MINUTES
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES’ RISK MANAGEMENT COMMITTEE MEETING
LAS VEGAS, NEVADA
June 13, 2019
(approved July 11, 2019)

The Board of Trustees’ Risk Management Committee of the Las Vegas-Clark County Library District met in regular session in the West Las Vegas Library, Las Vegas, Nevada, at 6:00 p.m., Thursday, June 13, 2019.

Present:

Committee: M. Francis Drake, Chair
F. Ortiz
K. Benavidez
S. Moulton, ex-officio

Board: S. Bilbray-Axelrod
R. Wadley-Munier
B. Wilson
S. Ramaker

Counsel: G. Welt

Absent: E. Foyt, Excused

Staff: Dr. Ronald R. Heezen, Executive Director
Steve Rice, General Services Director

Guests: Brandon Lewis, USI Insurance
Tyson Johnson, USI Insurance

M. Francis Drake, Committee Chair, called the meeting to order at 5:31 p.m.

Roll Call (Item I.)

All members listed above represent a quorum. Trustee Bilbray-Axelrod attended via telephone. Trustee Foyt had an excused absence.

Public Comment (Item II.)

None.

Agenda (Item III.)

Trustee Moulton moved to approve the Agenda as proposed. There was no opposition and the motion carried.

Discussion and possible Committee action regarding a report from the District’s Broker of Record regarding its recommendation for contract award for property and casualty insurance and public officials and employment practices liability insurance for the policy year commencing on July 15, 2019. (Item IV.)

General Services Director Steve Rice explained that the District’s property and casualty insurance and public officials and employment practices liability insurance policies renew on July 15th. USI Insurance Services, Broker of Record, conducted a thorough review of the District’s current policies and coverages and prepared a proposed insurance package and recommendation for contract award. Mr. Rice introduced Brandon Lewis and Tyson Johnson from USI. They are here to discuss the District’s current policies and coverages and their recommendation for the contract award.

Mr. Lewis briefly explained what he and his staff at USI Insurance do on an annual basis. He and his staff look at general market conditions to see what premium rates are doing; are they going up, staying flat, or going down. The last time USI took the full packet to the market was in 2017, when the District switched the core program of property, liability, and excess insurance coverage package from Philadelphia to Travelers. After speaking with Mr. Rice, USI went back to Travelers and asked if the rate could be held steady for the year. Travelers was willing to commit to no more than a three percent rate increase. The
market is seeing increases go up on the casualty and liability side of 3-6%. On the property side, rates are going up between 11-25%. Since Travelers is willing to commit to no more than 3%, his suggestion is to negotiate renewal with Travelers. Mr. Lewis noted that the renewal amount from the District’s prior carrier was $315,000 in 2017. This year the renewal options came in at $308,000-309,000, still better than the premium from two years ago.

Obviously, due to the addition of new buildings and the removal of buildings no longer owned by the District, as well as the addition or sale of vehicles insured by the District, the District’s exposure will increase. This will lead to higher premiums which run close to 6%; however, no more than 3% is the premium increase. The increased exposure of the District leads to the higher cost.

While the entire insurance package was not sent out to bid, some of the less-common areas of coverage, such as the tank environmental coverage, USI did take the opportunity to obtain other quotes which have been provided. For each type of coverage, Trustees were provided with last year's coverage amount and premium cost along with the proposed amount for the next year and the provider name.

Mr. Lewis discussed the different types of coverages purchased by the District; these are Commercial Property, Inland Marine, General Liability, Commercial Auto, Management Liability – Public Officials Liability, Management Liability – Employment Practices Liability; Commercial Umbrella/Excess Liability, Crime, Cyber Liability, Kidnap and Ransom, and Active Assailants coverage. He explained what each type of coverage included, and the deductions and the limitations for each; e.g. the Moapa Valley Library is limited to $2 million in flood coverage because it is located in a flood zone.

Mr. Lewis also described the tenant user liability policy. This is a service offered to user groups who do not have their own insurance and rent the District’s facilities for an event or meeting. Some additional coverage under the cyber liability policy for media communication liability coverage was requested by staff but the District does not have procedures in place to offer it. Mr. Rice said that staff will be looking into this area over the next year so that it can be included.

