



TENNESSEE SELF-INSURED ASSOCIATION

One Nashville Place, Suite 2200 • 150 Fourth Avenue North • Nashville, Tennessee 37219
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Terry Hill
Executive Director

MINUTES OF BOARD OF MANAGERS' MEETING August 10, 2006

BOARD OF MANAGERS

General Motors Corporation
Susan Azar
Chairperson

Thompson Machinery
Michael White
Treasurer

Averitt Express
David McDowell

Cracker Barrel
Rob Behnke

Det Distribution
Ken Draper

Dollar General
Bob Pugh

Ingram Industries
Don Rickenbaugh

Johnson Controls
Tina Fee

McKee Foods
Diann Morshead

Tecumseh Products
Randy Kirchbaum

Wasco, Inc
Paul Kneedler

Present:

Averitt Express – David McDowell
Det Distributing – Ken Draper
Dollar General – Bob Pugh
Fisher & Company – Joe Ratta
General Motors – Susan Azar
Ingram Industries – Don Rickenbaugh
Johnson Controls – Tina Fee
Manier & Herod – Terry Hill
McKee Foods – Diann Morshead
Parker Hannifin – Curtis Gross
Tecumseh Products – Randy Krichbaum (Via conference call)
Thompson Machinery – Mike White
Wasco, Inc. – Paul Kneedler

Absent:

Cracker Barrel – Rob Behnke

The meeting was called to order at 10:05 a.m. CT and all attendees introduced themselves. The following was discussed pursuant to the Agenda distributed.

DISCUSSION:

1. Minutes of the Board of Managers' Meeting via conference call on June 5, 2006 were approved as submitted. It was agreed to use the TNSIA letterhead prepared by Susan Azar.
2. Don Rickenbaugh, Treasurer, and Mike White, former Treasurer, led extensive discussion regarding what to do with the existing bank account which is currently listed under the name "Association Partners."

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It was agreed that all monies in the current bank account will be transferred to a new bank account for the Association. Don Rickenbaugh and Mike White will be signatories on the new account and will file monthly treasurer's reports to the Association. Terry Hill prepared a document at the meeting to effectuate this transfer of funds.

3. With regard to the dues structure, it was agreed that membership fees of employers who were members of the previous association will be waived and considered paid through 12/31/07. Those employers who do not wish to remain members will have the option of receiving a pro-rated refund of the monies they previously paid.

The Membership Invoice will be revised as follows:

Employer Memberships	\$650
Associate Memberships:	
Attorneys	\$500
Gov't Entities, All Others	\$250
Group Funds	\$650

4. An extensive discussion was held regarding the existence of previous by-laws, the status of the corporate entity, and how this organization should be structured. Terry will determine the structure of the corporate entity and determine if we need to set up a non-profit organization and apply for a new tax number, or keep the current structure and catch up on the tax filings.

5. Terry Hill advised that, according to the State, there are 129 self-insureds in the private sector, with a total of 150 in both the private sector and government. This gives us some idea of what the potential is for membership. Terry will obtain a current list of self-insured employers from the State to solicit new members and to facilitate setting up a database for labels, dues, etc.

6. David McDowell will obtain quotes for general liability insurance. It was projected that a policy could possibly be obtained for approximately \$1,000.

7. Susan Azar led the discussion regarding the Letter to be sent out to all self-insureds in the State. David McDowell suggested that we make sure that the by-laws do not limit us to workers' compensation issues, but also the possibility that we would become involved in tort reform efforts in the State. Susan will review the previously drafted by-laws but felt the scope the main focus should be workers' compensation. A subgroup or the RIMS organization would be the best forum for self insurance issues related to other lines of insurance. Don Rickenbaugh also volunteered to take a look at the by-laws and make some suggestions.

The solicitation Letter to be sent to self-insureds in the State will be signed by both Susan Azar and Terry Hill. Terry Hill will send a personal letter to TPA's/self-insureds that he knows in order to encourage them to become members. Paul Kneeder pointed out that

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we should not exclude employers who have high deductibles. Bob Pugh will obtain information on the RIMS conference to be included in the letter.

8. Randy Kirchbaum (via conference call) provided a handout of the proposal from Tom Dana with Digital Sea Corporation for the website redesign, ongoing consultation and website management. It is critical for the website to be up and running by the time the letters are received. After discussion about the cost, considering that the amount of money we may generate is as yet unknown, Randy will talk with Tom Dana about reducing his fees.

A motion was made to go ahead and hire Tom Dana to proceed with setting up the website and getting the application prepared as soon as possible. This motion passed unanimously.

9. David McDowell will monitor any issues that may present the potential for *amicus curiae* involvement by the Association. Terry Hill gave a brief explanation of situations where this might be necessary.

10. Bob Pugh will finalize plans for the Cumberland Chapter of the RIMS (Risk Insurance Management Society) Workers' Compensation Conference to be held in the Fall. RIMS will allow us to market TNSIA at their meeting. Terry Hill volunteered to give a legislative update or to provide speakers, if needed.

11. There was no old business to come before the Board.

12. New Business.

Susan Azar suggested that we should probably join the National Council of Self-Insurer Associations.

Terry Hill gave a comprehensive overview of the hot topics of the workers' compensation reform and a legislative update. Key points included discussion of the decrease in litigation cases, increase in hearing loss claims, and closure of future medicals.

Terry Hill proposed a fee of \$1,000 per month for his services to the Association. There will be no fee for the work he does prior to October 1, 2006. He will get the prior records from Association Partners and assist with the by-laws. He will prepare draft legislation and coordinate the Association's efforts with the Tennessee Chamber of Commerce.

It was suggested that having a link on the Tennessee Chamber of Commerce website would be very effective in promoting the Association. Terry Hill will contact Bob Gaskill to discuss this.

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13. Ken Draper volunteered to have his in-house PR staff help us with public relations.
14. Future meeting dates were agreed upon as follows:
 - Thursday, September 14th @ 10:00 CT (Conference Call)
 - Thursday, October 12th @ 10:00 CT (Conference Call)
 - Thursday, November 9th @ 10:00 CT (Manier Herod in Nashville)
 - Thursday, December 14th @ 10:00 CT (Conference Call)

The meeting adjourned at 1:55 p.m.

Respectfully submitted,

Susan R. Azar, Chairperson
Terry Hill, Executive Director