement negotiations or court appearances, to attend meetings when requested by us, and to keep us apprised of any change in address or telephone numbers. Any expressions on our part concerning the outcome of your legal matters are expressions of our professional judgment, but are not guarantees. Such opinions are necessarily limited by our knowledge of the facts and are based on the state of the law at the time they are expressed.

It is our policy that our client is the person or entity identified in our engagement letter and does not include any affiliates or constituents of such person or entity (i.e., if you are a corporation or partnership, any parents, subsidiaries, employees, officers, directors, shareholders or partners of the corporation or partnership, or commonly owned corporations or partnerships; or, if you are a trade association, any members of the trade association), whether or not any such affiliate or constituent is operationally integrated with the person or entity identified in our engagement letter as our client. Accordingly, for conflict of interest purposes, we may represent another client with interests adverse to any such affiliate or constituent without notifying you or obtaining your consent.

### **Consent to Electronic Communications**

In order to increase our efficiency and responsiveness, we endeavor to use state of the art communication devices (e.g. email, document transfer by computer, wireless telephones, facsimile transfer and other devices which may develop in the future). The use of such devices under current technology may place your confidences and privileges at risk. However, we believe that the efficiencies involved in the use of these devices outweigh the risk of accidental disclosure. By

agreeing to these terms you consent to the use of these electronic communication devices.

### **Consent Relating to Future Adverse Representation on Unrelated Matters**

Our firm provides a wide array of legal services, including administrative, legislative, litigation, and transactional services, to many other companies and individuals around the world. It is possible that one or more of our present or future clients will have disputes or transactions with you during the course of our representation of you or that one or more of them will ask us to advocate a change in law or policy that might have a direct or indirect adverse impact upon your interests. You agree that we may represent any existing or new clients in any matter, including litigation, that is not substantially related to our work for you, even if the interests of such clients in those matters are directly adverse to you or a policy we advocate might have a direct or indirect adverse impact upon your interests. We agree, however, that your prospective consent to conflicting representation set forth in the preceding sentence shall not apply in any instance where, as a result of our representation of you, we have obtained confidential information that, if known to our other client, could be used in the matter adverse to you and to your material disadvantage and we have not taken steps to screen such information from the lawyers representing the other client in the matter adverse to you prior to such lawyers learning any such information. You hereby consent to the firm taking any reasonable measures it deems appropriate to protect your confidential information from such disclosure or use, including the creation of a formal "ethical screen" in accordance with the firm's internal procedures for implementing such measures. Your alternative to giving this consent to our future representation of other clients in unrelated adverse matters is to retain any other counsel of your choosing to represent you in this matter.

### **Consent to In-House Attorney-Client Privilege**

From time to time issues arise that raise questions as to our duties under the professional conduct rules that apply to lawyers. These might include, for example, conflict of interest issues, and could even include issues raised because of a dispute between us and a client over the handling of a matter. Under normal circumstances when such issues arise we seek the advice of our General Counsel or a member of the firm's Quality Assurance Committee, each of whom is knowledgeable, and has been given the responsibility within the firm for providing advice, in matters involving professional conduct. Historically, we have considered such consultations to be attorney-client privileged conversations between firm personnel and the counsel for the firm. In recent years, however, there have been a few court decisions indicating that under some circumstances such conversations involve a conflict of interest between the client and the firm and that our consultation with the firm's counsel may not be privileged, unless we either withdraw from the representation of the client or obtain the client's consent to consult with the firm's counsel.



We believe that it is in our clients' interest, as well as the firm's interest, that, in the event legal ethics or related issues arise during a representation, we are able to obtain appropriate advice promptly regarding our obligations. Accordingly, you agree that if we determine in our own discretion during the course of the representation that it is appropriate to consult with our firm counsel (either the firm's internal counsel or, if we choose, outside counsel) we have your consent to do so and that our contemporaneous representation of you shall not result in a waiver or invalidation of any attorney-client privilege that the firm has to protect the confidentiality of our communications with counsel.