Committee members and other Trustees had questions about:

- The different types of policies
- The level of coverage
- Why some rates increased so much
- The terrorism premiums and when is the District covered under that area and when is the District covered under its general liability insurance. The terrorism insurance comes into play if the federal government declares a particular incident a terrorist act. Otherwise, the general liability insurance coverage is the one the District will use.
• How do user groups access the tenant user liability policy

• Whether the Foundation was covered under this plan or under a separate plan. Per Mr. Rice the Foundation is covered separately.

• If the District could test for marijuana due to the new law just signed by Governor Sisolak. Counsel Welt and Trustee Bilbray-Axelrod advised Trustees that the bill had some exceptions depending on the occupation of the person being hired, and that testing after hiring was subject to the issue of whether the staff member was impaired. This is an issue that will continue to be discussed as the law is implemented.

• Who is covered under the hostage policy of the active assailant policy? Is it just the employee or does this also include a family member who may be threatened? Mr. Lewis said he believed the immediate members of the employee’s family would be covered. He and Mr. Rice will confirm that after the meeting. This coverage also includes a firm that can assist the District with the situation. The active assailant policy coverage includes the cost to pay someone to assist the District to respond, counseling assistant to staff, retraining costs, and other mitigation costs.

Mr. Lewis also brought up another bill recently passed by the Nevada legislature that addresses the tort cap that is increasing. At this time, Travelers is not concerned about this change.

Trustee Moulton asked about the number of claims made over the past few years and Mr. Rice and Mr. Lewis provided a Historical Claims Summary (07/15/14 to 6/12/19), attached as Appendix A. There have been a total of 16 claims and $181,111 paid out. Of that amount, $161,308 was on one claim. This was mainly attorney’s fee on a lawsuit filed by an individual claiming that the District limited his ability to sign up voters. Currently, there is only one outstanding claim.

Mr. Rice said that staff’s recommendation is to support Mr. Lewis’ proposal for coverage as presented.

Counsel Welt asked Mr. Lewis to investigate higher limits on the active shooter coverage for next year.

Trustee Moulton moved to recommend to the Board of Trustees that a contract for property and casualty insurance and public officials and employment practices liability insurance be awarded through USI Insurance Services to Travelers, Tokyo Marine Specialty/Philadelphia, Great American, Indian Harbor, and Atlantic Specialty at an annual premium, not to exceed $309,000, for the policy year commencing on July 15, 2019, subject to final review by Counsel. There was no opposition and the motion carried.

Public Comment
(Item XI.)

None.

Adjournment

Chair Francis Drake adjourned the meeting at 6:20 p.m.
(Item XIII.)

