

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE**

MINUTES

**9:30 a.m. Thursday, December 3, 1998
WestCoast Sea-Tac Hotel, SeaTac**

ATTENDANCE:

President – Mary Jo Cady, Mason County Commissioner
Secretary/Treasurer – R. S. Zirkle, Yakima County Chief Deputy Prosecuting Attorney
Executive Committee –

Marilyn Breckel, Skamania County Administrative Coordinator
Dick Dixon, Grays Harbor County Commissioner
David Goldsmith, Jefferson County Deputy Director of Public Services
Steve M. Lowe, Franklin County Prosecuting Attorney
Mike Shelton, Island County Commissioner
Melina Wenner, Benton County Risk Manager
Judy Wilson, Thurston County Commissioner

Broker – Mike Croke, ARM, Vice President, Willis Corroon of Seattle
Actuaries – Kevin L. Wick, FCAS, MAAA, Director, PricewaterhouseCoopers LLP
Craig J. Scukas, FCAS, MAAA, Senior Consultant, PricewaterhouseCoopers LLP
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 9:33 a.m. by President Mary Jo Cady who welcomed all in attendance and noted that a quorum was present.

APPROVALS:

Agenda: The agenda was approved as printed.

Minutes: Mike Shelton moved to approve the minutes of the September 17th Meeting in SeaTac. The motion was seconded by Steve Lowe and approved.

Vouchers: Mike Shelton moved to approve the vouchers. The motion was seconded by Judy Wilson and approved.

REPORTS:

Board of Directors: The minutes of the October 22nd Autumn Meeting of the Board of Directors were included in the materials.

Underwriting Committee: Steve Lowe and Marilyn Breckel reported that the committee had had a conference telephone meeting in November and wanted to focus their work on revisions to the joint self-insurance liability policy and the feasibility of pooling property insurance. The committee will have a second conference call in mid-December and a meeting in February.

Risk Management Committee: David Goldsmith reported that he will be meeting with Jay Winter to review committee issues regarding the membership compact and developing model pool policies. David has also been discussing employment practices liability with the Littler Mendelson law firm regarding an opinion letter on who the county employer is and a personnel policy review by the law firm. The committee will have at least one conference call before the next board meeting.

Executive Director: John Crawford reported that Clark County is still interested in receiving a quote from us. Judy Wilson asked that Clark County provide a claims history for 5 or 10 years, which could be reviewed by the reinsurers.

Finances: John Crawford reported that the annual state financial audit will be performed this month.

Claims: Alicia Johnson updated the committee on each of the large loss cases from the seventh, eighth and ninth policy years. Of the twenty-five cases, 3 were EPL and 5 were AL, with the rest GL. 8 have been closed, with the rest open. 13 arise out of the Sheriff's office and 6 from public works departments. All cases come from counties that joined the Risk Pool in the first year.

Programs: Jay Winter reported that the Risk Pool was developing a traffic safety flagging certification program for flagging county road construction.

Reinsurance: Mike Croke said that the reinsurance certificates had been received.

Member Counties: Judy Wilson reported a newspaper letter to the editor where a person wrote that a driver should sue the county for a million dollars after a rear-end auto accident. Ron Zirkle said that the county gained a summary judgment of dismissal on a suit involving an arson fire after a no-contact order.

DISCUSSION AND ACTION:

Claims Audit Report: PricewaterhouseCoopers actuaries Kevin Wick and Craig Scukas provided copies of the PwC claims audit performed in November. The audit was performed to evaluate the efficiency and effectiveness of the Risk Pool in handling liability claims for the Pool's members. The claims auditor found that claims are being handled in a timely and efficient manner. Superior marks were given in litigation management, settlements and check issuance. Areas of concern included field investigations, claims file documentation and overall reporting of claims and claim status to the Pool. Recommendations were made in the body of the report. Executive committee members thought that regional training of county claims administrators would be helpful.

Reserve Review: PricewaterhouseCoopers also reviewed Risk Pool losses and reserves as of September 30, 1998 and calculated indicated IBNR reserves and ultimate losses. For the ten year period, the Risk Pool has paid \$16 million in losses and reserved an additional \$6 million for future loss payments. PwC calculated that IBNR reserves should be an additional \$9 million plus \$0.6 million in unallocated loss adjustment expenses. The finance committee will review the report and consider whether a retroactive assessment should be recommended.

OTHER BUSINESS:

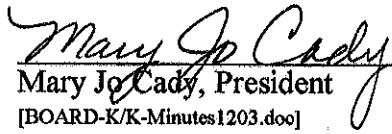
Future Meetings:

Winter Board Meeting – Thursday, February 4, 1999 at Hilton Seattle Airport.

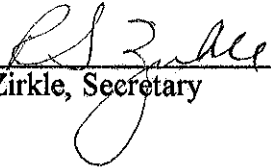
Executive Committee Meeting – Thursday, March 25, 1999 at WestCoast Sea-Tac Hotel.

With no further business, the meeting was adjourned at 1:32 p.m.

MINUTES APPROVED: 3 125 199



Mary Jo Cady, President
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Attest: 

R. S. Zirkle, Secretary