



County Connection

News from the Washington Counties Risk Pool

July / August 2013

Summer Conference Report



David Goldsmith, Member Specialty Services

By all accounts, the WCRP Summer Conference and 25th Anniversary Celebration was a great success! Beginning with the opening reception, a number of past Pool directors and officers joined with current directors, officers, appointees and staff to meet and greet and rekindle old friendships.



At Thursday's recognition luncheon, we had a chance to waltz down memory lane with 'old timers' explaining the early years of the Pool and what it took to get it up and running. We talked about the dark years of run-away claims and the resulting evolution of the Pool to become what it is today. A highlight of the recognition luncheon is the annual Golden Dragon award ceremony. These awards are given to the counties with the best combined loss ratios (frequency and severity) during the most recent twenty completed policy quarters (five years).

- Copper Award: Island County
- Bronze Award: Whatcom County
- Silver Award: Douglas County
- Golden Dragon Award: Adams County



In addition to the 5-year awards, Golden Dragon Achievement Awards were also presented for the lowest combined ratios throughout the counties' memberships in the Washington Counties Risk Pool.

- Copper Award: Yakima County (Jan 1996)
- Bronze Award: Douglas County (Jan 2003)
- Silver Award: Columbia County (May 1993)
- *Lifetime Achievement Award*: Benton County (Oct 1988), one of the original founding members, for 25 years of claims excellence.



Clearly the social highlight of the Summer Conference was the Silver Anniversary dinner celebration hosted at Icicle Ridge Winery. For all those who helped make this a solid success, we thank you.

The Summer Conference and Annual Meeting isn't just a social event. It is also the time when the Pool's executive committee members and its officers are elected, and the budget, Coverage Form (document language) for the Joint Self-Insurance Liability Policy, and the Pool's insuring strategies and pricing(s) for the next fiscal/policy year are determined and approved.



Mark Wilsdon passing the gavel to Tammy Devlin

Lisa Ayers (Pacific County Commissioner) was elected to the Executive Committee along with the re-elections of David Alvarez (Jefferson County), Steve Bartel (Spokane County), and Drew Woods (Columbia County). Drew Woods was also elected to serve as the Vice President/President-Elect, and Mark Wilsdon (Clark County) was elected to serve as the Secretary/Treasurer. Tammy Devlin (Thurston County) will assume her duties as President on October 1, 2013, following her 1-year term as Vice President.

Significant to this year's business agenda was the development of the Target Fund Balance Review by PricewaterhouseCoopers, LLP, the Pool's actuary, and its recent adoption by the Board. The Review found that the Pool should operate with a fund balance (as of September 30, 2012) of between \$11.2 million and \$22.3 million (actual fund balance was \$12.9 million). This range was determined by the Review as the amount(s) needed to withstand at least a 1-in-50 year catastrophic event cycle with a \$0.5 million Self-Insured Retention ("SIR") to a 1-in-100 year event cycle with a \$1.0 million SIR. The higher limits should allow the Pool to move to a \$500,000 or \$1,000,000 SIR without lowering its actuarial confidence level below that required by State regulation. By adopting the recommendation of the actuary as policy, the Pool's financial reporting will now reflect under Net Position a restriction for 'Target Fund Balance' instead of the restriction for the (98%) actuarial confidence factor existing the past several years.

Given the Pool's decreasing claims activities (both in frequency and severity) and its financial position, the Pool and its membership is being rewarded with a virtual 'flat renewal' of its liability insuring program for the fourth year running. In fact there may be some savings, once all the final adjustments are made, which will be directed to the rate stabilization account established to help offset future increases. This is an excellent result for all the hard work of the member counties, the staff at the Pool, and the hard work and diligence of AJGRMS, Inc., the Pool's Producer-of-Record.

On the property side, the composite rate for the program was increased 5.9% by its insurer(s), about \$200,000 overall, while existing coverage and limits were maintained. Part of this increase will be offset by applying the (property) rate stabilization account established with prior year's savings.

As the meeting came to a close, the words of Local Government Self Insurance Program Administrator Shannon Stuber remained. Paraphrased she said, 'I congratulate you, the Washington Counties Risk Pool, on your 25 years of successful operation. You are one of the best run, most transparent, most engaged, and financially sound pools in the state. I hold you up as an example for others to emulate.'

