

WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE

MINUTES

Regular Meeting 1:30 p.m.
Wednesday, November 16, 1988
Holiday Inn, Yakima, 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 - Dick Maruhn, County Commissioner - Dir.
 Frank Bishop, Budget Director - Alt.
 Rick Spangenberg, Risk Manager
Franklin County - Bruce Whitemarsh, County Commissioner - Dir.
Grays Harbor County - Rose Elway, Budget & Mgmt Services Director - Alt.
Jefferson County - B.G. Brown, County Commissioner - Dir.
 - Gary Rowe, P.E., Public Works Director - Alt.
Pacific County - Rosie Bay, Assistant Risk Manager
Spokane County - F. Keith Shepard, County Commissioner - Dir.
 - John McBride, County Commissioner - Alt.
 - Claude Cox, Safety/Loss Control Manager
Whatcom County - Tom Sutberry, Budget Director

Clallam County - Marjorie Upham, Personnel/Risk Management Dir - Dir
 - Jim Rumpeltes, Administrative Coordinator - Alt.
 - Jane Elvrum, Safety/Training Specialist
Garfield County - Ronald Crawford, County Commissioner - Dir.
Lewis County - Joanne Schwartz, County Commissioner
Mason County - Chris Freed, Budget Director - Alt.
Skamania County - Marilyn Breckel, Staff Assistant - Alt.
Thurston County - Steve Zimmerman, Deputy Chief Admin. Officer - Alt.

Washington Counties Risk Pool - John Crawford, Executive Director
 - Julie Stewart, Administrative Assistant
Corroon & Black, Inc. - John McCadam, Broker
 - Steve Hullin, Broker

Visitors - Gordon Hey, Island County Budget Director

The meeting was called to order at 1:35 p.m. by President Bill Vogler.

APPROVAL OF MINUTES:

September 22nd meeting, Olympia and September 28th meeting, Long Beach:

Vyrle Hill moved to approve the minutes. The motion was seconded by Shirley Van Zanten and approved.

OLD BUSINESS:

Corroon & Black Report on Placement of Excess Coverage:

John McCadam reported on the current offerings of the excess insurance marketplace as described in Corroon & Black's November 11th mailing to Executive Committee members. He noted changes to Alternative No. 1. The underwriter has been changed to Associated International. Guaranty National was bought out on November 1st and no longer meets Corroon & Black's list of approved underwriters. They also noted that at this time they have two oral offerings from I.U.I. and London/St. Paul.

John McCadam recommended the purchase of Alternatives No. 1 & No. 2 combined if the Pool wanted to be conservative. Alternative No. 1 is for Associated Insurance Company (an admitted State of Washington insurance company) to provide \$500,000 coverage excess of the Pool's \$500,000 coverage, per occurrence with no aggregate, using a following form of the Pool's October 1, 1988 policy form, for an annual premium of \$589,000. Alternative No. 2 is for Scottsdale Insurance Company (an admitted State of Washington insurance company) to provide \$4,000,000 coverage excess of \$1,000,000 coverage, per occurrence with no aggregate, using a following form of the Pool's October 1, 1988 policy form, for an annual premium of \$846,000.

F. Keith Shepard questioned how long the companies had been in business and their Best's Insurance ratings. It was reported that Associated Insurance had been in business over twenty years and had a Best's rating of A-, VII. Scottsdale has the highest Best's rating possible: A+, XV. The companies have placed reinsurance with American RE and St. Paul RE.

Ray Isaacson questioned the dam coverage and if any member county would be affected by a possible exclusion. Cowlitz County stated that they would like to have coverage.

John Crawford gave a brief analysis on the security of the companies, and recommended the purchase of Alternatives Nos. 1 and 2.

Steve Hullin explained the availability of the Washington Guarantee Fund in the event of bankruptcy of one of the companies.

Bill Vogler asked the members if they wanted excess coverage prorated back to November 1st or to begin on December 1st. Shirley Van Zanten preferred the ten month premium and favored the December 1st start. Vyrle Hill concurred with Shirley. A question was raised if this fits within the finances and John Crawford explained that \$800,000 was approved for the purchase last month in Kennewick and the balance could be paid out of reserves.

