

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

MINUTES

**9:30 a.m., Thursday, May 11, 2000
WestCoast Sea-Tac Hotel, SeaTac**

ATTENDANCE:

Executive Committee –

Marilyn J. Breckel, Skamania County Administrative Services Manager
Mary Jo Cady, Mason County Commissioner
Leon Long, Adams County Public Works Director
Steve M. Lowe, Franklin County Prosecuting Attorney
Mike Shelton, Island County Commissioner
David Goldsmith, Jefferson County Deputy Director of Public Services
Chelan County – James C. Lynch, County Commissioner – Director
Cowlitz County – Frank A. Bishop, Director of Administrative Services – Director
Clyde W. Carpenter, Risk Manager – Alternate
Franklin County – Neva J. Corkrum, County Commissioner – Director
Garfield County – Dean D. Burton, County Commissioner – Alternate
Grays Harbor County – Rose Elway, Director of Management Services – Alternate
Mary Davis, Deputy Director of Management Services – Alternate
Kitsap County – Barbara Razey, Risk Manager – Director
Klickitat County – James P. Hagarty, County Prosecuting Attorney – Director
Lewis County – Tammy Devlin, County Risk Manager – Alternate
Mason County – Ione Siegler, Director of Budget and Finance – Alternate
Okanogan County – Dan Powers, Administrative Coordinator - Alternate
Pacific County – Vyrle L. Hill, County Administrative Officer – Director
Whatcom County – Randall J. Watts, Chief Civil Deputy Prosecuting Attorney – Director
Whitman County – Richard Brown, Director of Administrative Services – Director

State of Washington – John Nicholson, Office of State Risk Management
Broker - Mike Croke, Senior Vice President, Willis Corroon Corporation of Seattle
Actuary – Kevin L. Wick, PricewaterhouseCoopers
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 9:45 a.m. by Past President Mary Jo Cady who welcomed all in attendance and noted that a quorum was present. She asked to go around the table with everyone introducing him or herself.

REPORTS, DISCUSSION AND ACTION:

Agenda: The agenda was approved as printed.

Minutes: Mike Shelton moved to approve the minutes of the January 26th Meeting in SeaTac. The motion was seconded by Neva Corkrum and approved.

WSAC L&I Retro Service Contract: Neva Corkrum moved to approve the Service Contract with the Washington State Association of Counties to administer the L&I Retro Program. The motion was seconded by Leon Long and approved.

REPORTS:

Executive Committee: The minutes of the March 15th Meeting of the Executive Committee was placed in the meeting packet.

WSAC Legislative Steering Committee: Mike Shelton and Mary Jo Cady reported that the legislature did not fix local governments' problems caused by I-695. Most counties were only given a 53% appropriation from the legislature to make up their revenue shortfalls. Mike also cautioned that the Army Corps of Engineers is considering expanding its area of authority to 200 or 300 feet back from a shoreline.

Risk Management Committee: David Goldsmith reported that the committee had met on April 19th to complete its review of the Risk Management Policy. A draft of the revisions was included in the meeting materials and David proposed to move adoption of the revisions at the next meeting. The targeted training this year is drivers' training. The committee is considering recommending more specialized drivers' training next year for law enforcement and large vehicles. It is also considering working with road engineers on a safety management system. The committee will meet by e-mail and conference call before the next board meeting.

Programs: Jay Winter reported that ten self-assessments have been returned so far, with the rest completed for a report at the next meeting. Jay provided a written report on loss control issues in state contracts in response to the *Caulfield vs. Kitsap County* jury verdict. Barbara Razey said that the Kitsap AAA might be incorporated as a separate legal entity. Vyrle Hill suggested that all counties review their old original AAA and other agency documents to confirm how the programs were created. He thought that many did not comply with the requirements of the Interlocal cooperation act. David Goldsmith recommended that the Risk Pool and counties review indemnification language imposed by the state in contracts, and actively bargain over the language.

Underwriting Committee: Committee Co-Chair Marilyn Breckel reported that the committee met at breakfast before the meeting and will be recommending enhancements and changes in the Joint Self-Insurance Liability Policy. The changes and a cover report will be sent before the next meeting. Mike Croke listed some of the changes that he is discussing with the reinsurance underwriters, and believes that most of them will be approved without an increase in premium.

Committee Co-Chair Steve Lowe reported on the other part of the committee meeting about apportioning general administrative and program costs under a different formula. The committee had asked actuary Kevin Wick to develop some alternative ways to fairly apportion those costs among the membership. The committee recommended that the experience rate modification should be calculated with a \$500,000 cap (rather than \$100,000), and applied to unallocated loss adjustment (claims) expenses and the full \$10 million premium, and not just the Pool SIR layer. The committee did not recommend changes in the way the general administrative and program costs are calculated. Frank Bishop moved to follow the committee recommendation and apply

the recalculated experience modification factor to ULAE and the entire \$10 million premium. The motion was seconded by Rose Elway and was approved with one dissent. The committee will revisit the issue of allocating the administrative costs next year.

Broker: Mike Croke said that he met with several counties regarding their property insurance, and will be calling on other counties as their present property coverage expires. Interest in the property program is going well with 11 counties participating. Mike felt that the insurance market is finally changing and hardening. A renewal meeting is scheduled next week in San Francisco with our reinsurance underwriters.

Claims: Alicia Johnson described our large losses and the twelve cases of more than \$1 million. Only one percent of our total claims for all policies and all years are over \$100,000, and one tenth of those are over \$1 million. However large losses make up 54% of the payments incurred, and the 12 cases over \$1 million amount to 24% of the total loss payments.

Executive Director: John Crawford stated that our application for complying with the AGRIP pooling advisory standards recognition certificate was approved. He also reported that much progress has been made in developing an Internet site for better communications and services with member counties. Finally, he gave a financial report that showed that assets still exceed liabilities.


OTHER BUSINESS:

Future Board Meetings:

Summer Annual – Thursday & Friday, July 20-21 at the Enzian Motor Inn, Leavenworth
Autumn – Tuesday, November 14th at the Doubletree Inn, Pasco

With no further business, the meeting was adjourned at 1:24 p.m.


MINUTES APPROVED: 7 / 21 / 2000



R. S. Zirkle, President

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Attest:



Si A. Stephens, Secretary