



Key Governance Practices

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GOVERNANCE CONFERENCE 2020



Agenda



CIRSA

Our Story
Membership Size
Lines of Coverage
Total Revenue



Today's Discussion

Overview
Key Governance
Practices

- Foundational
- Fiduciary
- Operational

Points to Ponder &
Lessons Learned



Closing

Questions and Answers



About CIRSA



- Founded in 1982
- Membership: 276 municipalities and affiliated entities
- Seven Directors
- Lines of Coverage
 - Property/Casualty
 - Workers' Compensation
 - Optional Coverages
- Total Revenue: \$27,433,840 (2018)

Key Governance Practices

Three Buckets

- Foundational
- Fiduciary
- Operational





Foundational

Formation Documents

- Intergovernmental Agreement
- Joint Powers Agreement
- Interlocal Agreement
- Trust Agreement
- Articles of Incorporation

Governance Documents

- Bylaws
- Governance Policies
- Membership Documents



Foundational – Points to Ponder:

Do your formation/governance documents:

- Include “job descriptions” for the Board and Board members?
- Allocate responsibilities of Board / CEO?
- Address liability / indemnity of the Board and its members?



Fiduciary

- Protection of the pool's interests and assets
- Review and discuss pool's overall financial solvency and performance
- Require and review annual actuarial study to determine reserve adequacy
- Establish policy regarding net position and annual review of net position in relation to target
- Adopt and review investment policies
- Review and discuss financial statements (per GAAP or any regulatory standards)
- Review and discuss annual audit of financial records
- Establish written policies for assessments
- Require and review other audits as appropriate



Fiduciary Points to Ponder – Do We:

- Regularly train on fiduciary obligations?
- Have a board code of conduct addressing our ethical expectations and obligations?
- Have a common understanding of board member role as contrasted to member role?



Fiduciary Points to Ponder – Do We:

- Have a full picture of the pool's structure?
 - E.g., In-house staff, vendors, TPAs, brokers, etc.
 - Who serves/provides services, and when and how are they paid?
- Obtain such information as we need to perform our responsibilities knowledgeably and prudently?



Operational

- Orientation
- Approval of new members
- Develop and maintain long-term strategic plan, including method/process to review strategic plan
- Regular consideration of pool's investment strategy and its connection to net position
- Approval of budget
- Review or approval of general policies applicable to staff
- Approval of minutes of its meetings



Operational Points to Ponder:

With respect to pool operations:

- What is the Board's involvement with claims?
- What is the Board's role respecting the pool's coverages?
- Do we have a communications policy?
- How are individual areas of interest identified and managed?



Concluding Thoughts

- “Care and feeding” of good governance is a **shared responsibility**
- Irrespective of size, structure, allocations of authority, etc., good governance is **built on transparency**
- Key documents should address key issues AND **be available and understood throughout the organization**
- **Expect and provide orientation** on key foundational, fiduciary and operational matters
- Share a story...





Resources

- CIRSA Bylaws and Intergovernmental Agreement: PDF attached.
<https://www.cirsa.org/wp-content/uploads/2018/02/CIRSA-Bylaws-Update.pdf>
- CIRSA Board Governance Policy: PDF attached. <https://www.cirsa.org/wp-content/uploads/2018/08/Board-Governance-Policy-Update.pdf>
- AGRiP Advisory Standards:
https://higherlogicdownload.s3.amazonaws.com/AGRIP/613d38fc-c2ec-4e1a-b31f-03fa706321aa/UploadedImages/2019_AdvisoryStandardsOnly.pdf



Questions & Answers Wrap Up