



MINUTES

CLAIMS & COVERAGE COMMITTEE MEETING

April 02, 2008

9:30 AM

AYRES INN CORONA EAST

2260 GRIFFIN WAY

CORONA, CA 92879

951-734-2140

I. CALL TO ORDER

In the absence of Chairperson Mr. Curtis Stephan, Dr. Sue McCann called the meeting to order at 9:38 a.m.

II. ROLL CALL

Those in attendance were:

MEMBERS:

FONTANA UNIFIED SCHOOL DISTRICT
FOUNTAIN VALLEY SCHOOL DISTRICT
GARDEN GROVE UNIFIED SCHOOL DISTRICT
ORANGE UNIFIED SCHOOL DISTRICT
REDLANDS UNIFIED SCHOOL DISTRICT
RIALTO UNIFIED SCHOOL DISTRICT
RIVERSIDE SCHOOLS INSURANCE AUTHORITY
RIVERSIDE SCHOOLS INSURANCE AUTHORITY

Mr. Larry Wilkie*
Dr. Barry Blade**
Dr. Sue McCann
Ms. Barb Lichten
Ms. Diana Stead
Ms. Gloria Shaw
Mr. Mike Bazaan
Mr. Rick Majors

MANAGER:

KEENAN & ASSOCIATES

Mr. Douglas Ross
Mr. Ron Simon
Ms. Tiana Loyd

OTHERS:

SELF INSURANCE RISK MANAGEMENT AUTHORITY II

Mr. Jaime Garcia

Those not in attendance were:

ABSENT:

PALM SPRINGS UNIFIED SCHOOL DISTRICT
WHITTIER AREA L/P SIA

Mr. Curtis Stephan
Mr. Doug McMasters

* Larry Wilkie joined the meeting at 10:19 a.m.

** Barry Blade left the meeting at 10:57 a.m.

III. APPROVAL OF THE AGENDA

There were no revisions to the agenda.

PUBLIC COMMENTS:

None.

COMMITTEE CONSIDERATION:

Motion was made by Barry Blade, seconded by Barb Lichten, and unanimously carried to approve the agenda as presented.

IV. APPROVAL OF MINUTES – January 15, 2008

The Committee reviewed the January 15, 2008 meeting minutes. Jaime Garcia noted that Mr. Red Balfour was listed with the incorrect JPA, Riverside Schools Insurance Authority, on the January 15, 2008 minutes. The minutes will be corrected to reflect Red Balfour with the Self Insurance Risk Management Authority II.

PUBLIC COMMENTS: None.

COMMITTEE CONSIDERATION: Motion made by Barry Blade, seconded by Gloria Shaw, and unanimously carried to approve the January 15, 2008 minutes as amended.

V. CORRESPONDENCE

The Claims Administrator presented the following correspondence:

- Letter dated January 17, 2008 to Mr. Butterbaugh of Claim Retention Services, from JPA Claims Manager Ron Simon reiterating that notice of the claim Witch Creek Fire, Oceanside USD was not received until Dec. 18, 2007.

PUBLIC COMMENTS: None.

COMMITTEE CONSIDERATION: None.

VI. CLOSED SESSION – CLAIMS

In accordance with Government Code Sections 54956.9 and 54956.95, the meeting went into Closed Session at 9:45 a.m. and came out at 11:16 a.m.

VII. OPEN SESSION

Dr. Sue McCann announced that during Closed Session the following action took place:

A. SPECIAL CLAIMS CONSIDERATION/REQUESTS/APPEALS:

There were no special claims consideration/requests/appeals to present.

COMMITTEE CONSIDERATION: None.

B. CLAIM SETTLEMENTS:

1. Victor Valley UHSD
2. Saddleback Valley USD
3. Coachella Valley USD

COMMITTEE CONSIDERATION: The Committee approved all settlement strategies as presented.