### **Who Will Provide the Legal Services**

Customarily, each client of the firm is served by a principal attorney contact. The principal attorney should be someone in whom you have confidence and with whom you enjoy working. You are free to request a change of principal attorney at any time. Subject to the supervisory role of the principal attorney, your work or parts of it may be performed by other lawyers and legal assistants in the firm. Such delegation may be for the purpose of involving lawyers or legal assistants with special expertise in a given area, or lawyers who are licensed in a state in which a particular issue arises, or for the purpose of providing services on an efficient and timely basis. Whenever practicable, we will advise you of the names of those attorneys and legal assistants who work on your matters.

### **How Fees Will Be Set**

In determining the amount to be charged for the legal services we provide to you we will consider:

- The time and effort required, the novelty and complexity of the issues presented, and the skill required to perform the legal services promptly;
- The fees customarily charged in the community for similar services and the value of the services to you;
- The amount of money or value of property involved and the results obtained;
- The time constraints imposed by you as our client and other circumstances, such as an emergency closing, the need for injunctive relief from court, or substantial disruption of other office business;
- The nature and longevity of our professional relationship with you;
- The experience, reputation and expertise of the lawyers performing the services;

- The extent to which office procedures and systems have produced a high-quality product efficiently.

Among these factors, the time and effort required are typically weighted most heavily. We will keep accurate records of the time we devote to your work, including conferences (both in person and over the telephone), negotiations, factual and legal research and analysis, document preparation and revision, travel on your behalf, and other related matters. We record our time in units of tenths of an hour.

The hourly rates of our lawyers and legal assistants have an important bearing on the fees we charge. These rates are adjusted periodically to reflect current levels of legal experience, changes in overhead costs, and other market factors. These hourly rates may vary, depending on the client, the nature of the matters involved, or other circumstances.

We are sometimes requested to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. Whenever possible, we will furnish such an estimate based upon our professional judgment, but always with a clear understanding that it is not a maximum or fixed-fee quotation. The ultimate cost frequently is more or less than the amount estimated.

For certain well-defined services (for example, a simple business incorporation), upon request, we may quote a flat fee. It is our policy not to accept representation on a flat-fee basis except in such defined-service areas or pursuant to a special arrangement tailored to the needs of a particular client.

Any flat fee arrangement will be expressed in a letter that sets forth both the amount of the fee and the scope of the services to be provided. In undertaking representation of a client with a personal injury or wrongful death claim or certain other matters, we will, in appropriate circumstances, provide legal services on a contingent fee basis. Any such contingent fee arrangement must be reflected in a written contingent fee agreement.

### **Additional Charges**

Typically, we will charge our clients not only for legal services rendered, and for our out-of-pocket expenses incurred, but also for other ancillary services provided. Examples include charges for in-house messenger deliveries, computerized research services, the use of our facsimile and photocopy machines, discovery data handling and hosting and litigation support services. While our charges for these services are measured by use, they do not, in all instances, reflect our actual out-of-pocket costs. For many of these items, the true cost of providing the service is difficult to establish. While we are constantly striving to maintain these charges at rates which are the same as or lower than those maintained by others in our markets, in some instances, the amounts charged exceed the actual costs to the firm. We would be pleased to discuss the specific schedule of

charges for these additional services with you and to answer any questions that you may have. If you would prefer, in some situations we can arrange for these ancillary services to be provided by third parties with direct billing to you.

We will advance routine expenses for individual items that cost less than \$1,000 but will refer items that cost more directly to you for payment.

