

ATTACHMENT 1

**SEPTEMBER 4, 2008
MSI BOARD MEETING**

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MINUTES COMMONWEALTH OF PENNSYLVANIA COAL AND CLAY MINE SUBSIDENCE INSURANCE BOARD MEETING

September 04, 2008

A meeting of the Mine Subsidence Insurance (MSI) Board (Board) was called to order at 10:00 a.m. on September 4, 2008, in the 8th Floor Conference Room of the Rachel Carson State Office Building, 400 Market Street, Harrisburg, Pennsylvania.

Board Members present at the meeting: Joseph Pizarchik, Esq., Director, Bureau of Mining and Reclamation, Designated Chair for John Hanger, the Acting Secretary of the Department of Environmental Protection (DEP); Chuck Romberger, Director, Bureau of Property and Casualty Insurance, Designated Representative for Board Member Joel Ario, Commissioner of Insurance; and Deborah Eskin, Esq., Deputy Chief Counsel, Designated Representative for Board Member Robin Wiessmann, State Treasurer.

DEP employees in attendance at the meeting: Christina Simeone, Policy Specialist; Marc Roda, Esq. Assistant Counsel; Robert W. Agnew, Chief, Division of Environmental Analysis and Support; Edward Motycki, Chief, Mine Subsidence Section; Lawrence Ruane, MSI Program Administrator; and Nicholle Harman, MSI Board Recording Secretary.

Issues discussed and actions taken at the meeting:

1. Approval of the April 18, 2008 Meeting Minutes

The Board reviewed and made revisions to the minutes of April 18, 2008, Board Meeting. Mr. Pizarchik made a motion to approve the revised minutes, which was seconded by Ms. Eskin and passed unanimously. The Board also requested that the draft minutes of the Board meetings that are posted to the DEP Public Participation web site be overwritten with the final minutes as they become available.

2. Review of Draft Chapter 401 Amendments

The Board reviewed proposed amendments to the 25 Pa. Code Chapter 401 Regulations, which implement the administration of the MSI Fund (Fund) and Program. Most significantly, the amendments define terms and establish conditions under which structures owned as condominiums and cooperative can be insured, establish rules for policy sales by insurance producers and provide for limited grants and loans from the Fund that result in goods and services that benefit the Fund. After a discussion by the Board, Ms. Eskin moved to approve the proposed amendments to the Chapter 401 Regulations, which was seconded by Mr. Romberger and passed unanimously.

3. Review of Draft Actuarial Report

The Board reviewed the actuarial report prepared by Pinnacle Actuarial Resources, Inc. that evaluated the operational and financial performance of the MSI Fund (Fund) and provided recommendations regarding the solvency of the Fund, premium rates, premium discounts,

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reserves, coverage limits, and reinsurance. The Board determined that it would continue with the rate reductions that were authorized during the April 18, 2008, meeting and that will become effective on January 1, 2009. The Board concluded that no other changes to the operations of the Fund would be implemented until the effects of the rate changes are measured. A final version of the report will be sent electronically to the Board.

4. Other Business/Next Meeting

With no other business before the Board, Mr. Romberger moved that the meeting be adjourned, which was seconded by Ms. Eskin and passed unanimously. The next meeting is scheduled for December 10, 2008.

SUMMARY OF ACTIONS TAKEN BY THE BOARD:

1. Approval the minutes of the April 18, 2008 MSI Board Meeting.
2. Approval of the proposed amendments to the Chapter 401 Regulations.

KEY OBLIGATIONS:

1. The draft minutes of the Board meetings that are posted to the DEP Public Participation web site be overwritten with the final minutes as they become available.
2. DEP will submit the proposed regulations for review and approval through the regulatory process and will provide the Board with an estimated date for the review of the final regulations.
3. A final version of the actuarial report will be sent electronically to the Board.