

MINNESOTA SELF-INSURERS' SECURITY FUND
ANNUAL MEMBERSHIP MEETING
NOVEMBER 12, 2015
MINUTES

DRAFT

David Hennes, Chair of the Board of Trustees, called the 2015 Annual Membership Meeting of the Minnesota Self-Insurers' Security Fund to order at 9:00 a.m. on November 12, 2015 at the Minnesota Humanities Center, St. Paul, Minnesota.

Hennes asked for a motion to approve the Minutes of the 2014 Annual Membership Meeting. **A MOTION WAS MADE, SECONDED AND THE MEMBERS APPROVED THE MINUTES OF THE 2014 ANNUAL MEETING.**

Hennes reviewed the agenda for the meeting. He announced that William Dacus, Risk Manager for Land O' Lakes had retired from the Security Fund Board, and that, according to the rules contained in the Plan of Operation, the Board of Trustees would select an individual to complete Dacus' term.

It has been announced that Wayne Simoneau, who had served on the Board of Trustees since 2000, was also retiring. Hennes reviewed Simoneau's long record of achievement in Minnesota Workers' Compensation and presented him with a token of appreciation from SISF.

Hennes then announced that, since Simoneau had been appointed by the Commissioner of Commerce, current Commission of Commerce Michael Rothman had appointed Rick Theisen to succeed Simoneau on the Board. Theisen formally was director of solvency and chief examiner at the Department of Commerce and is presently Assistant Executive Director of the Minnesota Joint Underwriting Association. His appointment is for the balance of Simoneau's term which expires in November 2016.

Executive Director Carl Cummins then reported on the operations of SISF since the previous annual meeting. Efforts to obtain legislation allowing SISF to proceed with an Alternative Security Program were unsuccessful, but SISF may revisit the issue in the future. There were no new defaults during the past year and the number of open claims had been reduced to sixty two. The third-party contract with Berkley Risk Administrators was extended through June 2018 with a new fee arrangement which results in lower claims costs for SISF. The Security Fund continued its assessment rate of 4% for the third consecutive year generating \$1.7 million to be used for operations and SISF deficit reduction. Finally, the Board of Trustees approved a new cash management and investment policy. \$750,000 is currently invested in a Conservative Balanced Fund and \$2.9 million is invested in Short Term Bankers Acceptances and Commercial Paper. Over time, investment income is projected to generate a conservative return of 2 – 4%.

Carrie Esler of RSM reported on the SISF audit and financial results for fiscal year 2014-2015. The auditors provided SISF with a clean audit opinion for the year. The details of Esler's presentation will be posted on the SISF website.

Trustee Dale Haug, who is a vice-president at Berkley Risk Administrators, provided an overview of the history of workers' compensation self-insurance in Minnesota. He discussed the current state of the self-insurance market and the various factors that affect that market. Haug's presentation will also be posted on the SISF website.

Hennes asked if there was any other business to come before the meeting and opened the floor to questions from members. There being none, Hennes thanked those in attendance and the meeting was adjourned at 9:45 a.m.

David J. Hennes, Chair

Carl W. Cummins, III, Recording Secretary