

WASHINGTON COUNTIES RISK POOL  
BOARD OF DIRECTORS EXECUTIVE COMMITTEE

MINUTES

Regular Meeting 1:00 p.m.  
Wednesday, September 28, 1988  
Chautauqua Lodge, Long Beach, Washington

**ATTENDANCE:**

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

Benton County - Ray Isaacson, County Commissioner - Dir.  
Cowlitz County - Dick Maruhn, County Commissioner - Dir.  
- Frank Bishop, Budget/Personnel Director - Alt.  
- Rick Spangenberg, Risk Manager  
Franklin County - Bruce Whitmarsh, County Commissioner - Dir.  
Jefferson County - B.G. Brown, County Commissioner - Dir.  
Spokane County - Claude Cox, Safety/Loss Control Manager - Alt.

Clallam County - Jim Rumpeltes, Administrative Coordinator - Alt.  
Grays Harbor County - Rose Elway, Budget/Management Services Dir. - Alt.  
Lewis County - Gary Ely, County Commissioner - Dir.  
- Greg Cox, County Commissioner - Alt.  
Mason County - Mike Gibson, County Commissioner - Dir.  
- Chris Freed, Budget Director - Alt.  
Skamania County - Bob Leick, Prosecuting Attorney - Dir.  
Thurston County - Steve Zimmerman, Dep. Chief Admin. Officer - Alt.

Washington Counties Risk Pool - John Crawford - Exec. Director Designee  
Washington State Association of Counties - Gary Lowe - Interim Director  
ARM Tech. - John Haywood - Consultant  
Corroon & Black - John McCadam - Broker

The meeting was called to order at 1:15 p.m. by President Bill Vogler.

**BROKER'S REPORT:**

John McCadam of Corroon & Black reported that as of 11:30 a.m. today the Pool has been in the excess market for 1 1/2 weeks and there have been no declinations. The underwriters had been pre-notified by Corroon & Black as part of the marketing strategy.

John McCadam reported on the purchase of fidelity bonds and general liability, auto liability and directors errors and omissions insurance for the Pool Directors and staff, then was excused because of his tight travel arrangements.

**OFFICE SPACE:**

John Crawford reported that the Washington Counties Building could possibly have available space. Thurston County presently has an off-campus building that includes the Health Clinic that it could provide for a temporary office. President Vogler reports CRAB is still deciding whether to relocate from the Washington Counties Building.

**TRAVEL POLICY:**

Gary Lowe distributed copies of the WSAC travel policy. They treat the smaller counties differently than larger ones. President Vogler noted that Spokane and Franklin Counties have already expressed concern about travel for the Pool. Mike Gibson suggested the matter be referred to the Planning Committee to return with written recommendations. Mr. Cox suggested that the permanent office issue be dealt with at the same time.

**PREMIUM PAYMENTS:**

Treasurer, Debbie Cone reported payments from:			
Cowlitz -	\$331,798	Grays Harbor -	259,649
Whatcom -	466,412	Skamania -	124,431
Mason -	52,479	Kitsap -	445,231
Lewis -	270,008		

Gary Lowe reported that Thurston and Pacific's payments were wired to Kitsap County Treasurer on Monday of this week. Included was a partial payment, about 10%, from Benton County.

It was agreed that the original (Vancouver-June) premium amounts would be used.

Ray Isaacson reported that Benton County just made fund adjustments. Its payment is forthcoming as soon as possible. Bruce Whitmarsh reported that Franklin County ordered a one-third payment as soon as possible from the Road Funds. Debbie Cone suggested charging compensating interest charges for lost interest expense. John Haywood suggested a greater rate so there is an incentive to make the payments. Dick Maruhn suggested establishment of penalties for late comers.

**STAFF HIRING:**

Bill Vogler noted that several people had contacted him regarding concern about the process of selection of both the Director and GAB. Jim Rumpeltes reported that he had no problem with John Crawford, it was the process that he was concerned with. On record, the county is "totally satisfied with the decision, but do not let it happen again." Debbie Cone supported Mr. Rumpeltes' position: Let's not make it a regular practice. Mike Gibson also expressed concern. President Vogler noted concerns from both Gary Lowe and John Crawford of difficulty in performing their tasks satisfactory while working part-time. Shirley Van Zanten explained her concern and support.

President Vogler noted the position for Risk Manager will follow normal recruitment/selection process. President Vogler directed every member to receive mailings, including agendas.

Ray Isaacson moved to authorize the Director to hire the Administrative Assistant as he sees fit. Shirley Van Zanten seconded the motion and it was approved.

Vyrle Hill moved to authorize Director to solicit/recruit/select a Risk Manager in a normal selection process, due to the absence of approved policies. Dick Maruhn seconded the motion and it was approved.

All understood the positions would be offered within the budgeted salaries.

#### **STAFF AND DIRECTOR'S COVERAGES:**

Shirley Van Zanten moved to purchase up to \$1 Million Fidelity Bond and general and automobile liability insurance. B.G. Brown seconded the motion and it was approved.

#### **TAIL COVERAGES:**

John Haywood commented that there are three alternatives available to each county regarding tail coverages:

- (1) Purchase tail coverage from present insurer;
- (2) The Pool purchases tail coverage for all counties; or
- (3) The Pool provides coverage.

Coopers & Lybrand have suggested an actuarial estimate of 35%-45% of present premium if the Pool provides coverage with the following conditions:

- (1) term - 3 years,
- (2) limit - \$1 million for most part, and
- (3) coverage document - current policy or Pool document or specially prepared document

John Haywood did not believe the actuarial number is "hard". Another actuary that he contacted suggested that the Pool could match the quote from the county's broker since the present insurer should know the county's experience and be able to give an accurate quote.

Claude Cox commented that Spokane County wants to relieve itself of the responsibility to maintain reserves to the tail IBNR claims in its uninsured years. John Haywood recommended that it be operated as a second pooled fund separate from the main joint self-insurance pooled fund. After further discussion of the members, Bob Leick moved that the Pool provide a tail policy to any of its members at 35% to 45% of the member county's present deposit premium. The motion was seconded, but was defeated. (Only one vote in favor of the motion.)

B.G. Brown then moved that the Pool explore retroactive liability coverage for the member counties by commercial insurers. Ray Isaacson seconded the motion and it was approved.

#### **CORRESPONDENCE:**

Questions raised in letters from Spokane County and Asotin County will be answered by Pool staff.

#### **CLAIMS ADJUSTING:**

The Operations Committee recommended that claims adjusting be performed for a one year period by GAB Business Services Inc., and an RFP

procedure be used next Summer for claims adjusting in the second year. Bob Leick moved that the Pool offer GAB a one year contract and perform a formal RFP procedure next Summer. The motion was seconded and passed.

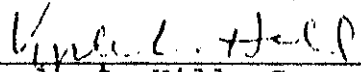
Steve Zimmerman identified two places in the claims manual where the Pool's Executive Director was not involved in the claims settlement notification and approval process. Claude Cox moved to amend the claims manual to include the Executive Director in the processes. The motion was seconded and approved.

**NEW COUNTIES:**

Jim Rumpeltes asked whether the Pool could pro-rate coverages and premiums so that all the member counties could have identical renewal dates. John Haywood commented that because of the actuarial studies and placement of excess coverages, the member counties should all have the same renewal date.

The meeting adjourned at 3:30 p.m.

RESPECTFULLY SUBMITTED

  
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Vyrle L. Hill, Secretary

APPROVED:

  
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William F. Vogler, President