### **Retainer and Trust Deposits**

New clients of the firm are commonly asked to deposit a retainer with the firm. You hereby grant us a security interest in any retainer you deposit with us and in any funds we hold on your behalf to secure your obligations to us under this agreement. Typically, the retainer is equal to the fees and costs likely to be incurred during a two-month period. Unless otherwise agreed, the retainer deposit will be credited toward your unpaid invoices, if any, at the conclusion of services. At the conclusion of our legal representation or at such time as the deposit is unnecessary or is appropriately reduced, the remaining balance or an appropriate part of it will be returned to you. If the retainer deposit proves insufficient to cover current expenses and fees on at least a two-month basis, it may have to be increased.

Deposits which are received to cover specific items will be disbursed as provided in our agreement with you, and you will be notified from time to time of the amounts applied or withdrawn. Any amount remaining after disbursement will be returned to you.

All trust deposits we receive from you, including retainers, will be placed in a trust account for your benefit. As required by court rule or statute in each jurisdiction in which the firm has an office, your deposit will be placed in a pooled account if it is not expected to earn a significant net return, taking into consideration the size and anticipated duration of the deposit and the transaction costs. Other trust deposits will also be placed in the pooled account unless you request a segregated account. By court rule or statute in each of these jurisdictions, interest earned on the pooled account is payable to a charitable foundation or other non-profit entity established in accordance with such court rule or statute. Interest earned on a segregated trust account will be added to the deposit for your benefit and will be includable in your taxable income.

### **Termination; Retention and Disposition of Documents**

You may terminate our representation at any time, with or without cause. Our right or obligation to terminate our representation is subject to the rules of professional conduct for the applicable jurisdiction in which we practice, which list several types of conduct or circumstances that require or permit us to withdraw from a representation, including, for example, nonpayment of fees or costs, misrepresentation or failure to disclose material facts,

failure to cooperate, taking action contrary to our advice and conflict of interest with another client. We will try to identify in advance and discuss with you any situation which may lead to our withdrawal and if we decide to withdraw, we usually give written notice of our withdrawal.

Unless previously terminated by you or us, the attorney-client relationship will be considered terminated upon our sending you the invoice that describes the final legal services for all matters that you have retained us to perform. You will not thereafter be considered a current client because you remain on a firm mailing list or have appointed an affiliate of the firm to serve as your registered agent or because the firm retains possession of certain of your papers or other property received in connection with the prior engagement or is identified as a required recipient of notices under a contract to which you are a party. If you later retain us to perform further or additional legal services, our attorney-client relationship will be revived subject to our standard terms of engagement in effect at that time.

Upon your request after the earlier of the termination of the attorney-client relationship or conclusion of the matter, we will return to you any original documents and other property you provided to the firm in connection with the matter. If you do not request your documents, unless you make written arrangements with us to the contrary (such as to retain your original will or other documents in our vault or otherwise), we reserve the right to destroy or otherwise dispose of them for various reasons, including the minimization of unnecessary storage expenses, or for no reason, without further notice to you at any time after ten years following the date of the final invoice to you with respect to the matter.

The remainder of the file pertaining to the matter will be retained by the firm and will remain its property. If, upon your request, we agree to provide you with copies of certain documents from our file pertaining to the matter, you agree to pay the copying costs.

You agree that for various reasons, including the minimization of unnecessary storage expenses, or for no reason, we may destroy or otherwise dispose of the firm's file pertaining to the matter at any time after ten years following the date of the final invoice to you with respect to the matter.

### **Postengagement Matters**

You are engaging the firm to provide legal services in connection with a specific matter. After completion of the matter, changes may occur in the applicable laws or regulations that could have an impact upon your future rights and liabilities. Unless you engage us after completion of the matter to provide additional legal advice on issues arising from the matter, the firm has no continuing obligation to advise you with respect to future legal developments.

## **Billing Arrangements and Terms of Payments**

We will bill you on a regular basis, normally each month, for both fees and disbursements. You agree to make payment within 30 days after receiving our statement. Unpaid fees and disbursements accrue interest at the maximum rate permitted by state law (noncompounded), but not exceeding 1% per month from the beginning of the month in which they became overdue. (Where fees and disbursements are regularly paid out of a retainer deposit, no interest will be charged.)

