

**WASHINGTON COUNTIES RISK POOL
BOARD OF DIRECTORS MEETING**

MINUTES

**Regular Meeting 3:00 p.m.
Wednesday, October 11, 1989
Long Beach, Pacific County, Washington**

ATTENDANCE:

President - Bill Vogler, Grays Harbor County Commissioner
Vice-President - Shirley Van Zanten, Whatcom County Executive
Treasurer - Deborah Cone, Kitsap County Director of Internal Management
Secretary - Vyrle Hill, Pacific County Administrative Officer

Benton County - Ray Isaacson, County Commissioner - Dir.
Cowlitz County - Joan LeMieux, County Commissioner - Dir.
Franklin County - Neva Corkrum, County Commissioner - Dir.
Grays Harbor County - Mary Davis, Ins./Risk Management Analyst
Island County - Dick Caldwell, County Commissioner - Dir.
Jefferson County - B.G. Brown, County Commissioner - Dir.
George C. Brown, County Commissioner
Lewis County - Greg Cox, County Commissioner - Dir.
Joanne Schwartz, County Commissioner
Mason County - Michael D. Gibson, County Commissioner - Dir.
Pacific County - Rosemarie Bay, Assistant Risk Manager - Alt.
Spokane County - Claude L. Cox, Risk Manager - Dir.
Thurston County - Steve Zimmerman, Dep. Chief Admin. Officer - Alt.

Visitors - Michael Croke, Vice President, Corroon & Black, Inc.

Risk Pool Staff - John Crawford, Executive Director
Aileen Boren, Administrative Assistant

The meeting was called to order at 3:10 p.m. by President Bill Vogler, who noted that a quorum was present and who welcomed all visitors.

APPROVAL OF MINUTES:

July 21, 1989 Board of Directors Meeting, Spokane, WA: Ray Isaacson moved to approve the minutes. The motion was seconded by Joan LeMieux and approved.

COMMITTEE REPORTS:

Executive Committee:

August 18th and September 22nd Meetings: The Executive Committee meet on August 18th and September 22nd and adopted next year's premiums for Member Counties. Changes reported by Member Counties in their deductible levels from last year's levels are: Benton County lowered its deductible from \$100,000 to \$50,000, Grays Harbor lowered its deductible from \$25,000 to \$10,000, Kitsap County raised its deductible from \$50,000 to \$250,000, and Lewis County raised its deductible from \$25,000 to \$100,000.

Finance Committee:

Financial Report and Voucher Approval: Deborah Cone presented the Treasurer's Report including an investment activity recap for the period from September 1988 through September 1989, and a payment status report. There was a withdrawal of \$33,000 and no deposits for the month of September. The ending balance as of September 30, 1989 was \$3,155,541 with net interest earned for the month of \$22,652 at a net earnings rate of 8.66%. The expenses for July totaled \$15,579.57. Claude Cox moved to approve the Treasurer's Report and expenses. The motion was seconded by Steve Zimmerman and approved.

Operations Committee:

Incurred Incidents and Claims: John Crawford reported that as of September 30, 1989, 429 incidents, claims and suits had been reported by Member Counties. Additional matters arising out of incidents occurring in the first year are expected to be reported during the next year or so. The total for the year is close to GAB's 1988 estimate of 350-400 matters for fifteen counties for our first year. The August, 1989 actuarial report forecast that the number of matters will exceed 600 for nineteen. A Thurston County road fatality was reported as our first major incident for the second policy year.

Pool Risk Management Program: The "Nuts & Bolts of Traffic Accident Investigations" Seminar held September 28th at Sea-Tac was a success. Seventy-five persons from eighteen of our nineteen Member Counties and eight Non-Member Counties (Adams, Clark, Okanogan, Skagit, Snohomish, Stevens, Walla Walla and Yakima) attended. The moderators and speakers, most of whom were from Member Counties, were excellent and were acknowledged and thanked. Based upon the Needs Assessment Survey, accident investigation procedures was reported as one of the most pressing subjects that the counties wanted the Pool to address.

Activity Planner for the Second Year: John Crawford gave an overview of the activities planned for second year. Vyrle Hill expanded on the claims administration and loss control programs. He then moved to authorize the Executive Director to advertise and hire a claims administrator whose salary would remain within the budget proposal. The motion was seconded by Deborah Cone and approved. The general year activity plan was then also approved.

DISCUSSION AND ACTION:

Claims Adjusting Agreement: Ray Isaacson moved that the proposed claims adjusting agreement negotiated with GAB Business Services, Inc., for the period from 10/01/88 to 09/30/89 be approved. The motion was seconded by Shirley Van Zanten and approved. Ray Isaacson then moved that the proposed claims adjusting agreement with GAB Business Services, Inc. for the period from 10/01/89 to 09/30/91, and extensions, be approved. The motion was seconded by Shirley Van Zanten and approved.

Resolution relating to IRC Sections 401(a) and 457 Qualified Pension and Retirement Plans: Since the Risk Pool is not an agency covered by Social Security Agreement 218, Pool employees have the option to join the Social Security system or some other qualified pension and retirement program. It was reported that Pool employees voted and

decided not to join the Social Security system, but prefer to join a nation-wide fund that is providing qualified retirement and pension plans for many cities and districts throughout the State. B.G. Brown moved to authorize the Risk Pool to enter into a qualified pension and retirement program provided by someone other than the Social Security Administration, with Pool contributions not exceeding 6.06% of salaries. The motion was seconded by Shirley Van Zanten and approved.

Marketing Plan for Purchase of Excess Insurance: Corroon & Black Vice President Mike Croke reported that they are starting to pre-test the following leading companies in the excess insurance market: (1) American International Group/Lexington, (2) CIGNA Group/Cal Union, (3) General Reinsurance Group/Genesis, and (4) Reliance Insurance Companies/Planet. The Pool and the broker are still gathering necessary information for a quotation from the Crum & Forster Group/ISLIC.

Steve Zimmerman asked whether the Pool might consider a proposal from another, exclusive, excess insurance company for the Pool's excess insurance placement. It was noted that the Pool has signed a Broker Agreement with Corroon & Black that designates it as the "Broker of Record" for the Pool and it was decided not to change our relationship.

NEXT MEETING:

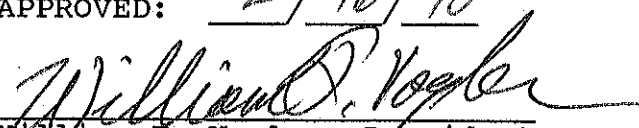
Board of Directors Annual Meeting at Whatcom County: Ray Isaacson moved to suspend the Bylaws and hold the Annual Meeting of the Board of Directors in February rather than January, 1990. The motion was seconded by Steve Zimmerman and approved.

The meeting was adjourned at 4:50 p.m.

RESPECTFULLY SUBMITTED:



Vyrle L. Hill, Secretary

APPROVED: 2, 16, 90


William F. Vogler, President