Congratulations, Washington Counties Risk Pool, for 25 years of service to the counties of this state. We look forward to only a brighter tomorrow.





POOL NEWS



Lisa McMeekin, Claims Representative, welcomed her son on August 8, 2013. He was 20.5 inches long and weighed in at 9 pounds, 4 ounces! Mom, dad and baby Wyatt are doing well. Congratulations Lisa!



Executive Committee

Py 2013 President

Mark Wilsdon, Clark County

Py 2013 Vice-President

Tammy Devlin, Thurston County

Py 2013 Secretary/Treasurer

Steve Bartel, Spokane County

Other Members

Bryan Perry, Benton County

Keith Goehner, Chelan County

Drew Woods, Columbia County

Thad Duvall, Douglas County

Dean Burton, Garfield County

David Alvarez, Jefferson County

Lisa Young, Kittitas County

F. Lee Grose, Lewis County

Risk Pool Staff

Administration

Vyrle Hill, Executive Director

Sue Colbo, Accounting Officer

Stacey Spears, Assistant/Editor

Claims

Susan Looker, Manager

Mike Cook, Senior Analyst

Tammy Cahill, Analyst

Lisa McMeekin, Representative

Carli Easter, Assistant

Member Services

David Goldsmith, Specialty Services

Jill Lowe, Loss Control

To access *County Connection's* e-version, go to www.wcrp.info

To receive by email, send your email address to stacey@wcrp.wa.gov or call (360) 292-4490. Have story/photo ideas? Please submit them to the email address above.



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Property Inventory Management System (PIMS) Reference Sheet

Many of you that use the Pool's PIMS system have asked for a reference sheet. We now have one available! It was recently sent to PIMS users. If you didn't receive one or you need another copy, contact Stacey at stacey@wcrp.wa.gov or 360-292-4490. This handy guide contains information on how to manage and enter locations, buildings, vehicles and equipment. It also includes a description of the fields and information needed for the underwriters.

Website Update

The Pool's new web-based training program is available on the website. *Discrimination, Harassment and Retaliation* presented by Mike Bolasina is offered in three segments. From the website (www.wcrp.info), select the Education and Training tab in the blue "Members Only" section. You will then need to login to the secure portion of the website. Contact Stacey at stacey@wcrp.wa.gov or 360-292-4490 if you need assistance.

Autumn Conference

The Risk Pool's 2013 Autumn Conference will be held in Kennewick, WA, November 7-8. Look for a flyer with registration and lodging information in early September.



Jill Lowe, Loss Control Coordinator

Most county offices/departments have an association they are a member of that provides information specific to their type of business. Risk pools also have an association, the Association of Governmental Risk Pools or AGRiP, of which the Pool is a member. AGRiP provides up-to-date information about innovative programs and educational opportunities specific to Pool business. AGRiP also has a Recognition process. The recognition process allows pools to assess their policies and procedures, both to affirm those they want to keep and to revamp those that may need updating. WCRP is current with this process.

The first week in August, I attended the AGRiP CEO and Senior Staff Institute. Attendance provided an excellent opportunity to meet with Pool staff from around the United States (and foreign countries) to discuss their programs. I was not surprised when I discovered that WCRP is doing an excellent job of being innovative in addressing new pooling trends.

Education sessions at the Institute focused on communication. We were reminded that the most important thing we can do is be truthful. We know this, but we are all aware of instances when we weren't hearing the truth, or felt manipulated.

Time was spent discussing media coverage. When working with the media, we were told that we are not required to answer the question asked. In fact, we should be prepared to provide the answer to the question we most want to be asked. If you listen to Sunday morning political talk shows, you know that guests rarely answer the question they are asked. While this is frustrating to the viewer, there may be a good reason this occurs. The media may not be interested in the facts, but in what makes a good story. We need to be prepared to provide the facts.

We were provided ten points to think about should we need to work with the media:

1. Have a plan.
2. Name your spokesperson ahead of time, and have backups should this person not be available.
3. Never say "no comment".
4. Deal with the crises head on, honestly and forthrightly.
5. Gather information, have the facts.
6. Respond to every media question but know that you don't have to answer the question you are asked. Provide the answer that is important to the situation.
7. Never lie, even a white lie.
8. Don't battle with the media.
9. Never go off the record.
10. Don't use business jargon.

