

MINUTES OF MEETING
OF THE INDUSTRIAL COMMISSION OF ARIZONA
Held at 800 West Washington Street
Phoenix, Arizona 85007
Thursday, September 7, 2023 – 1:00 p.m.

Present: Dennis P. Kavanaugh Chairman
Joseph M. Hennelly, Jr. Vice Chair (Telephonic)
Scott P. LeMarr Commissioner (Telephonic)
D. Alan Everett Commissioner
Maria Cecilia Valdez Commissioner (Telephonic)

Gaetano J. Testini Director
Afshan Peimani Chief Legal Counsel
Trevor Laky Legislative Affairs Chief/Public Information Officer
Renee Pastor Self Insurance (Telephonic)
Jessie Atencio ADOSH Director
Anna Maria Stonerock ADOSH Admin
Kara Dimas Commission Secretary

Chairman Kavanaugh convened the meeting at 1:00 p.m. In attendance, confirmed by roll call were Gary Martinez and Brenda Martinez (Next of Kin); Anne Ryman (ABC15); and Paige Millan (Snell & Wilmer). Also in attendance on the telephone, confirmed by roll call Katie Cormier; Sandra Martinez, Jodie Broderick and Stephanie Garcia (SRP); Chi Nguyen (Albertsons) and Cristen Gassett (QuickTrip Corporation).

Approval of Minutes of August 31, 2023 Regular Meeting Minutes.

Commissioner Everett moved to approve the Minutes of the August 31, 2023 regular session meeting and Vice Chair Hennelly seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett and Commissioner Valdez voted in favor of the motion. Commissioner LeMarr abstained. The motion passed.

Consent Agenda:

All items following under this agenda item are consent matters and will be considered by a single motion with no discussion unless a Commissioner asks to remove an item on the consent agenda to be discussed and voted on separately. The Commission may move into Executive Session under A.R.S. § 38-431.03(A)(2) to discuss records exempt by law from public inspection. Legal action involving a final vote or decision shall not be taken in Executive Session. If such action is required, then it will be taken in General Session.

a. Approval of Requests for Renewal of Self-Insurance Authority.

1. Albertsons Companies, Inc.
2. Medtronic, Inc.
3. QuickTrip Corporation
4. Salt River Project Agricultural Improvement and Power District and The Salt River Valley Water Users' Associations (SRP)

5. TMC Healthcare

Chairman Kavanaugh moved Albertsons Companies, Inc. to the regular agenda for further questions.

Commissioner Everett moved to approve the items on the Consent Agenda and Commissioner LeMarr seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner LeMarr, Commissioner Everett and Commissioner Valdez voted in favor of the motion. The motion passed.

Approval of Requests for Renewal of Self-Insurance Authority for Albertsons Companies, Inc.

Chairman Kavanaugh noted he would be in support but had a question. In reviewing the application for renewal, commented that he understands there are discussions of a merger between Albertson's and Kroger that could happen in 2024 pending state and/or federal regulators. If during the term of the self-insurance renewal that merger occurs, how would that affect the authorization of self-insurance renewal.

Ms. Pastor noted that if Kroger Co. were to acquire Albertson's, a couple of things could happen. She noted that both companies are self-insured and could opt to maintain separate self-insurance for Albertson's, at which time the annual renewal will stay the same. The other option is to take under the Kroger Co. self-insurance authority and be a subsidiary of the company, be merged directly into the company, or they could be separately insured through a company. She did not think that would be the case since both companies have a very vast risk management program and she would anticipate that they would just envelop under one kind of roof or maintain separate self-insurance authorities.

Chairman Kavanaugh thanked Ms. Pastor and noted as part of approval asked if the Commission could include a stipulation that if the merger occurs during this approval year, if the status of the situation can be checked with regards to self-insurance at that time in case action is necessary.

Ms. Pastor noted the new rules allow the Commission to make this stipulation.

Chairman Kavanaugh proposed a motion to allow that stipulation for this approval for Albertson's to come back to the Commission for review if and when the acquisition would occur during the next year of approval for self-insurance. Commissioner Everett seconded the motion.

Ms. Pastor requested to add at that time to look at separate financial statements when it happens or possibly some proforma financial statements.

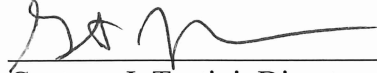
Chairman Kavanaugh agreed.

Chairman Kavanaugh asked Ms. Nguyen if she had any comments. Hearing none.

Chairman Kavanaugh noted with the addition of that stipulation, Chairman Kavanaugh, Vice Chair Hennelly, Commissioner LeMarr, Commissioner Everett and Commissioner Valdez voted in favor of the motion. The motion passed.

The meeting was adjourned at 1:30 p.m.

THE INDUSTRIAL COMMISSION OF ARIZONA

By 
Gaetano J. Testini, Director

ATTEST:


Kara Dimas, Commission Secretary