C. LARGE LOSS REPORT:

- | | |
|----------------------|---------------------------|
| 1. Riverside SIA | 12. Garden Grove USD |
| 2. Riverside SIA | 13. Garden Grove USD |
| 3. Riverside SIA | 14. Garden Grove USD |
| 4. Riverside SIA | 15. Irvine USD |
| 5. Riverside SIA | 16. Orange USD |
| 6. Riverside SIA | 17. Saddleback Valley USD |
| 7. SIRMA | 18. Poway USD |
| 8. SIRMA | 19. Poway USD |
| 9. SIRMA | 20. Poway USD |
| 10. Calexico USD | 21. Poway USD |
| 11. Garden Grove USD | 22. Colton Jt. USD |
| | 23. Jurupa USD |

COMMITTEE CONSIDERATION: The Committee received the loss run/claim review/claim incurred analysis report as presented.

D. CLAIM UPDATES NEW/SERIOUS REPORTS

There were no Claim Updates New/Serious reports to present.

COMMITTEE CONSIDERATION: None.

E. TRIALS:

The Claims Administrator provided information on pending trials, trial updates and trial results for Committee information.

New Pending Trials:

1. Toro vs. Garden Grove USD
2. Chrastka vs. Orange USD
3. Bartolini vs. North Orange County ROP
4. Castro/Santillan vs. Palm Springs USD, RCOE, et al

Trial Updates (from previous pending trial list):

1. Witte vs. Poway USD
2. Carr vs. Val Verde USD
3. Hickey vs. Temecula Valley USD
4. Hudson et al. vs. Saddleback Valley USD
5. LeBlanc vs. Poway USD
6. Luis vs. Bellflower USD
7. Martinez vs. Santa Barbara SD
8. Medina vs. Fontana USD
9. Mejia vs. Palmdale SD
10. Rangel vs. Garden Grove SD, et al.
11. Schwaven vs. Lake Elsinore USD
12. Sharp et. al. vs. La Habra City SD
13. Ward vs. Coachella Valley USD
14. Brown vs. Saddleback Valley USD

Trial Results:

1. Steuer vs. Castaic Union SD, et al.

COMMITTEE CONSIDERATION: None.

F. COVERAGE OPINIONS:

The Committee reviewed the below coverage opinions and took action accordingly.

1. Snow vs. Beaumont USD, et al.
2. Morris vs. Antelope Valley CCD
3. Evan-Farrange vs. Los Alamitos USD, et al.
4. To vs. Poway USD, et al
5. McClain vs. Saddleback Valley USD
6. Ferguson vs. Hemet USD

COMMITTEE CONSIDERATION: The Committee approved all coverage opinions as presented.

The Claims Administrator presented the following position letters for Committee review:

1. Taylor v. Eastside Union SD, et al.
2. C.F. v. William S. Hart Union HSD
3. Chesebrough v. Saugus Union SD, et al.
4. Drobnicki v. Poway USD
5. Weighill v. Santa Barbara SD
6. M.G. v. Coachella Valley USD, et al.
7. S.C. v. El Rancho USD
8. Smietan v. Saddleback Valley USD
9. Weeks v. Desert Sands USD et al.
10. EEOC on behalf of W. Santamaria v. Vista USD
11. Ambriz v. Coachella Valley USD, et al.
12. Jane Doe v. Anaheim UHSD
13. Ditty v. Orange USD
14. Moreno v. Anaheim City SD
15. To v. Poway USD
16. Piersoll & Iniguez v. Poway USD
17. Drobnicki v. Poway USD

COMMITTEE CONSIDERATION: The Committee ratified the position letters as presented.