We will give you prompt notice if your account becomes delinquent, and you agree to bring the account or the retainer deposit current. If the delinquency continues and you do not arrange satisfactory payment terms, you agree that we may withdraw from the representation and pursue collection of your account. You agree to pay the expenses of collecting the debt, including court costs, filing fees and reasonable attorneys' fees.

## **Related Proceedings**

If any claim is brought against the firm or any of its personnel based on your negligence or misconduct; if we are asked to testify as a result of our representation of you; or if we must defend the confidentiality of our communications in any proceeding, you agree to reimburse us for any resulting costs, including for our time, calculated at the hourly rate for the particular individuals involved, even if our representation of you has terminated.

## **Your Right to Arbitrate**

If you disagree with the amount of our fee, or if you have any complaint about the services rendered by us, please take up the question with your principal attorney contact or with the firm's managing partner. Typically, such disagreements are resolved to the satisfaction of both sides with little inconvenience or formality. If a fee dispute is not readily resolved, you have the right to request arbitration under supervision of the bar associations for the jurisdictions in which we practice, and we agree to participate in that process.

Thank you for choosing Davis Wright Tremaine LLP to represent you in this matter.

## **Davis Wright Tremaine Office Locations**

### **Anchorage**

188 West Northern Lights Blvd., Suite 1100  
Anchorage, Alaska 99503-3985  
TEL (907) 257-5300 FAX (907) 257-5399

### **Bellevue**

777 108th Avenue NE, Suite 2300  
Bellevue, Washington 98004-5149  
TEL (425) 646-6100 FAX (425) 646-6199

### **Los Angeles**

865 South Figueroa Street, Suite 2400  
Los Angeles, California 90017-2566  
TEL (213) 633-6800 FAX (213) 633-6899

### **New York**

1633 Broadway, 27th Floor  
New York, New York 10019-6708  
TEL (212) 489-8230 FAX (212) 489-8340

### **Portland**

1300 SW Fifth Avenue, Suite 2400  
Portland, Oregon 97201-5610  
TEL (503) 241-2300 FAX (503) 778-5299

### **San Francisco**

505 Montgomery Street, Suite 800  
San Francisco, California 94111-6533  
TEL (415) 276-6500 FAX (415) 276-6599

### **Seattle**

1201 Third Avenue, Suite 2200  
Seattle, Washington 98101-3045  
TEL (206) 622-3150 FAX (206) 757-7700

### **Shanghai**

Suite 701-704, Tower 2, Shanghai IFC  
8 Century Avenue, Pudong District  
Shanghai 200120, China  
TEL (011) 8621-6170-9500 FAX (011) 8621-6170-9599

### **Washington, D.C.**

1919 Pennsylvania Avenue NW, Suite 800  
Washington, D.C. 20006-3401  
TEL (202) 973-4200 FAX (202) 973-4499

[www.dwt.com](http://www.dwt.com)

February 26, 2015

Via Email [rbritz@berkleyrisk.com](mailto:rbritz@berkleyrisk.com)

Ryan Britz  
Berkley Risk Administrators Company, LLC  
222 South 9th Street #2700  
Minneapolis, MN 55402

Re: Public Universities Risk Management and Insurance Trust Conflict Waiver

Dear Mr. Britz:

We appreciate your selection of Davis Wright Tremaine LLP (“DWT”) to represent the Public Universities Risk Management and Insurance Trust (“PURMIT”). As stated in our Letter of Engagement, DWT will represent PURMIT on issues of insurance law, board governance, and constituent and vendor relationships, including the preparation of contracts (collectively, the “Engagement”). In this capacity, DWT’s sole client is the Trust. DWT does not represent the Trust’s members, Oregon State University (“OSU”), University of Oregon (“UO”), Portland State University (“PSU”), Eastern Oregon University (“EOU”), Western Oregon University (“WOU”), Southern Oregon University (“SOU”), or Oregon Institute of Technology (“OIT”) (collectively, the “Members”). The purpose of this letter is to memorialize potential consent to conflicts of interest with respect to DWT’s representation of other clients on current matters as well as with respect to future matters generally involving PURMIT and the Members.