Is your county office/department a member of an association? With tight budgets, it's often difficult to cover the cost of attending training. The Pool works hard to provide member counties with trainings that can be put to use and reduce county costs in claims and lawsuits. During September, the Pool will be providing Cyber Security, Risk and Liability training around the state. I hope to meet your IT folks, department heads and elected officials at one of these sessions.

Cyber Security, Risk and Liability

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Intended Audience:

- The morning session from 9:00 - 10:45 am is appropriate for department/agency managers and elected officials - especially those with IT applications under their jurisdiction.
- The full day course from 9:00 am - 3:30 pm is intended for IT operations staff and risk managers.

About this Course:

- The morning session will focus on today's current cyber risk and liability landscape. You will learn the type of attacks and vectors used to steal sensitive data. We will cover the top reasons why compromises occur and why it is important to apply a layered security defense. The instructor will share the top 20 critical security controls, 15 of which can be automated in order to deliver the biggest bang for your buck.
- During the afternoon the instructor will take a deeper technical review into the 20 critical controls, including defensive goals, quick wins, and selected tools that can be used to automate those controls.

The Instructor:

Gene Pugnetti is President of Tieton Group LLC, a cyber liability consulting firm. He has over 25 years of experience in IT security, network consulting and delivery, including several years in Yakima County. Gene's security consulting experience has included the areas of risk management, regulatory compliance, governance and secure network design. Gene is a Certified Information Systems Security Professional (CISSP), a Certified Information Security Manager (CISM) and an IBM Certified Project Manager.

2013 Class Dates & Locations

Monday, September 9—**Spokane** County
Tuesday, September 10—**Chelan** County
Wednesday, September 11—**Kittitas** County
Monday, September 16—**San Juan** County (4 hours*)
Tuesday, September 17—**Skagit** County
Wednesday, September 18—**Mason** County
Thursday, September 19—**Lewis** County
Monday, September 23—**Clark** County
Tuesday, September 24—**Benton** County

A working lunch will be provided for those attending the full day course.

2 Core CPO Credits for 1/2 day attendance
4 Core CPO Credits for full day attendance

Registration

Please register *online* at www.wcrp.info
Click on the Training Link, then select WCRP Events & Training Online Registration Form.
Site address and driving directions will be provided with your confirmation.

Fee

This class is *free* for Member County Attendees.

Questions?

Contact Jill Lowe: 360-292-4492 or jill@wcrp.wa.gov

* The course in San Juan County is a 4 hour, condensed course. Contact Jill Lowe, or Pamela Morais with San Juan County for more information.



HELPLINE NEWS



Here is the latest risk management Question of the Month from the HR Risk Management HELPLINE HR Express Update:

July Question: *We have an employee who has been here almost 5 years. For the last year, she opened her own business and her priorities have changed. She is currently a teacher and we would like to demote her to an aide with less responsibilities and a decrease in pay. Is there anything we need to worry about, especially unemployment?*

Response: In the absence of an employment contract or collective bargaining agreement that addresses the issue, the decision to demote an employee or reduce her pay generally is within the employer's discretion to determine. In an at-will employment environment, where the employer has a legitimate, non-discriminatory justification for demoting the employee and reducing her pay, and where such decision is consistent with company policy and practice, the employer would be within its rights to go forward with it.

Keep in mind that any changes to salary must be prospective in nature and cannot apply to work already performed prior to the time that the demotion/reduction takes effect. We also note that the employee should not be brought below minimum wage, nor below the salary range for her peers (we assume the position to which she may be demoted is non-exempt). Finally, note that if the employee is unable or unwilling to work in the position for less wages, and therefore cannot continue to remain employed, in this situation the separation will not be in the nature of a voluntary quit, and will in fact be considered a discharge for which the subject employee may qualify for unemployment compensation benefits, if she applies for them.