VIII. CLAIMS PAID REPORT

The following claims were paid and closed between December 01, 2007 through February 29, 2008 and were presented to the Committee for final disposition:

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CLAIM NUMBER	DISTRICT NAME	NAME	TYPE
5023-01-00006-01-02	Poway USD	LeBlanc, Travis	Liability
5002-03-00031-01-06	Riverside SIA	McCallister, Linda	Liability
5001-04-00014-01-11	N. Orange County SIA	Guillen, John	Liability
5007-05-00004-03-12	Anaheim UHSD	Gory, Michele	Property
5007-05-00007-01-02	Anaheim UHSD	Petersen, Candice	Liability
5025-05-00002-01-02	Colton JT USD	Wisner, Quincy	Liability
5030-05-00005-01-02	Redlands USD	Varvel, Brandi	Liability
5033-05-00012-01-02	Fontana USD	Seals, Carla	Liability
5006-06-00004-01-23	Calexico USD	Calexico USD	Liability
5007-06-00002-01-02	Anaheim UHSD	Flores, Romina	Liability
5019-06-00004-01-02	Orange USD	Soto, Maria	Property
5022-06-00006-02-12	Vista USD	21st Century Ins.	Property
5002-07-00017-01-23	Perris Elementary SD	Perris Elementary SD	Property
5002-07-00028-01-23	Riverside COE	Riverside COE	Liability
5024-07-00002-01-21	Oceanside USD	Oceanside USD	Property
5001-08-00001-01-23	Cypress SD	Cypress SD	Property
5002-08-00004-01-23	Beaumont USD	Beaumont USD	Property
5030-08-00001-01-21	Redlands USD	Redlands USD	Property
5031-08-00001-01-23	Jurupa USD	Jurupa USD	Property
5034-08-00001-01-21	Hacienda La Puente SD	Hacienda La Puente SD	Property
5036-08-00001-01-13	Snowline JT USD	Jennifer O'Brien	Liability
5040-08-00001-01-26	Victor Valley UHSD	Victor Valley UHSD	Property
5034-08-00001-01-21	Hacienda La Puente SD	Hacienda La Puente SD	Property

PUBLIC COMMENTS: None.

COMMITTEE CONSIDERATION: Motion was made by Rick Majors, seconded by Michael Bazaan, and unanimously carried to ratify the final disposition of the above stated claims pending the correction of the amount paid for claim number 5030-05-00005-01-02 from \$8,000.00 to \$80,000.00.

IX. DEFENSE ATTORNEY PANEL & PANEL APPLICATION

The Claims Administrator reported the approved attorney panel is reviewed once a year at the Claims & Coverage Committee March meeting. The Committee considers the addition/removal of attorneys as well as any fee increases. The current approved attorney panel was enclosed in the agenda packet for reference. The following requests were presented for Committee action:

The following firm respectfully requested the following rate increase:

1. Law Offices of Dennis J. Walsh
 - a. Partners – Increase from \$160 per hour to \$175 per hour

The following firms respectfully requested additions or changes to the current Approved Attorney Panel:

1. Cummings, McClorey, Davis, Acho & Associates
 - a. Add Ms. Sarah Overton, Ms. Kathryn DiCarlo, Mr. Alan Jablin, and Mr. Walter Schwartz, and above firm to approved panel.
2. Best, Best and Krieger
 - a. Remove above mentioned firm from approved panel. Currently approved on panel for Jurupa use only, Pam Lauzon, Assistant Superintendent Business Services at Jurupa USD has stated that they can be removed.

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The following firms respectfully requested additions or changes to the current Approved Attorney Panel along with rate increases:

1. Carpenter, Rothans & Dumont
 - a. Add Mr. Justin Reade Sarno, Mr. Jonathan Redford, Mr. Daniel F. Jimenez, & Mark D. Rutter
 - b. Partners – Increase from \$150 per hour to \$175 per hour
 - c. Associates – Increase from \$135 per hour to \$165 per hour
 - d. Paralegal – Increase to \$90 per hour

The Claims Administrator also presented the committee with a hand out which included an overview of the selection and qualification of defense counsel, an evaluation of the SCR legal panel which assigned a rating to approved firms based on the performances of the attorneys/firms as determined by a five captioned questionnaire sent to all claims examiners of Torrance PLCA, a summary of approved firms identifying billing rate, and a 4 year synopsis ,2004-2007, broken out to show total cases handled per year, average cost per case, and amount paid out each year based on open and closed claims, along with the SCR Claims Reporting Policy and Defense Counsel Policy for reference. The Claims Administrator recommended in the hand out that Best Best & Kreiger, Lewis Brisbois Bisgaard & Smith, and Middlebrook Kaiser & Popka be removed from the approved panel. This recommendation was based on the Claims Administrator's review which identified these three firms to have not handled any cases or activity within the last two years or longer. Larry Wilkie requested the Middlebrook Kaiser & Popka remain on the approved panel as his district uses them often.