### **Consent to Conflict of Interest**

DWT regularly represents clients adverse to the Members. DWT anticipates that DWT will be asked by current and future clients to represent their interests in matters adverse to the interests of PURMIT and its Members. PURMIT understands that it is a condition to DWT’s agreement to represent PURMIT that, subject to the terms this letter and the requirements set forth in the Oregon Rules of Professional Conduct (“RPC”), PURMIT and the Members provide a broad waiver of current and future conflicts of interest for matters unrelated to the services covered by the Engagement.

### **Current Conflicts of Interest**

DWT is currently adverse to the Members in the following matters. Because PURMIT is DWT’s sole client in this Engagement, PURMIT’s consent is not technically required under the Oregon Rules of Professional Conduct. We nonetheless ask, and PURMIT hereby consents to and waives any of the conflicts of interest that these matters represent:

1. DWT represents Verizon in obtaining the real property rights enabling installation and maintenance of communication facility equipment on property owned or controlled by the State Board of Higher Education (“SBHE”), PSU, OSU, and UO.

2. DWT represents Amplify Education, Inc. (“Amplify”) in connection with the use of DIBELS and IDELS trademarks in literacy assessments. We understand that UO is determining whether there is a claim that has been or may be asserted against Amplify for violation of intellectual property rights.

3. DWT represented Insignia Health (“Insignia”) relating to the licensure of intellectual property developed by faculty at the UO and continues to provide ongoing advice to Insignia. We are not aware of any disputes between Insignia and the UO; representatives of the UO are part of Insignia’s management.

4. DWT represented Sue B. Wallin relating to certain intellectual property licensing of videos to WOU and continues to provide ongoing advice to Ms. Wallin. We are not aware of any disputes between Ms. Wallin and WOU.

5. DWT represents Natural Plant Products (aka Oregon Meadowfoam Growers) relating to certain intellectual property matters, including the negotiation of licenses for one or more Meadowfoam-related patents or patent applications from OSU. We are not aware of any disputes between Natural Plant Products and OSU.

6. DWT represents Dulsenergy, Inc. relating to the ongoing negotiation of certain intellectual property matters with OSU.

7. DWT represents INTO University Partners, Ltd. and its affiliates (“INTO”) in a partnership with Oregon State University related to enrolling foreign students at Oregon State University and developing facilities for Oregon State University, such as classroom buildings and dormitories. INTO is also entering into a new joint venture to develop and lease a campus for Oregon State University in Bend.

### **Future Conflicts of Interest**

As part of the Engagement, PURMIT understands and agrees that DWT anticipates that in the future, other clients of DWT will ask DWT to represent them in matters adverse to the Members. Because PURMIT is DWT’s sole client in this Engagement, these future matters do not create conflicts of interest. But, in an abundance of caution, DWT asks and PURMIT hereby grants consent to and waives future conflicts of interest that may arise as a result of DWT’s representation of other clients adverse to any of the Members. Examples of the matters for which advance consent is granted by PURMIT include, but are not limited to, DWT’s representation of existing or future clients: (a) bringing claims against Members or their employees which may trigger obligations under insurance policies or programs put in place by

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PURMIT; (b) seeking public records maintained by any of the Members, or access to public meetings held by any of the Members; (c) negotiating licenses, including for communication facilities and involving intellectual properties; (d) lobbying the Legislative Assembly and other public bodies in opposition to legislation or other action favored by any of the Members; and (e) any other matters that are unrelated to the Engagement. This advance consent includes the representation of existing and future clients of DWT including, but not limited to, Amplify, Insignia, Natural Plant Products, INTO, Ms. Wallin, Dulsenergy, and Verizon, on matters unrelated to the Engagement. DWT may continue to represent and may in the future represent existing or new clients in matters, including giving legal advice to any client that might be adverse to the interests of any of the Members, or representing any party in a transaction, alternative dispute resolution proceeding, regulatory proceeding, litigation, or other judicial proceeding and any appeal therefrom in which any of the Members is an adverse party.

