

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

**MINUTES**

**9:00 a.m. Thursday, November 8, 2001  
WestCoast Center, Wenatchee**

**ATTENDANCE:**

President – David Goldsmith, Jefferson County Deputy Administrator  
Executive Committee –  
    Vyrle L. Hill, Pacific County Administrative Officer  
    Leon Long, Spokane County Risk Manager  
    Mike Shelton, Island County Commissioner  
    Si A. Stephens, San Juan County Auditor  
Adams County – Linda Reimer, Risk Manager – Alternate  
Chelan County – John A. Hunter, County Commissioner – Director  
Cowlitz County – Clyde W. Carpenter, Risk Manager – Director  
Grays Harbor County – Mary Davis, Deputy Director of Management Services – Alternate  
Island County – Betty Kemp, Director of General Services Administration – Alternate  
Kitsap County – Barbara Razey, Risk Manager – Director  
Lewis County – Dennis Hadaller, County Commissioner – Director  
    Harry Green, Safety Officer – Alternate  
Mason County – Herb Baze, County Commissioner  
    Ione Siegler, Director of Budget and Finance – Alternate  
Okanogan County – Dan Powers, Director of Human Resources/Risk Manager – Alternate  
Pacific County – Janet Corey, Risk Manager – Alternate  
San Juan County – David L. Zeretzke, Director of Administrative Services – Alternate  
Spokane County – Leon Long, Risk Manager – Director  
Thurston County – Diane Oberquell, County Commissioner – Director  
    Tammy Devlin, Risk Manager – Alternate  
Whatcom County – Randall J. Watts, Chief Civil Deputy Prosecuting Attorney – Director  
Whitman County – Richard Brown, Director of Administrative Services – Director  
  
Actuary – Kevin L. Wick, Principal Consultant, PricewaterhouseCoopers LLP  
Broker – Mike Croke, Senior Vice President, Willis Corroon Corporation of Seattle  
Risk Pool Staff - John Crawford, Executive Director  
    Alicia Johnson, Claims Manager  
    Jay Winter, Programs Manager

**WELCOME and ROLL CALL:** The meeting was called to order at 9:00 a.m. by President David Goldsmith who welcomed all in attendance and noted that a quorum was present. He asked for everyone around the table to introduce him or herself.

**APPROVAL:**

**Minutes:** Vyrle Hill moved to approve the minutes of the July 20th Annual Meeting at Leavenworth. The motion was seconded by Randy Watts and approved.

## **REPORTS, DISCUSSION AND ACTION:**

**Executive Committee:** The minutes of the August 23<sup>rd</sup> and October 11th Meetings of the Executive Committee were placed in the meeting packet.

**Underwriting Committee:** The minutes of the September 25<sup>th</sup> conference call of the Underwriting Committee was placed in the meeting packet.

**Risk Management Committee:** Co-chairs Leon Long and David Zeretzke reported that the Risk Management Committee met in Wenatchee on November 7th. The Committee had reviewed Jay Winter's White Paper on risk exposures of district and juvenile court probation services and pre-trial release supervision, and distributed it at the Board Meeting. The Committee requested that the report be shared with appropriate county staff to develop approaches to managing the risk. Member responses are to be made to Risk Management Committee with further review for action at the January Risk Management Committee meeting.

Jay Winter reported on the e-learning project and reported that he is working with counties to register their employees for the training courses. To date, four county employees have completed all 25 offerings, and 389 courses have been completed.

Mike Shelton discussed the WSAC/WACO/WSU effort in developing a "Certified Public Official" training course. Si Stephens moved, subject to Finance Committee review of the Risk Pool budget, to approve payment of \$15,000 to assist with the administrative expenses in course development. The motion was seconded by John Hunter and approved.

**Financial Report:** Chair Vyrle Hill and Si Stephens highlighted the unaudited financial report and financial analysis ratios that were in the meeting materials, and showed where corrections were necessary to mesh with the reconciled actuary reserving report. Revised exhibits will be sent after the reconciliation is completed.

**Claims Report:** Alicia Johnson gave a year-end claims report. We still have only 11 cases that exceed \$1 million, and they are all paid and closed. We have 140 large losses (incurred over \$100,000) that will cost approximately \$45.7 million. For the past three years, counties have averaged about 7 claims filed per 100 FTE employees.

**Actuary Reserving Report:** Kevin Wick estimated that total reserves are \$12.3 million as of September 30, 2001. The total reserves include \$11.8 million for loss and allocated loss adjustment expenses, and \$0.5 million for unallocated loss adjustment expenses. He observed that there was a \$1.25 million increase in prior year ultimate loss estimates, with the increase due to adverse development on general liability claims from policy years ending in 1997 and 1998.

**Self-Insurance Strategies:** Kevin Wick gave a PowerPoint presentation that identified likely events in the hard insurance market, assessed the hard market impact, and suggested strategies for what can be done including less reliance on reinsurance.

**Reinsurance Strategies:** Mike Croke reported on the changing insurance/reinsurance market. The market started changing last summer, and then was given a serious blow by the events of September 11<sup>th</sup>. Now there is reduced capacity, limited coverage, increased premiums, and underwriting authority removed from the field back to the head offices. Possible strategies include increasing the pool self-insured retention or assuming a quota-share percentage of a layer that is now fully reinsured.

**Membership Services:** David Goldsmith's President's Letter on "Policy Year 2002 – The Year of Challenges and Opportunities" was included in the meeting materials. He is looking forward to working with the Board and staff to address four areas during the year: the reinsurance renewal, membership services, multiple lines of coverage, and structure of the organization.

David also mentioned that the Personnel Policy requires the Secretary/Treasurer to chair the Personnel Committee. That is different than other Board committees where the President appoints the chair. Leon Long moved that the Personnel Policy be amended to allow the President to appoint the committee and chair. The motion was seconded by Clyde Carpenter and approved. The policy wording change will be submitted to the Board at the next meeting.

**FUTURE BOARD MEETINGS:** The Spring 2002 Board Meeting will be Thursday, March 21 in SeaTac; and the Summer Board Workshop and Annual Meeting will be in Spokane on Thursday and Friday, July 25 and 26.

With no further business, the meeting was adjourned at 12:53 p.m.

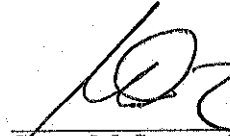
**MINUTES APPROVED:** \_\_\_\_\_



David Goldsmith, President

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Attest: \_\_\_\_\_



Steve M. Lowe, Secretary