

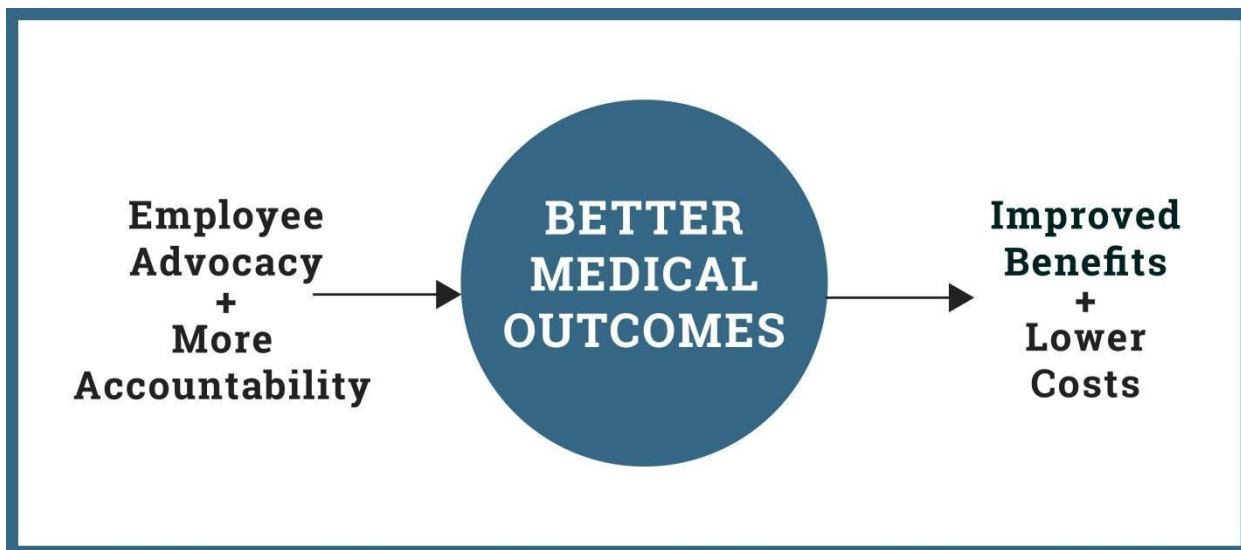
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**MINUTES OF
ARAWC BOARD OF DIRECTORS MEETING
JANUARY 31, 2019**

*** Website links below are not publicly available.**

1. **Call to Order** – Al Wingfield (President) and Steve Jones (Association Manager)
 - a. **For Meeting Slides** - [click here](#)*
 - b. **Attendance:**
 - i. **Board Members Present:** Bill Richardson - Albertson's, Jerry Murphy - AmWINS, Al Wingfield - Big Lots, Meagan Zoeller - Brookdale, Ted Bock for Andy Kush - Healthcare Services Group, Eric McConnell - J.B. Hunt, Bill Minick - PartnerSource, Phil Rearick - Special Insurance Services, Jeff Strege - Sysco, and Tim Osmond for Janice Van Allen – Walmart. **Absent:** Wade Robinson of Lowe's Home Improvement, Chris Mandel of Sedgwick.
 - ii. **Other Members Present:** Bernie Hauder -Adkerson, Hauder & Bezney; Marianne Schlossstein - Baylor Scott & White; Wes Swinford - Baylor Scott & White Health; Kim Sanders - Brinker International, Carin Brock - Builder's First Source; Philip Holt - Conn's Inc.; Patricia Humphreys - Corporate Remedies, Inc.; Don Scott - Daryl Flood; Mike Dodge - Dodge & Associates, P.C.; Karl Seelbach - Doyle & Seelbach; Craig Smith - J.B. Hunt Transport, Inc.; Jeff Black - Midlands Management; Jack Coleman - Midlands Management; John R. Owen - Owen & Fazio, P.C.; Russell Huber – PartnerSource; Jennifer Hurless – PartnerSource; Richard Johnson – PartnerSource; Michael Bradford - Res-Care, Inc.; Meaghan Freeman - Special Insurance Services; Kathy Moore - The David Corey Company; and Timothy Osmond - WalMart Stores, Inc.
 - iii. **Guests:** Zach Mayer of Mayer LLP
 - iv. **Consulting Team Present:** Virtual Association Mgmt – Steve Jones and Kevin Barr, Gov't Relations - AJ Donelson and Ryan Brannan, Real News PR - Dallas Crilley, Chief Policy Officer - Jeff Pettegrew.
2. **January Member Update** – emailed 5pm CT on January 29, 2019 and [found here](#)*
3. **2018 Annual Member Meeting and October 1, 2018 Board Action**
 - a. Al Wingfield reported on terrific 2018 Annual Member Meeting in Dallas on October 23 with presentations on ARAWC's strategic goals – the “ARAWC Five”:
 - i. Injury Program Enhancements
 - ii. Research
 - iii. DOL Guidance
 - iv. Trade Group Strength, and
 - v. Rebranding and Public Relations
 - b. Prior to Annual Meeting, ARAWC Board convened on October 1, 2018 to elect 2019 Executive Committee and unanimously approved the expansion of ARAWC leadership opportunities to members at different dues levels.