PURMIT will not seek to disqualify DWT with respect to any of the current or former clients' engagements described above, even where DWT may have obtained proprietary or confidential information of a nonpublic nature from the Members during the course of the Engagement that could theoretically be used in the matter adverse to any of the Members to its material disadvantage, provided that DWT takes adequate steps to screen such information from the DWT lawyers representing the client in a matter adverse to any of the Members.

### **Applicability of Ethical Rules to all Conflicts Discussed Above**

Under RPC 1.7, we may not represent a client if the representation of that client will be directly adverse to another client, even if the work we do for the other client is in unrelated matters, or there is a significant risk that the representation will be materially limited by the lawyer's responsibilities to another client, a former client, or a third person or by a personal interest of the lawyer unless each of the following statements is true: (1) the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client; (2) the representation is not prohibited by law; (3) the representation does not obligate the lawyer to contend for something on behalf of one client that the lawyer has a duty to oppose on behalf of another client; and (4) each affected client gives informed consent, confirmed in writing. "Informed consent" denotes the agreement by a person to a proposed course of conduct after the lawyer has communicated adequate information and explanation about the material risks of and reasonably available alternatives to the proposed course of conduct. The lawyer must also provide a recommendation that the client seek independent legal advice to determine if consent should be given. We believe that all of the situations above are true and recommend that PURMIT seek independent legal counsel to review the terms of the Engagement.

DWT's proposed representation of PURMIT is not illegal and would not obligate us to contend for inconsistent results. Under the circumstances, we believe that we will be able to provide competent and diligent representation to PURMIT in the Engagement while continuing to represent other current and future clients because the lawyers in our office who regularly

February 26, 2015  
Page 4

represent clients in other matters will not work on the Engagement. We further believe that we will be able to provide competent and diligent representation of PURMIT despite our possible future representation of other clients adverse to the members.

By signing this letter, PURMIT is evidencing its consent to the broad waiver of conflicts as to the specific current matters listed and to future matters and that PURMIT has had the opportunity to have the Engagement and waiver requested reviewed by independent legal counsel.

Please do not hesitate to contact me if you have questions.

Very truly yours,

Davis Wright Tremaine LLP



James Parker

Reviewed and agreed to this \_\_\_\_\_ day of July, 2015:

PUBLIC UNIVERSITIES RISK MANAGEMENT AND INSURANCE TRUST

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

cc: Ryan J. Hagemann  
Douglas Park  
David C. Reese  
Meg Reeves

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February 26, 2015

Via Email [rbritz@berkleyrisk.com](mailto:rbritz@berkleyrisk.com)

Ryan Britz  
Berkley Risk Administrators Company, LLC  
222 South 9th Street #2700  
Minneapolis, MN 55402

Re: PURMIT and Davis Wright Tremain Letter of Engagement

Dear Mr. Britz:

We appreciate the selection of Davis Wright Tremain LLP (“DWT”) to represent the Public Universities Risk Management and Insurance Trust (“PURMIT”). This letter confirms the scope and terms of DWT’s representation of PURMIT.

### **Scope of Representation**

DWT will represent PURMIT on issues of insurance law, board governance, and constituent and vendor relationships, including the preparation of contracts (collectively, the “Engagement”). In this capacity DWT’s sole client is PURMIT. In conjunction with this Engagement, DWT will not be representing Oregon State University, University of Oregon, Portland State University, Eastern Oregon University, Western Oregon University, Southern Oregon University, or Oregon Institute of Technology.

