

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE**

MINUTES

9:30 a.m., Thursday, March 19, 1998

WestCoast Sea-Tac Hotel, SeaTac

ATTENDANCE:

President - Dick Dixon, Grays Harbor County Commissioner
Secretary/Treasurer - Mary Jo Cady, Mason County Commissioner
Frank A. Bishop, Cowlitz County Budget Director
Steve M. Lowe, Franklin County Prosecuting Attorney
Mike Shelton, Island County Commissioner
David Goldsmith, Jefferson County Deputy Director of Public Services
Spence Higby, Okanogan County Commissioner
Judy Wilson, Thurston County Commissioner
Ron Zirkle, Yakima County Chief Deputy Prosecuting Attorney

Broker - Mike Croke, Vice President, Willis Corroon of Seattle
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 9:30 a.m. by President Dick Dixon who welcomed all in attendance. Committee members introduced themselves and the President noted that a quorum was present.

COVERAGE DETERMINATION APPEAL: The Executive Committee heard the appeal of Whitman County Auditor Eugenia Goldsworthy requesting Risk Pool Joint Self-Insurance Liability coverage in her defense in Whitman County Superior Court No. 98-2-00004-8 titled *Whitman County vs. Goldsworthy*. Appellants Eugenia Goldsworthy and her husband Robert Goldsworthy were present and represented by attorney Brad A. Plumb. The Risk Pool was represented by attorney Robert A. Radcliffe.

The appellants had three bases for the appeal:

1. The Risk Pool's decision to deny coverage violates the appellants' right to due process under both the state and federal constitutions because it takes mere allegations in a civil pleading as "fact" without requiring even a minimalist evidentiary hearing.
2. The Risk Pool is acting in bad faith because the appellant, as a high county official, is entitled to a presumption that she was acting in her official capacity.
3. The Risk Pool's decision is contrary to state law because it reverses the presumption of sovereign immunity.

The Executive Committee considered written copies of the following:

March 2, 1998 amended letter of appeal of attorney Brad A. Plumb

February 23, 1998 letter of appeal of attorney Brad A. Plumb
February 11, 1998 denial of coverage letter of Ed Fridenstine
February 10, 1998 coverage letter of Robert A. Radcliffe of Karr Tuttle Campbell
"Complaint" in *Whitman County vs. Goldsworthy*, No. 98-2-00004-8
"Answers to Complaint and Counterclaims" in *Whitman County vs. Goldsworthy*
Board of Whitman County Commissioners Decision of August 19, 1997
July 15, 1997 letter: *WHAT IS HAPPENING IN WHITMAN COUNTY, WASHINGTON*
Article 8 of Risk Pool Bylaws regarding "Coverage Determination and Appeal"
Risk Pool Joint Self-Insurance Liability Policy No. 9697-RISKPOOL-WMCO
Washington State Constitution, Article VIII, Section 7
RCW 4.96.041
RCW 36.16.050
RCW 36.32.120 and 330
RCW 36.33.200
RCW 42.24.110

After the Executive Committee heard the evidence, testimony of Mrs. Goldsworthy, argument and legal authority from attorneys Brad A. Plumb and Robert A. Radcliffe, the appellants asked for a short recess. After the recess, the appellants requested that they be allowed to withdraw their appeal to proceed through proper channels. The request was granted and the hearing concluded.

REPORTS and APPROVALS:

Risk Management Committee: Risk Management Committee Members Betty Kemp, John Nacht, Melina Wenner and Dave Zeretzke reported that the Risk Management Committee met December 10th, January 23rd and March 6th in SeaTac. The committee recommended that member counties renew their commitment to reduce the frequency and severity of losses through a membership compact emphasizing risk management practices, on-going targeted training and membership involvement. Risk management practices include county risk manager assignment with specific responsibilities consistent with Risk Pool board policies, county loss control evaluation updates, and completion of the Willis Corroon risk control analysis. On-going targeted training includes Risk Pool board selection of annual "targets" for training, Risk Pool and member support of a reasonable level of member county participation, and annual targeted training review. Membership involvement includes representation at Risk Pool board meeting(s), elected official Risk Pool orientation, and an annual Risk Pool presentation to county officials. The compact would be implemented by revisions to the risk management policy, administration of the compact through the Risk Pool Programs Manager, and annual review of attainment of compact goals. After discussion, Mike Shelton moved to authorize the committee to make a presentation at the Spring Board Workshop. The motion was seconded by Mary Jo Cady and approved.

Underwriting Committee: Underwriting Committee members David Goldsmith, Steve Lowe and Ron Zirkle reported that they had met on December 11th with actuary Kevin Wick to discuss possible methodologies for experience rating modifications. The committee also reviewed underinsured motorist liability during a conference call on March 16th. Coopers & Lybrand actuary Kevin Wick presented his proposed experience rating model. Key model parameters include using a five year experience period, losses limited to the first \$100,000 in the pooled layer, and 10% weight on loss experience. He remarked that the rating model rewards good performers, emphasizes stability and risk sharing, is an additional tool for individual members and is objective. Steve Lowe moved that the Executive Committee recommend, effective for the policy year starting October 1, 1998, that the Pool incorporate an experience rating modifier as

presented, and to authorize the Underwriting Committee to make a presentation at the Spring Board Workshop. The motion was seconded by Mike Shelton and approved with one abstention.

Skid Car: A question was asked whether Spokane County has implemented its \$25,000 grant for the skid car. Judy Wilson moved to direct staff to send a letter to Spokane County to request reimbursement of the grant. The motion was seconded by Frank Bishop and approved. Mike Shelton moved that future skid car grants would be allowed only on written order from the requesting county or counties. The motion was seconded by Judy Wilson and approved.

Executive Director: John Crawford recommended modification of the existing actuarial services agreement with Coopers & Lybrand to include additional work and compensation for experience rating, rate making for law enforcement and public works liability, and reserve reviews as of the end of the fiscal year. Frank Bishop moved to recommend revisions in the actuarial services agreement as proposed. The motion was seconded by Mike Shelton and approved.

Minutes: Mary Jo Cady moved to approve the minutes of the December 4th Meeting at SeaTac. The motion was seconded by Mike Shelton and approved.

Board Winter Meeting: The minutes of the February 5th Winter meeting of the Board of Directors was included in the meeting materials.

Financial Report and Vouchers: Mike Shelton moved to approve the financial report and vouchers. The motion was seconded by Frank Bishop and approved.

Claims: Alicia Johnson reported that a retaliation case against the Adams County Prosecuting Attorney had been dismissed by the trial court upon a motion for summary judgment. The plaintiff is willing to forgo her appeal rights if the Risk Pool does not pursue its subrogated right to collect the costs and fees that were assessed by the court. Staff recommends accepting the proposal. The named defendant wants the Risk Pool to pursue recovery of the costs and fees. The sense of the Executive Committee was to accept the proposal because of the possibility of reversal by an appeals court.


OTHER BUSINESS:

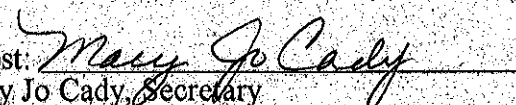
Future Board Meetings: The Spring Board Workshop and Meeting will be Wednesday and Thursday, April 22nd and 23rd at the Holiday Inn in SeaTac. The next Executive Committee Meeting will be Thursday, June 25th at the WestCoast Sea-Tac Hotel in SeaTac.

With no further business, the meeting was adjourned at 1:55 p.m.

MINUTES APPROVED:

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Dick Dixon, President
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Attest: 
Mary Jo Cady, Secretary