- c. Six-person ARAWC Executive Committee meets every two weeks on Thursdays. Always open to and soliciting input and engagement by our members.
 - d. Prior meeting materials (including video recap of [2018 Annual Meeting*](#)) remain available to members.
- 4. Financial Update and 2019 Dues Notice** – Steve Jones presented solid 2018 Income Statement and Balance Sheet on behalf of ARAWC Treasurer, Chris Mandel. See slide deck. 2019 Membership Due Now - past due as of February 1, 2019.
- 5. Membership Update** – Steve Jones and Al Wingfield welcomed New Members:
- a. **CorVel** - a national provider of comprehensive risk management solutions to employers, third party administrators, insurance companies and government agencies.
 - b. **Owen & Fazio** – attorneys & counselors with a specialty in workplace injury litigation.
 - c. **Special Insurance Services** – sponsors the nonsubscriber insurance program from ACE, a member of the Chubb group of companies.
 - d. **The David Corey Company** - provides home modifications for injured workers.
- 6. Government Relations Update** – Ryan Brannan
- a. Overviews Texas nonsubscribers issues in the startup of the 2019 Texas Legislature, including a review of bills introduced or other items of interest.
 - b. Announced new trade group letter reflecting support for ARAWC from:
 - i. **Texas Hotel & Lodging Association**
 - ii. **Texas Retailers Association**
 - iii. **Texas Health Care Association**
 - iv. **National Federation of Independent Business**
 - c. Purposes of the letter:
 - i. Dissuaded Texas Division of Workers’ Compensation from moving forward a Legislative Recommendation for more nonsubscriber information reporting (publicly announced by DWC Commissioner Brown in September 2018).
 - ii. Discourages any legislative attempt to modify the Texas model
 - iii. Supports self-regulating initiatives, like ARAWC’s effort to rebrand “responsible nonsubscription” as a Qualified Compensation Alternative for Recovering Employees (“QCARE”), and distance good companies from negative “opt out” terminology.
 - d. Also have the support of Texas Association of Business (published quote 1/30/19), Texas Public Policy Foundation, and Texas Conservative Coalition Research Institute (preparing op-ed for publication in February).
 - e. Need for government relations strategies to adapt to then-current conditions and strategically engage the membership (“not re-arranging the deck chairs every two years”).
- 7. Public Relations Update** – Jeff Pettegrew
- a. **Mission:** Further build clarity and enhances the credibility of TX injury benefit programs
 - b. **Two major current initiatives:**
 - i. **ARAWC Innovation Series** – six-part series of articles, videos, and other resources that explain **Program Operations** that lead to success for Texas injury benefit plans. Articles and videos that explain how we actually take care of injured workers and ultimately deliver on better medical outcomes and cost savings. First three Parts of the series are complete and last three are in production. In discussions with several publishers.



- ii. **QCARE Rebranding Initiative** - “QCARE” stands for a Qualified Compensation Alternative for Recovering Employees.



Confirms the 10 key **Structural Components** for a quality injury benefit program and what it means to be a “responsible nonsubscriber”. Gets us away from negative terminology, like “Opt Out”.

1. More Incentive for Workplace Safety and Employee Care
 - Negligence liability exposure
2. Compliance with State Law
3. Standard Forms of Benefits
4. Injury Reporting Standards
5. Covered Injuries
6. No-Fault Benefits
7. 100% Employer Paid from Date of Hire
8. Compliance with ERISA
9. Insurance Coverage
10. Approved Claims Administration

- iii. **Implementation Strategy:** Some nonsubscriber insurance supported ARAWC’s original proposal for a mandatory fee for nonsubscriber insurance policyholders, but others have withheld nonsubscriber industry support (for example, to protect their workers’ comp book of business). A new (and, we believe, better) Implementation Strategy is now being formulated. QCARE rebranding and will move forward.

- 8. New Independent Research on Texas Injury Benefit Plans** – Bill Minick overviewed Chris Mandel of the Sedgwick Institute exciting news of the first independent study of Texas injury benefit plans since the Stanford University study three years ago.
- a. The University of Illinois, in partnership with the Sedgwick Institute, studied 25 companies that “switched” from Texas workers’ compensation to an injury benefit plan between the years 2004 and 2016.
 - b. Reviewed over 800,000 workers’ comp and nonsubscriber program claims.
 - c. Several favorable findings. Among other things, determined that total days lost from work fell by 77% for “switcher” companies.
 - d. See the ARAWC [January Member Update](#)* for a further summary from Chris.
 - e. This is precisely the type of open, collaborative and expert analysis that we’ve welcomed for years, and which strengthens our efforts to Protect and Promote Texas injury benefit programs.
- 9. Member Engagement** – Jeff Strege discussed:
- a. **Why is this important to you?**
 - i. The strength of the Texas nonsubscriber industry has dramatically grown, particularly over the past two years, because of ARAWC’s diverse and inclusive membership of employers and service providers.
 - ii. Texas Injury Benefit Plans are at risk due to:
 - 1. Current, aggressive regulatory investigations.
 - 2. We also have new leadership and committee members in the Texas Legislature that don’t understand this program.
 - 3. Several insurance companies and service providers have also recently exited the Texas nonsubscriber market.
 - 4. And lastly, less than 1/10th of 1% of Texas employers that sponsor an injury benefit plan are actively working to protect these programs.
 - iii. ARAWC members are ACTIVELY engaged and SUPPORTED by strong public relations and government relations teams in Austin (on state law matters) and in Washington DC (on ERISA and DOL issues).
 - b. **Examples of how you, personally, can help:**
 - i. **Case Studies for ARAWC “Storytelling Machine”:** Provide a positive written, audio or video case study or [“Perspectives”](#)* interview that shows how these programs work.
 - ii. **Member Recruiting:** Please recommend one employer, insurer, TPA, lawyer, medical provider, or other person. See [New Recruiting Video](#)*. Al Wingfield awingfie@biglots.com and Steve Jones info@arawc.org standing by to assist.

Meeting Adjourned.