### **Engagement Terms**

At DWT, we believe that it is essential that our clients and we have the same understanding of the client-attorney relationship. With this in mind, enclosed for your review is a copy of our *Standard Terms of Engagement for Legal Services*, which describes in greater detail the basis on which we provide legal services to our clients. As supplemented by this letter, the “Standard Terms of Engagement” comprises our engagement agreement. Therefore, we ask that you review it carefully and contact us promptly if you have any questions about our relationship.

### **Legal Fees**

I will be the primary attorney at DWT handling your work. Fees for services are based on a variety of factors including, for example, time and effort involved, the experience of those doing

February 26, 2015

Page 2

the work, the complexity of the matter and the amount involved. Of these and other considerations, the time devoted and the experience of those providing the services will be given the most weight. For example, my rate at present is \$280 per hour.

If there are opportunities to use other attorneys with sufficient expertise to provide services on some issues efficiently at lower rates, we will certainly do so, with your permission of course. If necessary, because of particular legal expertise or geographic location, we have other attorneys who may be called upon to perform services at their applicable billing rates. Others who may be involved on this or future matters are paralegals, associates, and partners in our Portland office whose present billing rates range from \$160 to \$505 per hour.

We believe very strongly in maintaining an open line of communication with each other at all times. This allows us to better serve you and keep you fully informed regarding the status of the work we are performing on your behalf. Our switchboard is open from 7:30 a.m. to 6:00 p.m. I can be reached at other times on our direct-dial numbers listed above. If you have a question regarding your billing statements, please feel free to contact either of us or our Credit Specialist, Julie Springer, at 503-778-5462. If the terms of this engagement are acceptable to you, please sign and date the enclosed copy of this letter and return it in the enclosed self-addressed envelope.

We are pleased that you are entrusting PURMIT's work to us, and we hope to exceed your expectations for prompt, efficient, and high quality legal counsel. It is important for us to know how our clients feel about the services we provide. If you ever feel we are not meeting this commitment or you have other questions about our relationship, please do not hesitate to call us or our Partner-In-Charge, Bill Miner. We look forward to serving you.

Very truly yours,

Davis Wright Tremaine LLP



James Parker

Reviewed and agreed to this \_\_\_\_\_ day of July, 2015:

PUBLIC UNIVERSITIES RISK MANAGEMENT AND INSURANCE TRUST

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Agenda Item #9.**



"... united to achieve excellence in pool governance, management and services."

RESOLUTION APPOINTING DESIGNATED REPRESENTATIVE TO THE ASSOCIATION OF GOVERNMENTAL RISK POOLS

WHEREAS, THE Public Universities Risk Management & Insurance Trust (Name of Pool or Organization)

is a member of the ASSOCIATION OF GOVERNMENTAL RISK POOLS; and WHEREAS, the organizational By-Laws of the ASSOCIATION OF GOVERNMENTAL RISK POOLS requires the governing Board of a Regular Member to appoint a Designated Representative who shall vote on matters on behalf of the Regular Member;

NOW, THEREFORE, BE IT RESOLVED by the governing board of the Public Universities Risk Management & Insurance Trust (Name of Pool or Organization)

that it appoints the following person (or position) to the Association of Governmental Risk Pools.

Designated Representative:

