From Competitors to Partners

AGRIP Spring Governance Conference
Nashville, TN
March 7-9, 2016
From Competitors

To Partners
Speakers

**Frank Stratton** – Executive Director, Special Districts Association of Oregon (SDA) and Special Districts Insurance Services (SDIS)

**Lisa Freiley** – Staff Counsel/Director of PACE Administration, Oregon School Boards Association (OSBA)

**John Rexford** – Superintendent, High Desert Education Service District.
Board of Trustees – Property and Casualty Coverage for Education Trust (PACE)
Our Story
Pool vs. Pool

Political Battle Ahead
Great America Leaves Market

SDIS Starts Competition
Distrust, Anger, Shock
"The Portland office of beleaguered insurance broker _______ has quietly offered to reimburse six Oregon school districts and one community college for $1.2 million in insurance overcharges the past four years..... has admitted it improperly charged the districts commission payments...The company also administers an insurance pool sponsored by the Oregon School Boards Association.... The Oregon Insurance Division, which first learned of the matter last week, has opened an investigation, as has the state Department of Justice"
OSBA Catalyst - Surplus Depleted
SDIS MEMBER PREMIUMS

SDIS Catalyst - Mission Crises

- Schools
- Special Districts
Motivation - OSBA

You're Fired!
Motivation - SDIS
Obstacles - SDIS
Obstacles - OSBA
Obstacles - Board
SDAO Mission

"The Mission of the Special Districts Association of Oregon is to assist special districts in providing cost-effective and efficient public services to the people of Oregon"
OSBA Mission

"The Oregon School Boards Association is dedicated to improving student achievement through advocacy, leadership and service to locally elected, volunteer public school boards."
Shared Mission
Demands - OSBA
Demands - SDIS
Demands - Governance
Strengths - OSBA
Weakness - OSBA
Strengths - SDIS
Weakness - SDIS

I Don't Know
Strengths - SDIS Advisory Committee
Weakness - SDIS Advisory Committee
The Deal - SDIS
The Deal - Governance
Implementation - OSBA
Implementation - SDIS
Implementation - Governance
Where We Are Today

- 10th Anniversary of PACE
- Surplus has grown from $3 million to $32 million
- Almost 100% of Oregon’s school districts, community colleges and education service districts are members
- Members have received dividends and safety grants
- Insurance agents have confidence in PACE
- The board is strong and informed
- Members are happy with the service
- Rates are stable
Lessons Learned

✓ Provide effective oversight of vendors
✓ Maintain control of your own Pool – Don’t over delegate
✓ Don’t increase your SIR so you can better compete on price
✓ Maintain adequate levels of surplus
✓ Competition isn’t always good when it creates financial instability
✓ Beware of exclusive deals
✓ Don’t just focus on the “insurance” mission of your Pool
✓ Remember why Pools exist – Ultimately to serve the public
Lessons Learned

✓ Actions of the Pool can have broader impacts beyond the Pool
✓ Sometimes change requires a catalyst or crises
✓ Negotiate with the right people and those who you can trust
✓ Focus on strengths and weaknesses
✓ Look for win/win opportunities
✓ Involve members and strategic partners
✓ Find areas of common interests
✓ Facilitate a strong and effective board
✓ Implement and follow a business plan
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