

Meeting Minutes
LARM Board Meeting
January 16, 2018

The League Association of Risk Management (LARM) Board of Directors meeting was held January 16, 2018 at 9:30 a.m. CT via phone conference.

For the roll call, the following members were present by phone: Dave Hunter, Auburn Board of Public Works office, 1600 O St, Auburn NE; Michael Werner, City of Waverly Office, 14130 Lancashire St., Waverly NE; Beth Bonderson, Village office, Hoskins; Kim Neiman, Pilger City Hall, 220 N. Main St., Pilger; Vince Knight, SID #1 Stanton County Office, 99 Market PL, Norfolk; Shannon Stuchlik, Mayors Office, 106 S 1st, Pierce NE; Lane Danielzuk, Gering City Administration, 1025 P St., Gering and Gerald Solko, St. Paul Utilities Superintendents office, 704 6th St., St. Paul.

Staff members present at 1919 S 40th, Ste 212, Lincoln NE: Tracy Juranek and Michael Nolan.

Staff members present by phone: Fred Wiebelhaus, Diane Becker, Randy Peters, Paige Buffington and Dave Bos.

Guests present by phone: LONM Executive Director, ex-officio, non-voting LARM Board Member, Lynn Rex, and LONM's attorney, Andre Barry (Cline Williams) at City of Waverly office.

Guests present by phone: Mark Nestor, ICRMS; Chris Cadwell, York; Jo Leyland, Imperial; and numerous others not announced (see attached call report).

Notice of the meeting was emailed to members on January 11, 2018. The notice was posted on the LARM website as well as the LARM Facebook page on January 12, 2018. The agenda was emailed to the Board on January 12, 2018.

Gerald Solko called the meeting to order at 9:30 am and announced consent agenda item B-2 was the approval of the minutes from the December 7th & 14th meetings. Kim Neiman made a motion to approve item B-2, seconded by Vince Knight. Roll Call: Ayes: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko and Stuchlik. Nays: none. Motion carried.

Solko announced item D-1 was on the consent agenda and was the approval of new LARM member, Village of Emerson. Beth Bonderson made a motion to approve item D-1, seconded by Lane Danielzuk. Roll Call: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko and Stuchlik. Nays: none. Motion carried.

Gerald Solko announced item D-2 consideration of Board approval of a contract with Paradigm Management Services, LLC for management of the catastrophic workers' compensation claim affecting LARM's client, City of North Platte, in the amount of \$1,467,920.

Nolan said on November 1, 2017 an employee (name withheld) of LARM's client City of North Platte, fell from a scaffold and sustained multiple cranial and other injuries that resulted in a catastrophic worker's compensation claim. LARM staff, representatives of York, ICRMS, coverage attorney Bill Austin and LARM's workers' compensation defense counsel David Dudley have had numerous phone conferences to develop structures for managing this claim. LARM's workers' compensation reinsurer Midwest Casualty has recommended that LARM retain specialized contractor Paradigm Management Services, LLC, to manage this claim. On January 11, 2018, LARM staff, Mark Nestor of ICRMS; Chris Cadwell and Chris Dondzila of York; and several Paradigm staff had a phone conference that included three LARM Board members: Gerald Solko, Lane Danielzuk, and Dave Hunter. The purpose of the call was to discuss the claim's injury complexity, treatment requirements, estimated financing and the Paradigm contract.

Supporting materials included with the agenda and staff memo include: Paige Buffington's staff work on the reserve increase; Paradigm's cost value analysis; Paradigm's outcome contract plan; Paradigm's payment schedule.

Nolan said what was not included in the agenda package were some correspondence between LARM's coverage attorney, Bill Austin and Paradigm's attorneys on some stylistic and word changes that are currently being discussed. LARM anticipates that if the Board authorizes LARM to have the Board Chair approve the agreement after the Board gives its consent that that would be inclusive of anything that Bill Austin and Paradigm would negotiate to the contract.

Staff recommend that the LARM Board approve a motion that: **(a)** approves the contract between Paradigm and LARM to manage the catastrophic claim; **(b)** approves the current reserve estimate of \$1,467,920. LARM's retention of

\$750,000 is LARM's obligation, and the balance of the estimated \$1,467,920 will be reimbursed by Midwest Casualty after the contract is paid.

Kim Neiman made a motion to approve item D-2, seconded by Lane Danielzuk. Roll Call: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik and Werner. Nays: none.

The motion to adjourn was made by Kim Neiman, seconded by Beth Bonderson. Roll Call: Bonderson, Danielzuk, Hunter, Knight, Neiman, Solko, Stuchlik and Werner. Nays: none. The meeting was adjourned at 9:40.

NOTE: Should any citizen of Nebraska request a copy of the recording, LARM will regard the meeting recording as a public record and provide it to the requester.

Approved on: 2.12.10

ATTEST:

Amy L. Juranech
Secretary