Respectfully submitted,

Marilyn Francis Drake, Committee Chair
<table>
<thead>
<tr>
<th>Year</th>
<th>Claim Number</th>
<th>Loss Date</th>
<th>Type</th>
<th>Status</th>
<th>Description</th>
<th>Claimant Type</th>
<th>Paid</th>
<th>Reserve</th>
<th>Total Incurred</th>
<th>Annotation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>FDQ1986</td>
<td>02/15/19</td>
<td>Auto</td>
<td>C</td>
<td>Insured’s vehicle struck pole near to the fuel pumps</td>
<td>First-Party (District)</td>
<td>$1,820</td>
<td>-</td>
<td>$1,820</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>FDN5777</td>
<td>08/07/18</td>
<td>Auto</td>
<td>O</td>
<td>Other party’s vehicle was rear ended when stopped at a light by Insured’s vehicle</td>
<td>Third-Party</td>
<td>$3,421</td>
<td>$25,200</td>
<td>$28,621</td>
<td></td>
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<tr>
<td>2018</td>
<td>FEQ2329</td>
<td>12/03/18</td>
<td>Auto</td>
<td>C</td>
<td>Other party’s vehicle came into Insured’s vehicle’s lane</td>
<td>Third-Party</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Claim was not pursued as the claimant’s attorney dropped his client</td>
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<tr>
<td>2017</td>
<td>FCI1258</td>
<td>01/04/18</td>
<td>Auto</td>
<td>C</td>
<td>Insured’s vehicle struck a low hanging branch</td>
<td>First Party (District)</td>
<td>$298</td>
<td>-</td>
<td>$298</td>
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<tr>
<td>2017</td>
<td>FCI1323</td>
<td>10/21/17</td>
<td>Auto</td>
<td>C</td>
<td>Insured’s vehicle struck a tree</td>
<td>Insured</td>
<td>$4,681</td>
<td>-</td>
<td>$4,681</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>FBJ7774</td>
<td>12/15/17</td>
<td>Auto</td>
<td>C</td>
<td>Insured’s vehicle driver was unloading truck when it was struck by Other party’s vehicle</td>
<td>First Party (District)</td>
<td>$4,979</td>
<td>-</td>
<td>$4,979</td>
<td></td>
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<tr>
<td>2016</td>
<td>PHM/17071090093</td>
<td>06/15/17</td>
<td>GL</td>
<td>NP</td>
<td>Claimant’s foot got stuck on a screw on stage while they were performing</td>
<td>Third-Party</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>PHF/15111033179</td>
<td>11/17/16</td>
<td>D&amp;O</td>
<td>C</td>
<td>Defamation; False Advertising; Personal injury</td>
<td>Third-Party</td>
<td>$161,308</td>
<td>-</td>
<td>$161,308</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>PHM/16111033003</td>
<td>10/13/16</td>
<td>GL</td>
<td>NP</td>
<td>Discrimination</td>
<td>Third-Party</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>2015</td>
<td>PHM/16071097207</td>
<td>06/30/16</td>
<td>GL</td>
<td>C</td>
<td>Claimant slipped and fell</td>
<td>Third-Party</td>
<td>$3,595</td>
<td>-</td>
<td>$3,595</td>
<td>Medical payment</td>
</tr>
<tr>
<td>2015</td>
<td>PHM/165060992361</td>
<td>08/13/16</td>
<td>GL</td>
<td>NP</td>
<td>Claimant slipped and fell</td>
<td>Third-Party</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>PHM/16050885314</td>
<td>03/16/16</td>
<td>GL</td>
<td>C</td>
<td>Civil Rights lawsuit, the claimant alleged that their constitutional and civil rights to open carry a firearm in the library were violated</td>
<td>Third-Party</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
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<tr>
<td>2015</td>
<td>PHM/16020958503</td>
<td>11/13/15</td>
<td>GL</td>
<td>NP</td>
<td>Claimant struck the edge of a white board and sustained injuries to their arm</td>
<td>Third-Party</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>
# Las Vegas-Clark County Library District

## Property and Casualty - Historical Claims Summary

Losses reported from 07/15/14 to 6/12/19

<table>
<thead>
<tr>
<th>Year</th>
<th>Claim Number</th>
<th>Loss Date</th>
<th>Type</th>
<th>Status</th>
<th>Description</th>
<th>Claimant Type</th>
<th>Paid</th>
<th>Reserve</th>
<th>Total Incurred</th>
<th>Annotation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>PHMI16111030289</td>
<td>10/16/15</td>
<td>GL</td>
<td>NP</td>
<td>Claimant slipped and fell</td>
<td>Third-Party</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
</tr>
<tr>
<td>2015</td>
<td>PHMI15090928222</td>
<td>08/31/15</td>
<td>GL</td>
<td>RO</td>
<td>Slip and fall at the West Charleston Library</td>
<td>Third-Party</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
</tr>
<tr>
<td>2014</td>
<td>PHMI15030877924</td>
<td>02/17/15</td>
<td>Auto Collision</td>
<td>C</td>
<td>Insured's vehicle rear-ended Other party's vehicle</td>
<td>First: Party (District)</td>
<td>$1,008</td>
<td>$ -</td>
<td>$1,008</td>
<td>-</td>
</tr>
</tbody>
</table>

## Claim Status:

- **C** – Closed
- **RO** – Record Only
- **NP** – No Payment

<table>
<thead>
<tr>
<th>Year</th>
<th>Claim Count</th>
<th>Total Paid</th>
<th>Reserves</th>
<th>Total Incurred</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1</td>
<td>$1,008</td>
<td>$0</td>
<td>$1,008</td>
</tr>
<tr>
<td>2015</td>
<td>6</td>
<td>$3,595</td>
<td>$0</td>
<td>$3,595</td>
</tr>
<tr>
<td>2016</td>
<td>3</td>
<td>$161,308</td>
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<tr>
<td>2017</td>
<td>3</td>
<td>$9,958</td>
<td>$0</td>
<td>$9,958</td>
</tr>
<tr>
<td>2018</td>
<td>3</td>
<td>$5,241</td>
<td>$25,200</td>
<td>$30,441</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>16</strong></td>
<td><strong>$181,111</strong></td>
<td><strong>$25,200</strong></td>
<td><strong>$206,310</strong></td>
</tr>
</tbody>
</table>