Extensive discussion took place in regards to attorney rate increases. There was much deliberation over whether or not it is appropriate to grant attorney rate increases during a time when schools are facing major budget cuts. It was expressed that if you have a good attorney, and you are paying them a slightly higher rate, they can ultimately save the Authority money by acting promptly in the best interest of the Authority. It was suggested that there should be a protocol put in place, specifying how, why and when determined attorney rates apply.

Dr. Sue McCann requested that the Claims Administrator report back at the next Claims and Coverage meeting how other JPA defense counsel fee structures are set up.

PUBLIC COMMENTS: None.
COMMITTEE CONSIDERATION: Motion was made by Mike Bazaan, seconded by Barb Lichten, and unanimously carried, with the exception of Gloria Shaw abstaining, to remove Best Best & Kreiger and Brisbois Bisgaard & Smith, to add firms and attorneys as requested, and approve rate increases as requested.

X. LEGISLATIVE/CASE LAW UPDATE

In order to protect the interest of the members, it is imperative that public educational agencies have a voice in Sacramento and that pending legislation be continually monitored and evaluated as to its budget impact and regulatory requirements.

Enclosed in the agenda packet was a letter from Farmer Smith & Lane, LLP to solicit support from SCR in filing amicus briefing to aid in efforts being made to persuade the High Court to grant hearing on the matter and the court publication of Stoner vs. Santa Clara County. The Committee was advised that on September 7, 2007, the U.S. Court of Appeals for the Ninth Circuit ruled that private citizens acting under the federal False Claims Act ("FCA") can sue public education officials in their personal capacities.

The Manager encouraged SCR to participate and advised that the costs should be minimal as it would be distributed amongst each party involved in filing.

PUBLIC COMMENTS: None.
COMMITTEE CONSIDERATION: Motion was made by Mike Bazaan, seconded by Gloria Shaw, and unanimously carried to direct the Manager to file amicus briefing and to further clarify inherent costs.

XI. ESTABLISH 2008/2009 MEETING SCHEDULE

The Claims and Coverage Committee meets in Corona, CA on the first Wednesday of the first month of each quarter of the program year. The Committee reviewed the 2008/2009 Claims and Coverage Committee meeting schedule:

July 2, 2008
October 1, 2008
January 7, 2009
April 1, 2009

PUBLIC COMMENTS:

None.

COMMITTEE CONSIDERATION:

Motion was made by Diana Stead, seconded by Larry Wilkie, and unanimously carried to approve the 2008/2009 Claims and Coverage Committee meeting schedule as presented.

XII. INFORMATION REPORTS

MEMBER COMMENTS:

Dr. Sue McCann reminded the committee that the following day, April 3, the SCR Risk Management Roundtable will be held in Ontario at the Marriott Airport Hotel beginning at 9:30 a.m.

MANAGER COMMENTS:

The Manager reminded the committee that the SCR Risk Management roundtable was a brainstorming session for information purposes only – no action will be taken.

OTHER COMMENTS:

There were no public comments.

XIII. AGENDA ITEMS NEXT MEETING

The next Claims and Coverage Committee meeting for Southern California ReLiEF is scheduled to be held April 2, 2008, at the Ayres Inn in Corona, CA at 9:30 a.m. Regularly scheduled agenda items are:

- Closed Session-Claims
 - Approved Defense Counsel Panel
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XIV. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 12:14 p.m.