August Question: *We have an employee in our office who is going to be temporarily laid off. We are not sure of the length of time of the layoff, and she can be called back and then laid off again. She has medical, dental & vision and we would like to know what time frame is considered a temporary layoff and how do we handle the medical benefits as well as the break in between layoffs since she might be called back and then laid off again.*

Response: Barring any applicable collective bargaining agreements or other employment contracts that govern termination of employment, an employer is generally within its rights to make staffing decisions, including layoff and reorganizational decisions, as it sees fit to maximize effectiveness, productivity, and profitability. By way of some background, note that the justification for any layoff (temporary or otherwise) or reduced capacity decision and the selection criteria must be legitimate and not unlawfully discriminatory. When determining which

employee(s) to select to be impacted by such decisions, an employer is within its rights to use criteria like seniority or tenure, classification (i.e., full/part time), past performance, skill set, value to the employer, flexibility for future role in the organization, or some combination of these, but it is not required to use all or any particular one. Indeed it is a business decision to determine the criteria to use to make layoff decisions, so long as they are not unlawfully discriminatory or retaliatory. Note, however, that if an employer uses attendance and flexibility as selection criteria, to the extent any employee or temporary worker had unsatisfactory attendance or less flexibility due to things like disability or religious beliefs or other protected class status, it WOULD be unlawful to use these factors in making layoff selection decisions. The best practice relative to conveying a layoff decision is just to be candid with the affected employee(s) about the layoff decision and why they were selected for impact.

As for a "temporary" versus a "non-temporary" layoff, there is no specific period of time associated with one term or the other. But even where the employer anticipates that its hiring needs will increase at some future point in time, it should still be careful about categorizing any layoff or other termination of employment as "temporary," because this necessarily suggests that it is not expected to be indefinite, and creates an expectation for the affected employee that he or she is entitled to reinstatement at some point in the future. Absent a collective bargaining, severance or other employment agreement that addresses the issue, we are not aware of any legal requirement imposed upon an employer to rehire or reassign laid-off or terminated employees if business needs later justify increased headcount, or if a position becomes available because another employee has voluntarily vacated it, nor are we aware of any required time frame which must lapse before filling the position again.

Employers generally have the right to hire the best qualified person for a vacant position when one is available for any reason. As noted, it is a best practice for the employer to be candid at the time of a layoff about whether the impacted employee(s) would be ELIGIBLE for rehire or reassignment or not. If the employer intends a layoff to be short term or temporary, it can let an affected employee know that he or she is eligible to be rehired and that this MAY happen within a particular time frame, but the employer should avoid making any promises, directly or indirectly, to any separated or otherwise laid off employee about reinstatement or reemployment. Should the time come to increase headcount, you can always give greater weight or consideration to former employees, which may impact them positively, if they were good performers, or negatively, if they were not, if you choose to make that

part of the hiring criteria when there are job openings. If a former employee is passed over for rehire and seeks to challenge that decision as discriminatory, if you can articulate a legitimate, nondiscriminatory justification for the decision (i.e., you hired or accepted a better qualified candidate, for example), you ought to be able to defend such a claim. However, if you advised any laid-off worker that he/she would be eligible for rehire (or would be rehired after a period of time), and then fail to even consider that person for re-employment without a legitimate justification for the turnaround, it would be more difficult to defend a challenge to the decision.

The best practice is to be very clear with impacted employee(s) at the time of layoff about whether or not they will not be eligible for rehire with your organization, and avoid making any direct or indirect assertions about how long the break in service might be -- the employer may have intentions for the "temporary" layoff to be brief, but conditions can change. If you are candid with laid off workers, there should be no legal issues associated with not considering and/or rehiring or accepting a laid off employee who was previously advised of his/her eligibility (or ineligibility) for reemployment (and assuming the reason the individual was not eligible for rehire was legitimate).

As for continuation of benefits during a break in service, you will need to review your plan documents and consult with the respective carriers for specific guidance. COBRA is typically triggered when an employee loses group health coverage on account of the loss of his/her job or because he or she experiences a reduction in the number of hours of work such that he/she loses eligibility under the plan. Depending on the length of time between employment periods or layoffs, COBRA may or may not be triggered. You should also consult your plan for guidance in connection with reinstatement of benefits for any employees who are rehired after a layoff. Depending on how long the break in service was, the benefits may or may not be able to continue as if the employee remained continuously employed, but this is an employee benefits law issue dependent heavily on the terms of the plan, so we encourage you to consult the plan documents and carriers directly for guidance. You may wish also to contact an attorney specializing in employee benefits law for additional guidance on this aspect of the inquiry.

Source: HR Risk Management HELPLINE, www.hrhelpline.com/wcrp, July/August 2013

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More photos from the 25th Anniversary Celebration!



Frank Bishop, Kevin Wick, and the famous tie.