Ray Isaacson would like to see the Pool give some guidelines to member counties for their claims budget. John McCadam informed him that the Coopers & Lybrand report from last Spring would show the recommended figure.

Shirley Van Zanten moved to authorize Corroon & Black to purchase excess insurance coverage for the Pool from Associated Insurance Company and Scottsdale Insurance Company combined for 10 months beginning December 1st at a price not to exceed the current quotation of \$1,195,830. The motion was seconded by Frank Bishop and approved.

Bill Vogler congratulated all members on their efforts and hard work.

COMMITTEE REPORTS:

Executive Committee:

Approval of Pool by State Risk Manager:

John Crawford reported that a response had been sent to the State Risk Manager's letter of September 14th.

Approval of Participation in PERS:

F. Keith Shepard moved to authorize and approve participation in the Washington Public Employees' Retirement System (PERS) by the Pool's eligible employees. The motion was seconded by Ray Isaacson and approved.

Planning Committee:

Directors' Travel Policy:

The Planning Committee is still formulating a draft of a Directors' Travel Policy.

Selection Process for Pool Risk Manager:

Shirley Van Zanten reported that they had received Eleven applications for the risk manager position. The Planning Committee met in the morning to review the applications. They will be setting a date in early December to interview the final candidates.

Finance Committee:

Financial Report and Voucher Approval:

Debbie Cone distributed the current fund ledger prepared by the Kitsap County Treasurer. She noted that the Finance Committee will be meeting tomorrow at 4:00 p.m. to discuss whether the Pool wants to stay with the Kitsap County Treasurer or use the State Treasurer for investment purposes. Debbie also asked for thirty-days' notice for large cash requests.

Vyrle Hill moved for approval of expense voucher. The motion was seconded by Debbie Cone and approved.

Pool Investment Policy:

Debbie reported that they plan to complete the draft at the Finance Committee meeting tomorrow and submit it to the Executive Committee at its December meeting.

Operations Committee:

Incurred Incidents and Claims:

John Crawford circulated an updated report of the twenty-one incidents and claims that have been reported to the Pool as of November 15th.

Pool Risk Management Program:

Vyrle Hill reported that a full day training seminar for county risk managers and safety officers was scheduled for tomorrow. Speaking at the seminar will be Rick Spangenberg, Claude Cox and Yakima County Deputy Prosecuting Attorney Ron Zirkle.

DISCUSSION:

Policy coverages of noxious weed control boards:

Bill Vogler reported that noxious weed control boards are covered by the Pool's policy if they are part of the current expense fund or appointed by county commissioners. A brief discussion followed.

OTHER BUSINESS:

Chris Freed commented that she has received questions from Judges on coverage for community services. John Crawford asked her to address her question in writing and send to the Pool for a response in writing. The Pool will let the Executive Committee know of its determination of coverage.

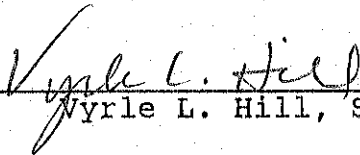
John Crawford handed out some literature from the Oregon Cities/Counties Insurance Services pool. He attended their annual meeting last weekend.

John Crawford reported that the next Executive Committee meeting will be December 16th at the Washington Cities Insurance Authority office in Tukwila. Lew Leigh, Executive Director, will introduce his staff, give a tour of their offices, and explain their operations and procedures.

Frank Bishop asked that a committee be assigned to prepare for brokerage coverage for next year. President Bill Vogler assigned the Operations Committee to do this.

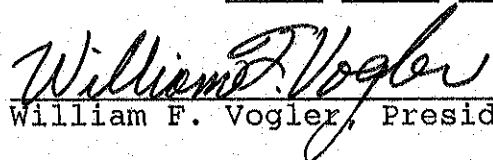
The meeting was adjourned at 3:05 p.m.

RESPECTFULLY SUBMITTED:



Myrle L. Hill, Secretary

APPROVED: 12 / 16 / 88



William F. Vogler, President