

BOARD OF CLAIMS
Minutes for the December 16, 2016 Meeting of the Board

Members Present:

Steve Summerall, designee for David H. Lillard, Jr., State Treasurer, Chair
Abby Sutton, designee for Tre Hargett, Secretary of State
Terry Mason, designee for Justin Wilson, Comptroller
Martha Nichols, designee for Larry Martin, Commissioner of Finance and Administration
Danielle Barnes, designee for Rebecca Hunter, Commissioner of Human Resources

Treasury Staff:

Rodney Escobar, Director of Risk Management and Claims Administration, Treasury Department
Alison Cleaves, Assistant General Counsel, Treasury Department
Jill Bachus, Director of TCRS
Brian Derrick, Accounting, Treasury Department
Larissa Dills, Division of Risk Management and Claims
Rick Newton, Finance and Administration

Call Meeting to Order

With a quorum present, Steve Summerall, Assistant Treasurer for Program Services, called the meeting to order at 2:30 p.m.

Review of Minutes of June 23, 2016 Meeting

The first item of business was review of the minutes for the Board of Claims meeting on June 23, 2016. A motion to approve was made by Martha Nichols, designee for Larry Martin, Commissioner of Finance and Administration. The motion was seconded by Terry Mason, designee for Comptroller Justin Wilson. The motion passed unanimously approving the minutes.

Actuarial Report of Risk Management and Casualty Claims

Jack Pipa and Cheryl White with our actuary, Select Actuarial Services, presented the annual actuarial report of Risk Management and Casualty Claims. The purpose of the presentation was to summarize the reserve and forecast reports for the State of Tennessee based on data evaluated as of June 30, 2016. The reserve and forecast reports provide estimates associated with the State's workers' compensation and liability exposures.

Outstanding losses are estimated to total \$153.5 million for all types of losses as of June 30, 2016.

Workers' compensation losses are an estimated \$132,716,000.

Total outstanding losses for auto liability are \$5.8 million. General liability and medical malpractice are \$12.3 million and \$2.7 million respectively.

A decision was made to separate the Department of Children's Services from the All Other category for liability purposes. Based upon their value of claims and experience, it is appropriate for them to stand on their own.

With no questions, a motion was made by Terry Mason, designee for Comptroller Justin Wilson and was seconded by Danielle Barnes, designee for Commissioner Rebecca Hunter. The motion was approved unanimously accepting the actuarial report.

Claims Process for FEMA Disasters

Rodney Escobar discussed the new procedures for state agencies and institutions of higher education to follow in the event of a FEMA declared disaster. This document is a collaborative effort between Treasury, TEMA and Vericclaim, the State's adjuster of record.

Adjournment

There being no further business, the meeting was adjourned at 2:55 p.m.



Rodney Escobar
Director of Risk Management and Claims
Executive Secretary to the Board of Claims



Steve Summerall, Designee for
David H. Lillard, Jr
State Treasurer
Chairman, Board of Claims