

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
(PRISM)**

BOARD OF DIRECTORS

MEETING SUMMARY

75 Iron Point Circle, Suite 200
Folsom, CA 95630
Web Conference/Telephonic Meeting

Friday, June 7, 2024
8:30 a.m.
Second Meeting – 2024

Annual Budget

The Board ***approved the 2024/25 budget***, as proposed, along with the Publicly Available Pay Schedule. Both documents will be posted to the PRISM website shortly. Total budgeted revenues are \$2.26B, the budgeted expenses are \$2.14B, and the budgeted Net Position is \$332M by the end of the fiscal year. Staff reported that \$3.6M in unspent administrative funds from 2023/24 will be applied to offset the 2024/25 billable administrative fees.

Excess Workers' Compensation (EWC) Program

Highlights of the Board's review and actions for the EWC Program are as follows:

- An update on the various 2024/25 reinsurance renewals was provided;
- The Board approved transferring the Program's 2024/25 corridor risk to PRISM ARC;
- The 2024/25 allocated administrative fees were reduced to match the budget;
- Approval was given for the EWC Program to participate in PRISM's Program Internal Guarantee Account (PIGA) starting with the 2024/25 year; and
- The Board approved amendments to the Memorandum of Coverage (MOC).

General Liability 1 (GL1) Program

Highlights of the Board's review and actions for the GL1 Program are as follows:

- An update on the various 2024/25 reinsurance renewals was provided and authority was delegated to the Underwriting Committee to approve final renewal terms;
- Approval was given to transfer the Program's corridor risk to PRISM ARC;
- Approval was given for the GL1 Program to participate in PRISM's PIGA starting with the 2024/25 year; and
- The allocated administrative fees were reduced to match the budget.

Proposed amendments to the GL1 MOC, Claims Administration Standards, and Defense Counsel Standards were discussed. Most of the proposed amendments were not controversial; however, members expressed concern with a few of the recommended changes. After significant debate, the action to approve the amendments

failed with 23 members in favor, 8 opposed, and 2 abstentions. A minimum of 24 was needed for approval.

Informational Reports

The Board received several informational reports, a few of which are noted in the following:

- Summaries were provided on the ***status of each of the Programs*** and their upcoming renewals, recent legislative activity, and updates related to technology and member services.
- Chandler Asset Management provided an overview of the PRISM and PRISM Affiliate Risk Captive investment portfolios.
- A ***renewal synopsis*** was provided in the agenda packet, and ***updated premium estimates*** are in the process of being distributed to the members.

Next Meeting

The ***next meeting*** of the Board is currently scheduled for ***Friday, October 4, 2024***, at the ***Tenaya Lodge in Yosemite. This meeting will only be held in-person***, as we are unable to accommodate a virtual option at this location.