

WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE

MINUTES

2:30 p.m., Thursday, June 26, 1997
Doubletree Hotel, Spokane

ATTENDANCE:

President - Mike Shelton, Island County Commissioner
Secretary/Treasurer - Dick Dixon, Grays Harbor County Commissioner
Executive Committee -
Frank A. Bishop, Cowlitz County Budget Director
Steve M. Lowe, Franklin County Prosecuting Attorney
Mary Jo Cady, Mason County Commissioner
Spence Higby, Okanogan County Commissioner
Judy Wilson, Thurston County Commissioner
Richard Brown, Whitman County Director of Administrative Services
Underwriting Committee -
Chair - Claude L. Cox, Spokane County Risk Manger
Vyrle L. Hill, Pacific County Administrative Officer
Broker - Mike Croke, Vice President, Willis Corroon of Seattle
Actuary - Kevin Wick, Coopers & Lybrand
Risk Pool Staff - John Crawford, Executive Director
Alicia Johnson, Claims Manager
Jay Winter, Programs Manager
Aileen Boren, Financial Officer

WELCOME and ROLL CALL: The meeting was called to order at 2:35 p.m. by President Mike Shelton who welcomed all in attendance and noted that a quorum was present.

APPROVALS:

Minutes: Mary Jo Cady asked that approval of the minutes be placed lower on the agenda.

Vouchers and Finances: Frank Bishop moved to approve the vouchers. The motion was seconded by Richard Brown and approved.

REPORTS:

Board Winter Meeting: The minutes of the Spring Board Winter Meeting were included in the materials.

Actuary Report: A summary of actuary rates was included in the meeting materials. Kevin Wick also provided graphs showing ultimate limited losses by coverages, worker hours and licensed vehicles, rate change indications, and funding options. The meeting materials included three spreadsheets showing premiums calculated by using the actuary

recommendations and using the underwriting committee recommendations regarding counties with \$5,000 and \$10,000 deductibles.

Underwriting Committee: Committee Chair Claude Cox and member Vyrle Hill reported on the two meetings of the Underwriting Committee on May 8th and June 12th. After their report and discussion, Frank Bishop moved that the Executive Committee recommend that starting in the 1997-98 policy year, the Pool will no longer offer a \$5,000 deductible option to members. Increasing the deductible will offset legal inflation over the past nine years and will rededicate members to ownership of claims liability. The motion was seconded by Spence Higby and passed unanimously.

Mary Jo Cady then moved to recommend that the Pool "require a three year commitment to the deductible amount with no decrease in the deductible without a twelve-month advance notice." With little up-or-down movement in deductibles, and with advance notice of decreases in deductibles, the actuary can calculate premiums and credits with more certainty. Thus each deductible band would be experience-rated somewhat. However, multi-year commitments would require resolutions from the Board of County Commissioners of each member. The motion was seconded by Dick Dixon and approved with one dissent.

Mary Jo Cady also moved to recommend that the Underwriting Committee continue to meet during the next year to review and promote changes in the underwriting policy. The motion was seconded by Frank Bishop and approved.

John Crawford discussed a letter from the actuaries stating that they had provided services to the committee in excess of the contracted amount. Frank Bishop moved to authorize payment of \$3,000 out of unexpended funds in the budget. The motion was seconded by Dick Dixon and approved.

State Risk Management Examination Report: John Crawford asked for committee advice about the "Conditions and Recommendations" section of the State Risk Management's examination report regarding competitive insurance broker service provider selection. The committee believed that if the Pool was able to gain a \$200,000 reduction in the cost of reinsurance (from \$1.15 million to \$0.95 million) and a multi-year premium guarantee, that we should continue the broker service contract through the life of the multi-year guarantee.

Willis Corroon: Mike Croke reported on reinsurance renewal efforts, and a successful trip to San Francisco to complete the price negotiations.

Programs: Jay Winter distributed the executive summary pages of the Willis Corroon county visits describing the strengths of the Clallam, Island and Mason County programs and suggestions for improvement. Jay also distributed a proposal from Vivid Concepts, Inc. of Richland for computer-based training on OSHA compliance topics. The company developed the training for workers at the Hanford Reservation. Finally, Jay discussed and distributed a list of 1997-98 training for public works, law enforcement/corrections, and general government, including employment practices.

PREPARATION FOR ANNUAL BOARD MEETING:

Nominating Committee: Mike Shelton reported the names of persons who had expressed interest in serving on the Executive Committee, and asked if there were other interested persons. There are three open positions for the three-year period starting October 1, 1997, and a vacancy on an unexpired term through September 30, 1998. The committee will

nominate the following persons (listed alphabetically): Richard Brown (Whitman), Claude L. Cox (Spokane), David Goldsmith (Jefferson), Spence Higby (Okanogan), Judy Wilson (Thurston), and Ron Zirkle (Yakima). The committee will recommend that the top three candidates be elected for three-year terms, and the fourth place finisher finish the unexpired term.

Reserves: Vyrle Hill stated that he will propose an amendment to the underwriting policy regarding the 85% confidence level.

Joint Self-Insurance Liability Policy: Spence Higby moved to recommend accepting the revision language suggested by attorney Bill Hight. The motion was seconded by Mary Jo Cady and approved.

Administrative Budget: John Crawford briefly highlighted administrative budget requests for next year. Cost of living increases are 2.24%. The training budget is revised and increased, and the claims budget requests \$25,000 for pre-defense reviews professional services.

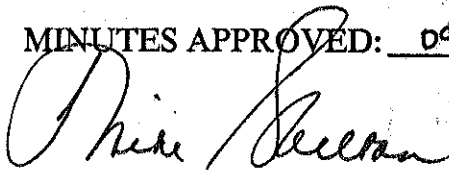
OTHER BUSINESS:

Skid Car Grants: John reported that Spokane County is getting ready to go forward with its skid car program.

Future Meetings: The Board Summer Workshop and Annual Meeting is Thursday and Friday, July 17th and 18th, 1997 at the Enzian Inn in Leavenworth. The next Executive Committee meeting is Thursday, September 18th at the WestCoast Sea-Tac Hotel in SeaTac.

The meeting was adjourned at 5:46 p.m.

MINUTES APPROVED: 09 / 18 / 97



Mike Shelton, President
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Attest: 
Dick Dixon, Secretary