Print or type name of person OR position title

Print or type title, if person's name

Passed this Day of Month Year

President or Chair Signature

Attested: Secretary Signature

# Public Universities Risk Management & Insurance Trust

June 30, 2015

Preliminary

Financial Review

PURMIT – Board of Trustees Meeting

**PURMIT**

# Agenda

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## Operating Results

- PURMIT Summary

## Financial Position

- PURMIT Balance Sheet
- PURMIT Member Surplus Rollforward

## Questions & Comments



# PRELIMINARY ACTUALS

## Operating Results Summary – PURMIT

### As of June 30, 2015 (\$ in 000s)

	As of June 30, 2015			
	<u>Direct Specialty</u>	<u>Trust</u>	<u>Workers Comp</u>	<u>Total</u>
Member Assessments *	\$ 1,930	\$ 7,912	\$ 4,074	\$ 13,916
Dept. of Ins. Mandate Assessment **		536		536
Fund (Surplus)/Deficit Assessment Adjustment		1,174	(2,358)	(1,183)
<b>Total Assessments</b>	<b>\$ 1,930</b>	<b>\$ 9,623</b>	<b>\$ 1,717</b>	<b>\$ 13,269</b>
<b>Net Losses</b>		<b>3,642</b>	<b>1,790</b>	<b>5,432</b>
<b>Insurance Premium Expense</b>	<b>1,865</b>	<b>3,766</b>	<b>716</b>	<b>6,347</b>
Software License (RMIS DB)		40		40
Professional Services		752		752
Other Operational Expenses	7	41		47
<b>Total Other Expenses</b>	<b>1,871</b>	<b>8,241</b>	<b>2,507</b>	<b>12,619</b>
<b>Member Surplus Ordinary Increase/(Decrease)</b>	<b>\$ 58</b>	<b>\$ 1,382</b>	<b>\$ (790)</b>	<b>\$ 650</b>
<b>Other Income</b>		<b>60</b>	<b>1,566</b>	<b>1,625</b>
<b>Net Change to Member Surplus</b>	<b>\$ 58</b>	<b>\$ 1,442</b>	<b>\$ 775</b>	<b>\$ 2,275</b>

\* Includes current year insurance policy cost, expected claims costs and operational cost

\*\* 25% additional assessment based on current year expected claims costs and operational cost

# PRELIMINARY ACTUALS

## Financial Position – PURMIT

### Balance Sheet (\$ in 000s)

	As of June 30, 2015			
	Direct Specialty	Trust	Workers Comp	Total
<b>Assets</b>				
Cash	\$ (118)	\$ 4,293	\$ 6,980	\$ 11,155
Receivables	9	1,531	242	1,783
Fixed Assets		99		99
Other Assets	166	1,115		1,281
<b>Total Assets</b>	<b>\$ 57</b>	<b>\$ 7,039</b>	<b>\$ 7,222</b>	<b>\$ 14,318</b>
<b>Liabilities</b>				
Accounts Payable				
Accrued IBNR Claims - Estimate		\$ 7,055	\$ 4,339	11,394
Deferred Revenue	\$ 34			34
Accruals				
Other Current Liabilities		429		429
<b>Total Liabilities</b>	<b>\$ 34</b>	<b>\$ 7,484</b>	<b>\$ 4,339</b>	<b>\$ 11,857</b>
<b>Member Surplus</b>				
Net Change to Members Surplus Prior Years	(36)	(1,887)	2,108	185
Net Change to Members Surplus Current Year	58	1,442	775	2,275
<b>Total Liabilities &amp; Member Surplus</b>	<b>\$ 57</b>	<b>\$ 7,039</b>	<b>\$ 7,222</b>	<b>\$ 14,318</b>

# PRELIMINARY ACTUALS

## Financial Position – PURMIT

### Member Surplus - Rollforward (\$ in 000s)

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
<b>Member Surplus, Beg. of Period</b>	<b>\$ (4,531) *</b>	<b>\$ 185</b>
Add: Member Surplus Ordinary Increase/(Decrease)	4,716	650
Add: Other Income	-	1,625
Less: Member Dividends	-	-
Net Change in Surplus Position	<u>\$ 4,716</u>	<u>\$ 2,275</u>
<b>Member Surplus, End of Period</b>	<b><u>\$ 185</u></b>	<b><u>\$ 2,460</u></b>

- Beginning Fund Balance per the Risk Management Financial Status as of June 30, 2014 provided by Perkins & Co.

Questions and Comments?