

**TEXAS MUNICIPAL LEAGUE  
INTERGOVERNMENTAL RISK POOL  
Underwriting & Claims Committee Meeting  
Hyatt Regency Lost Pines Resort – Navarro y Bangs B  
Lost Pines, TX 78612  
January 20, 2017**

**Trustees Present**

Michael Talbot, Chair  
Rickey Childers  
Randy Criswell  
Andres Garza  
Henry Wilson

**Trustees Absent**

Robert Herrera

**Staff Present**

Bob Haynes  
Mike Bratcher  
Tamara Chafin  
Lindsey Fields  
Susie Green  
Irvin Janak  
Bo Joseph  
Paula Marr-Ludwig  
Mike Rains  
Debbye Mangum

**Also Present**

Michael Talbot called to order the Underwriting and Claims Committee of the Texas Municipal League Intergovernmental Risk Pool at 3:02 p.m. on Friday, January 20, 2017.

**Consideration of minutes of October 21, 2016 committee meeting (Tab 12)<sup>1</sup>**

MOTION by Rickey Childers, seconded by Andres Garza, to approve the Underwriting and Claims Committee meeting minutes of October 21, 2016, as set forth under Tab 12. Motion carried with unanimous approval.

**Consideration of Renewal Proposal for the City of Dallas Excess Workers' Compensation Coverage (Tab 13)**

Paula Marr-Ludwig presented the recommendation under Tab 13 for the renewal of the City of Dallas Excess Workers' Compensation coverage effective February 1, 2017. The Board approved a rerate contribution of \$722,500 for the City of Dallas if the proposal was accepted by a January 17, 2017 deadline. The City contacted the Pool and indicated they needed an extension to January 27, 2017, in order to present the proposal to their City Council. Paula Marr-Ludwig reported that this delay was not due to the City getting another bid, but strictly a time issue in getting the proposal to the City Council. The quoted price for the coverage would not change. Michael Talbot suggested Paula send a letter to the City of Dallas stating that the Pool would extend the deadline only to the end of the day January 27, 2017 and if the City did not respond by that time the policy would be considered cancelled on February 1, 2017.

MOTION by Andres Garza, seconded by Rickey Childers, to recommend to the Board that the requested extension be granted for the City of Dallas Excess Workers' Compensation coverage proposal until the end of the day January 27, 2017 for coverage beginning February 1, 2017. If the City does not respond by February 1, 2017, the policy would be considered cancelled as of February 1, 2017. Motion carried with unanimous approval.

---

<sup>1</sup> All references to "Tabs" in these minutes are references to the Tabs in the Board of Trustees Agenda packet.

Consideration of Authorizing the Executive Director to Enter into a Software License Agreement Amendment with Guidewire for Underwriting Software (Tab 14)

Paula Marr presented the recommendation under Tab 14 for the consideration of entering into a Software license agreement amendment with Guidewire for underwriting software. The Board authorized the Executive Director to enter into a contract for the Inception Phase of Release 1 for the Underwriting System implementation at the July 2016 Board meeting. In discussions with Guidewire, it we have identified that the software will be used during inception in order to define the scope and configuration of the project. Since the inception phase is necessary to determine the needs of the system, a contract is being negotiated with Guidewire to include a termination clause if the Pool provides written notice by July 30, 2017, if the inception phase so warrants. The pro-rata amount for licensing and maintenance fees for the 2016-17 fiscal year will be \$280,000. Ms. Marr explained that the costs to conduct the Inception Phase of the project might total as much as \$1 million based on what we have learned in reviewing proposals from system integrators. This cost should not result in an overall increase in the project cost.

MOTION by Randy Criswell, seconded by Andres Garza, to recommend to the Board to authorize the Executive Director to negotiate and execute the Software License Agreement with Guidewire for products set forth above, and amend the 2016-17 Fund Year budget by increasing the IT budget by \$280,000 to account for the licensing and maintenance fees required by the Software License Agreement, and to recognize the costs to conduct the Inception Phase of approximately \$1 million will be capitalized and expensed according to the Pool's depreciation policy. Motion carried with unanimous approval.

Consideration of Initiation of Phase 2 of Medical Bill Review Project (Tab 15)

Mike Bratcher presented the recommendation for the Initiation of Phase 2 of the Medical Bill Review project under Tab 15. The staff is requesting authority to submit a RFP for the second phase of the Medical Bill Review and execute the Initiate/Begin Gate Phase of the project. This project will take lower priority if a conflict arises with resources necessary to complete other in-progress projects.

MOTION by Rickey Childers, seconded by Randy Criswell, to authorize the Pool to enter into the Initiate/Begin Gate Phase by releasing a Request for Proposal. Motion carried with unanimous approval.

Significant Cases and Legal Developments impacting the Pool (Tab 16)

Bo Joseph presented significant cases and legal developments impacting the Pool under Tab 16.

Liability and Property Claims Report on claims that have indemnity reserves exceeding \$300,000 and consideration of settlement authority in excess of \$500,000 (Tab 17)

Mike Rains told the committee the liability and property report would be discussed in Executive Session during the Board meeting on Saturday.

Workers' Compensation Claims Report, including (1) new claims that have reserves exceeding \$150,000, (2) fatality claims, (3) presumption claims, (4) catastrophic losses, (5) 2016 Performance Based Oversight Report from the Division of Workers' Compensation and (6) 2016 Political Subdivision Workers' Compensation Alliance Report Card (Tab 18)

Mike Bratcher told the committee the report would be discussed in Executive Session during the Board meeting Saturday.

Report from Office of Project Management and Analytics, including status on Progress for Business Application & IT Road Map (Tab 10)

Lindsey Fields presented the report from the Office of Project Management and Analytics, including the progress for business applications and the IT road map.

Underwriting Report on underwriting results and loss ratios, including the Quarterly Report by Victor O. Schinnerer & Company, Inc. regarding revenues received and contract activities (Tab 19)

Paula Marr-Ludwig presented the Underwriting Report under Tab 19.

Loss Prevention Report on member surveys, training and property valuations conducted (Tab 20)

Irvin Janak presented the loss prevention report under Tab 20.

Subrogation Performance Report (Tab 21)

Bo Joseph presented the subrogation report under Tab 21.

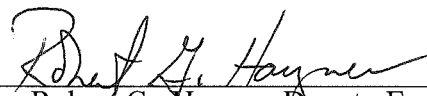
Member Services Report including Membership Activity (Tab 22)

Tamara Chafin presented the member services report under Tab 22.

Adjournment

Chair Michael Talbot adjourned the Texas Municipal League Intergovernmental Risk Pool Board of Trustees meeting at 4:26 p.m.

Approved by the Underwriting and Claims Committee  
April 28, 2017



---

Robert G. Haynes, Deputy Executive Director